

FIVE STEPS TO EFFECTIVE SARBANES-OXLEY COMPLIANCE

Is your organization ready for Sarbanes-Oxley?

The Sarbanes-Oxley Act of 2002 has presented companies with new challenges and requirements. Now, on top of their day-to-day business activities, organizations must create sufficient documentation to analyze and test their processes, risks and controls every year. In addition, companies usually need to create and maintain further documentation as they perform their controls to satisfy auditor requirements.

A company that is complying with Sarbanes-Oxley for the first time must transform into an organization that can effectively, efficiently and predictably satisfy these requirements every year. During this critical first year of compliance, a company will need to:

Understand Your Business 1-2 months

Activities

- Perform risk assessment activities
- Identify key financial reporting elements and processes
- Identify any documentation that can be leveraged

Challenges

- Under/Over identification of key processes and controls
- Lack of, or inconsistent methodologies

Document Processes & Controls 3-6 months

Activities

- Interview process owners
- Create process documentation
- Identify controls that mitigate process risks

Challenges

- Proper identification of process and control data
- Availability of skilled risk management personnel
- Managing change control and documentation consistency

Analyze, Remediate & Improve 1-3 months

Activities

- Perform process and control assessments
- Identify process and control deficiencies
- Remediate deficiencies and update documentation

Challenges

- Proper deficiency identification and remediation
- Reporting assessment and remediation status
- Training people for ongoing SOX compliance

Perform & Monitor Controls 2-3 months

Activities

- Identify key controls subject to monitoring
- Identify and assign monitoring resources
- Train resources to perform and monitor controls

Challenges

- Manual controls monitoring can be time consuming
- Consistently documenting control monitoring results
- People require reminders to perform and monitor controls

Testing & Reporting 3-4 months

Activities

- Determine test procedures
- Develop test plans and execute tests
- Document and report results

Challenges

- Ensuring proper testing coverage
- Developing effective test procedures
- Ensuring testing results are properly captured
- Reporting

10-18 month total project duration

Achieving first-time Sarbanes-Oxley compliance will typically take anywhere from a year to a year and a half. Your specific timeline will depend on the project scope, your project team's experience and the effective use of compliance automation tools.

How to get started

To learn more about us and how we can help you, please call (888) 618-4825, or visit us online at www.vitalinsight.com.