Sarbanes–Oxley Act of 2002
Discussion Document

October 2003

Agenda

- Overview of the Act
- Protectionist's and Transformer's
- The Control Framework
- The Framework Analyzed – Implications for Finance and IT
- What about Disclosures?
- Sarbanes Oxley Program and Offerings
- The Positive Side

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Overview of the Act

SOX – a quick summary

What Legislation that was enacted on July 30th, 2002

Why To restore trust and confidence in corporate accounting and reporting practices

When Certain provisions of the Act are effective immediately while other provisions are to be implemented once the SEC finalizes specific implementation guidance

How

~ Increased responsibilities for Boards and Audit Committees

~ New attestation standards for external auditors

~ New certification requirements for for CEOs & CFOs

~ Increased penalties for wrong doing

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SOX touches the whole organization and often involves external parties

- The Sarbanes-Oxley compliance project engages the whole organization, from the Boardroom to the front-line
- Because of the complexity and independence issues, assessment and implementation will require engaging various external service providers: External Auditors, Consulting Firms, External Law firms, Technology providers, etc.

Technology

Scope

	Governance	Policies & Procedures	Financial Reporting Process	Internal Controls	Financial Systems
Internal Organizations					
- Finance	●	●	●	●	●
- Legal	●				
- HR	●				
- IT	●	●	●	●	●
- Sales		●		●	
- Marketing		●	●	●	
- Audit	●	●	●	●	●
External Organizations					
- Board	●				
- Audit	●	●	●	●	
- Partners		●			
- System Integrators			●	●	●
- Audit Committee	●	●	●	●	●

Process & Technology

Change

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Management focus has been on sections 302, 404, and 906

The CEO/CFO must prepare quarterly and annual certifications that certify:

- He/she has reviewed the report
- The report does not contain any untrue or misleading statement of a material fact or omit to state a material fact
- Financial statements and other financial information fairly present the financial condition
- Responsibility for establishing and maintaining disclosure controls and has performed an evaluation of such controls and procedures at the end of the period covered by the report
- Disclosed to the company's audit committee and external auditors any:
  - significant deficiencies and material weaknesses in internal control over financial reporting ("ICFR") and
  - any fraud that involves personnel that have a significant role in the company's ICFR
- Requires each annual report to contain an "internal control report"
  - States management's responsibilities for establishing and maintaining ICFR
  - States framework used to evaluate ICFR
  - Contains management's assessment of ICFR as of the end of the company's fiscal year
  - States that the company's external auditor has issued an attestation report on management's assessment
- Requires the company's external auditor to report on management's internal control assessment
- Requires companies to take certain actions in the event of changes in controls

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Implications and Considerations – Section 404 delay

On May 27, many companies received welcome news:

- Compliance with Section 404 of the SOX was delayed until the first year ending on or after June 15, 2004
- Most companies now have a full year's reprieve in meeting stringent business process and internal controls requirements

This is allowing companies to consider doing it right the first time. What does this mean?

- Companies are broadening the initial SOX project scope to encompass documentation, assessment, re-design/improvement of controls and implementation of improved financial processes, with many going beyond just the financial reporting process
- Internal teams are being expanded beyond just finance – IT and Operations teams are getting more involved
- Software vendors are now bringing products to market to address compliance and process-driven products to help customers through some of their SOX initiatives
- Companies now have time to more effectively utilize existing features and functions of applications and platforms already in place and change their existing systems to take advantage of this built-in functionality that was not previously implemented

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Next Year's SOX Topic will be Section 409 – Real-Time Disclosures

What	**Real-time reporting of material events that could affect a company's financial performance.**
When	**By 2005**
The Need	**Real-time analytics over batch systems**
	Ability to report on a wide range of events within 48 hours
	Real-time notification and event driven alerts
	Major deep integration of information assets

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Section 409 – Real-Time Disclosures

- **What might fall under this?**
  - Loss of major client (bundled service purchaser or significant component of product portfolio)
  - Increased exposure to “in trouble” industry (significant portion of portfolio)
  - Impact of external party changes (e.g., regulators, auditors)
  - Write-offs of significant number of loans or portfolios
  - Cost over-runs on IT or other major capital project
- **Near real-time computing will be very difficult for IT departments that rely heavily on batch systems.**
- ***Material events will require reporting to interested parties within 48 hours.***

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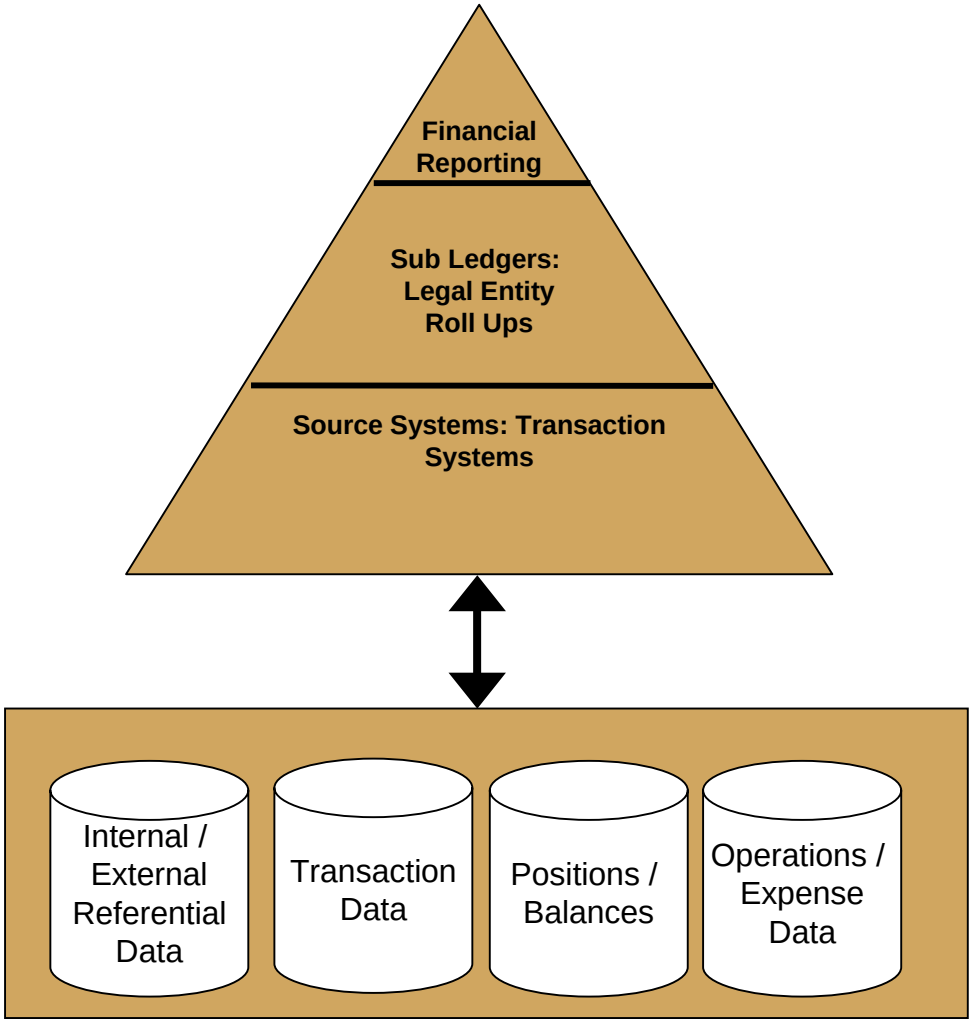
SOX compliance requires a tighter "coupling" of Finance, Operations and Technology functions than ever before!



To comply with SOX requirements, issuers are recognizing the interdependence of finance functions on operations and technology. The Chief Finance Officer may not be be able to comply without the collective efforts of Chief Operating Officer and Chief Information Officer.

Consider the typical organizational responsibilities:

1. processes implemented and maintained by operations are the basis for financial results; and
2. processes generate and update the data maintained and protected by technology.

Therefore, the CEO and CFO certifications are dependent on the proper execution of COO and CIO execution. In time, the SEC may recognize this dependency and require other C-Level executives to join in the certification.

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Implications and Considerations

- Accountabilities and consequences are much clearer
- Accuracy, timeliness, transparency and completeness of financial reports is critical
- Responsibility for effective implementation not only rests with the finance organization but also with executive and operational management
- To support the new requirements, new and/or enhanced processes, training & technology will need to be implemented
- Requirements are here to stay

The Bottom Line: *'Should Have' is now 'Must Have'*

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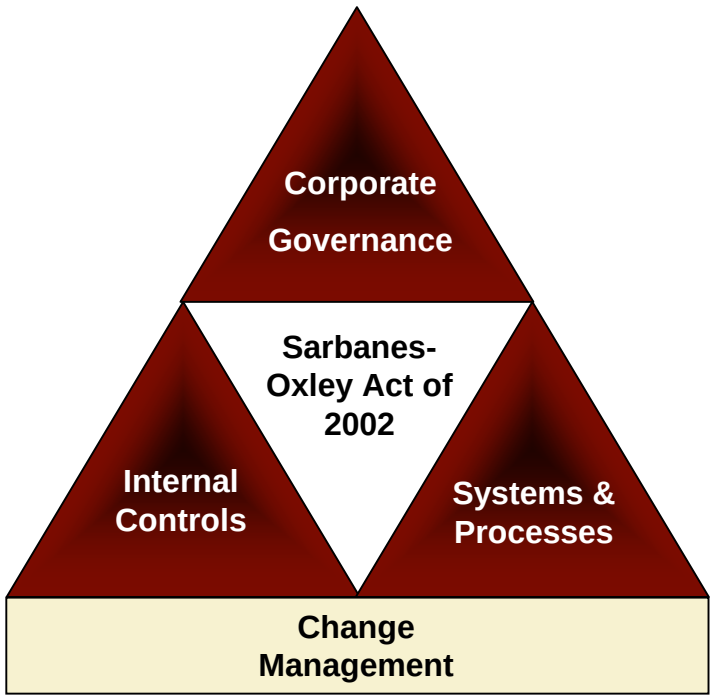
Protectionists and Transformers

Meeting the SOX requirements is top of mind

Meeting the requirements of the Sarbanes-Oxley Act of 2002 is on the agenda of every public company.



- **Corporate Governance** – focus on roles, responsibilities and composition of the boards and audit committee.
- **Internal Controls** – focus on assessing the internal control environment. Recommendations to address control risk areas as well as policies and procedures to improve the overall control environment.
- **Systems & Processes** – focus on analyzing and implementing improvements in the end-to-end "journey" of financial information from source to 10K / 10Q.

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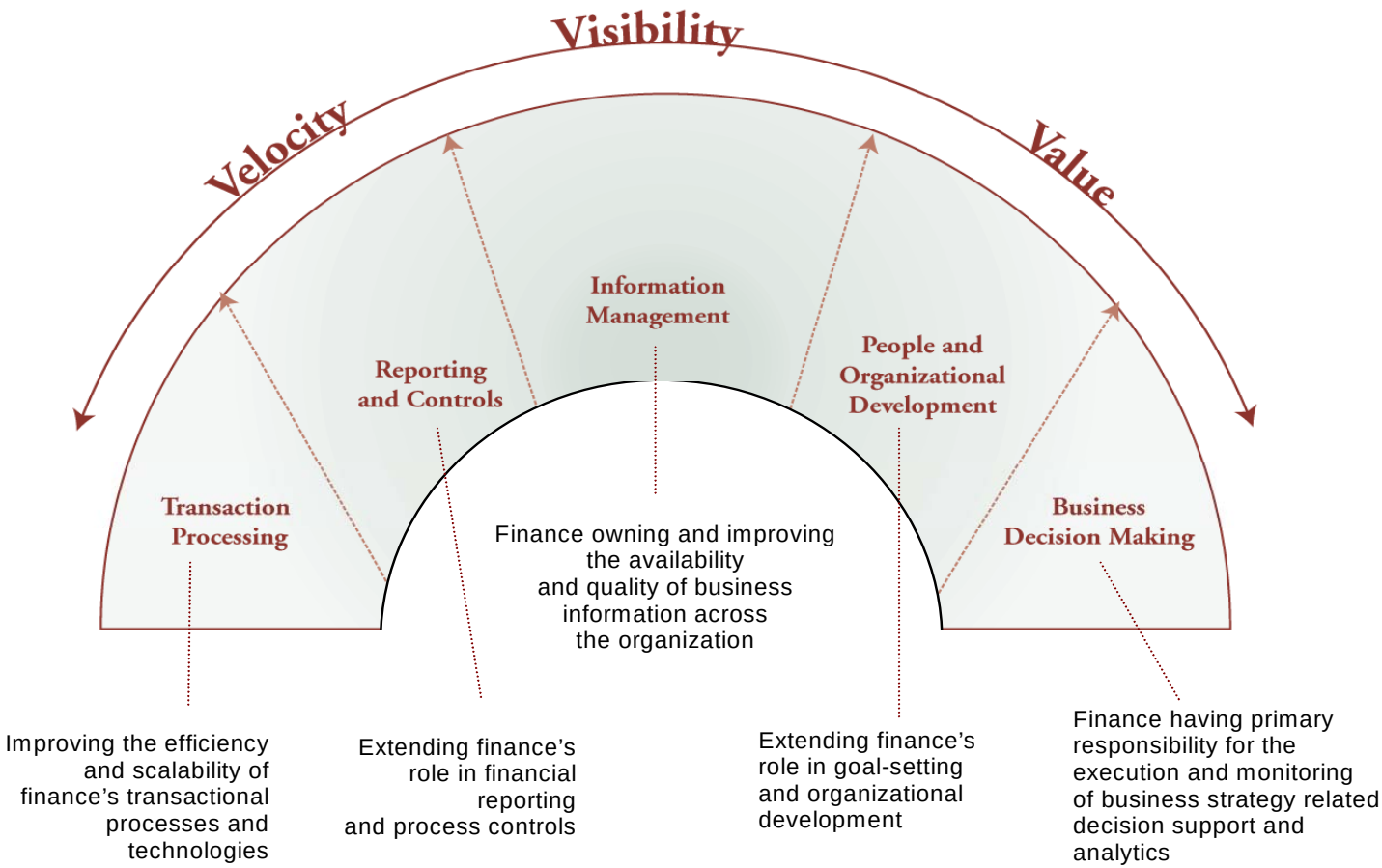
Further opportunities exist

However,don't lose sight of the need for comprehensive integration:



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Two approaches have emerged in the marketplace

Protectionists

- **Majority (>80%) approach**
- **Achieved 302 compliance**
- **Focused assessment for 404 compliance**
- **Targeted remediation**
- **Targeted use of technology (e.g., auditor tools for self assessment)**
- **Few functional disciplines involved (e.g., Finance, Legal, Audit)**

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Two approaches have emerged in the marketplace

Transformers

- **Recognize opportunity to make real change in Finance**
- **Targeted activities aligned with SOX timeline (302, 404, 409, etc.), multi phase approach**
- **Extend remediation activity to include document management**
- **Expanded use of technology as part of overall program**
- **Multi discipline effort**

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What companies must focus on

- Large project management
- Finance leadership with appropriate buy-in
- Compliance plus improvement focus
  - Closing cycle
  - Planning, budgeting and forecasting
  - Internal and external reporting
  - Optimal finance organization structure
- Broadly consider technology implications -
  - Financial systems architecture
  - ERP/transactional systems
  - Analytical and information delivery solutions
  - Enabling compliance tool
- Other sections of SOX (e.g., section 409-real time issuer disclosure)

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The Control Framework

The Control Framework that is most widely used is based on COSO

The final 404 rules require that each company state in their annual internal control report the framework that was utilized to perform the evaluation of internal control over financial reporting. The only recognized US developed framework is COSO.

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Controls will be accessed against the COSO elements

COSO Element	Explanatory comments	Implications and Considerations
I. Control Environment	• Sets the tone of an organization, influencing the control consciousness of its people.Foundation for all other components of internal control. • Factors include the integrity, ethical values and competence of its people, management's philosophy and operating style; the way mgmt. assigns authority and responsibility and organizes and develops its people; and the attention and direction provided by the board of directors	• Perform documentation and testing early — Engages executive and senior management; — Provides foundation for other control components — Positive results can influence the nature, timing and extent of external auditor testing of controls
II. Risk Assessment	• Risk assessment is the identification and analysis of relevant risks to achievement of the objectives, forming a basis for determining how risks should be managed. • A precondition to risk assessment is establishment of objectives, forming a basis for determining how risks should be manage	• Focus on key risk areas during the piloting and the initial roll-out stages. — Areas where there have been past problems — Judgemental areas — Financial Reporting/Closing cycle — New processes, businesses etc — Manually intensive areas • Ensure scope of effort is appropriate, has been well documented and is approved.
III. Control Activities	• Policies and procedures that help ensure that management directives are carried out. Help ensure that necessary actions are taken to address risks to achievement of the entity's objectives. • Include a range of activities as diverse as approvals, authorizations, verifications, reconciliation, reviews of operating performance, security of assets and segregation of duties.	• Many of the latest ERP systems have a significant number of 'built in' internal controls. Ensure those controls are being considered and are being properly utilized. • Many companies are re-looking at standardizing and consolidating business processes and supporting technologies to enable a more effective and efficient control environment.

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COSO Control Components

COSO Element	Explanatory comments	Implications and Considerations
IV. Information and Communication	• Pertinent information must be identified, captured and communicated in a form and timeframe that enables people to carry out their responsibilities. • Pertinent information includes financial as well as non-financial information relating to external as well as internal events and activities. • Effective communication must also occur in a broader sense, flowing down, across and up the organization. There also needs to be effective communication with external parties such as customers, suppliers, regulators and shareholders.	• Information captured and disseminated must possess the 3 R's-relevant, reliable and readily available and be delivered in a timely fashion. • Many companies are re-reviewing existing data sets, information and reports that are disseminated to internal and external constituents. Additionally, business intelligence software alternatives are being considered. KPIs as early warning signs are more important then ever. • Review and make improvements to planning, budgeting and forecasting and monthly closing processes to ensure objectives of this component are met.
V. Monitoring	• Internal control systems need to be monitored– a process that assesses the quality of the system's performance over time. • This process involves assessment by appropriate personnel of the design and operation of internal controls on the suitably and the taking of necessary actions.	• Ensure that at the end of year one a post mortem is done of the 404 project. Review in detail what the project team did and determine how those activities can be operationalized through self-assessment and other activities for next year. Document roles and responsibilities and obtain appropriate buy-in. • Utilize a technology enabler that will last and will be properly supported into the future • Engage IT resources in the selection decision. Given the deadline delay, purchase a enterprise scale tool in year one.

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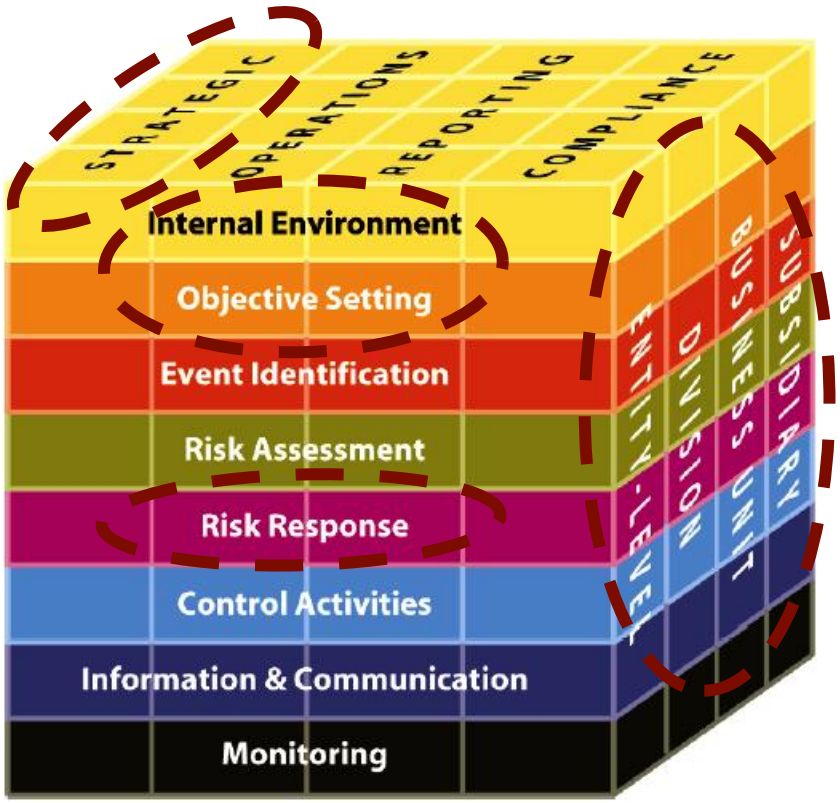
COSO Framework Modifications under Consideration

The final 404 rules require that each company state in their annual internal control report the framework that was utilized to perform the evaluation of internal control over financial reporting. The only recognized US developed framework is COSO.
The COSO Integrated Framework is currently undergoing revision and is publically available for comment from July 15 – October 14, 2003.



Proposed Changes (additions) to the three-dimensional matrix:

Objectives:
- Strategic

Components:
- Internal Environment
- Objective Setting
- Risk Response

Entity and its Organizational Units
- More specific as to breakdown of units

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Key Elements of the Proposed COSO Framework

Internal Environment
Risk Management Philosophy – Risk Culture – Board of Directors - Integrity and Ethical Values – Commitment to Competence – Management's Philosophy And Operating Style – Risk Appetite – Organizational Structure – Assignment of Authority and Responsibility – Human Resource Policies and Practices

Objective Setting
Strategic Objectives – Related Objectives – Selected Objectives – Risk Appetite – Risk Tolerance

↓

Event Identification
Strategic Objectives – Related Objectives – Selected Objectives – Risk Appetite – Risk Tolerance

↓

Risk Assessment
Inherent and Residual Risk – Likelihood and Impact – Methodologies and Techniques - Correlation

↓

Risk Response
Identify Risk Responses – Evaluate Possible Risk Responses – Select Responses – Portfolio View

↓

Control Activities
Integration with Risk Response – Types of Control Activities – General Controls – Application Controls – Entity Specific

Information and Communication
Information – Strategic and Integrated Systems - Communication

Monitoring
Separate Evaluations – Ongoing Evaluations

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The end result is a stronger, more efficient, controlled, value oriented Finance function

The CFO & CIO must strike a balance between the Process and Integration initiatives that turn…, compliance into competitive advantage

"Leading Practice"

• Automated processes ✓ Certification ✓ Control Self Assessment • Continuous close • Workflow generated tasks (review / remediation) • Use of Key Performance Indicators (KPIs) • Dashboard reporting ✓ Control testing ✓ Compliance results ✓ Personalization	• Active controls repository which is workflow enabled provides personalized reporting • Integrated processes and work activities driven by key controls and key performance indicators • Financial systems architecture • Continued optimization of financial personnel, processes and technologies
• Manual documentation repository ✓ Controls self assessment ✓ Policies & Procedures • Hard close • Manual / batch interfaces between systems • Manual visibility of controls • Manual testing • Minimal use of technology enablers	• Automated financial controls ✓ Background monitoring ✓ Alarms / Alerts ✓ Messaging • ERP controls enabled • Dynamic interfaces between systems • Integrated documentation and self assessment system • Workflow integration

Process Efficiency

"Minimum SOX Compliance"

Operational / Financial Transparency

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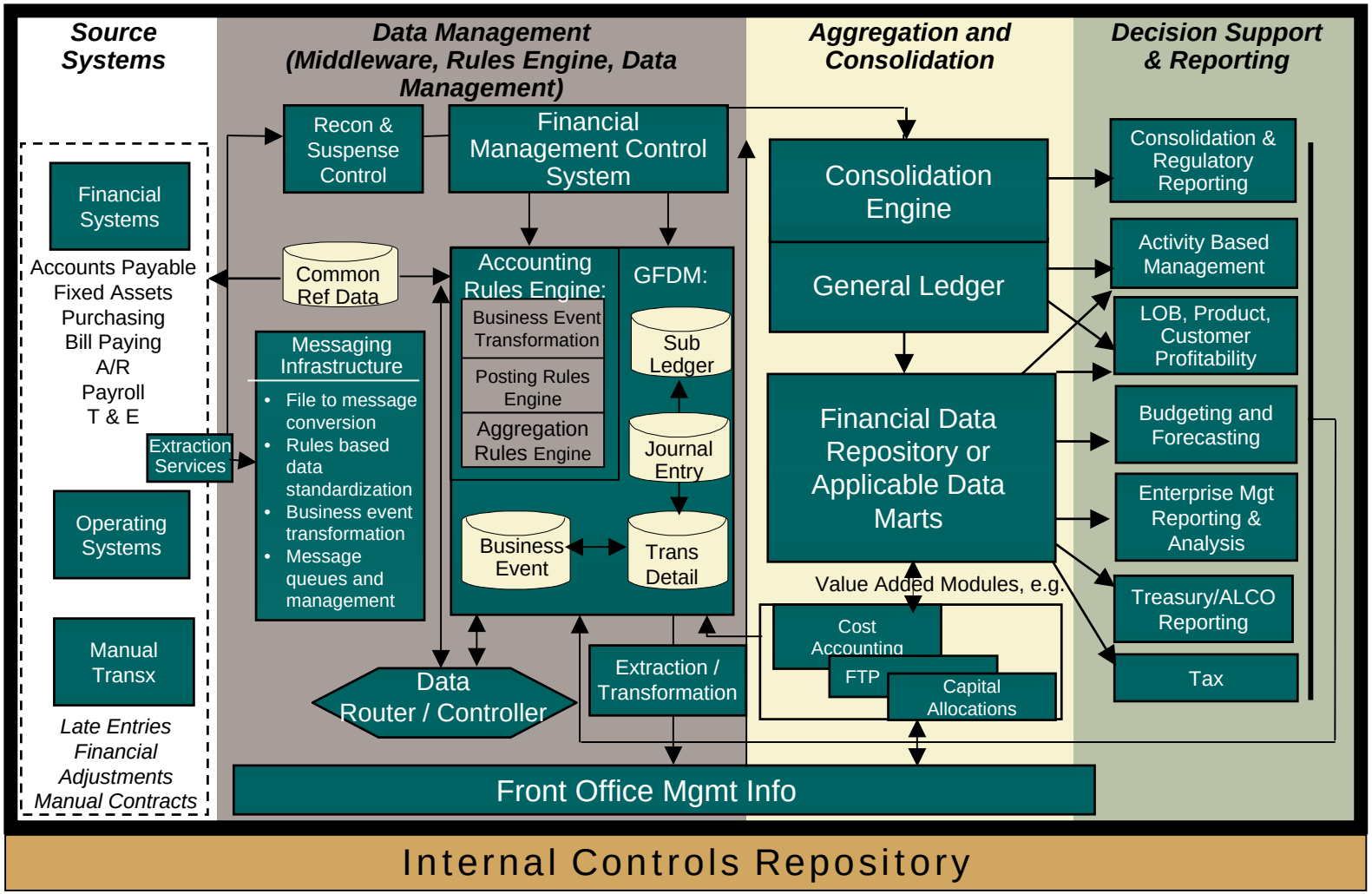
The Framework Analyzed – Implications for Finance and IT

Control must be applied across the Financial Systems environment

The Financial Systems Perspective



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Each layer of the Financial Systems Architecture must address SOX requirements

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Source Systems	SOX Attributes	Issues
Financial Systems Accounts Payable Fixed Assets Purchasing Bill Paying A/R Payroll T & E Operating Systems Manual Transx *Late Entries* *Financial Adjustments* *Manual Contracts*	**Requirements** • Reconciliation of source system data to sub-ledger data • Transactions traceable to source materials • Internal and external transaction approval • Maintenance of source materials • Timeliness in system updates **Considerations** • Automated vs. Manual transaction data capture • Completeness of transaction information captured in systems • Security profiles for user entry vs. approval of transactions • Review of “pipe-line” information (items being considered, but not in transaction systems)	• Lack of key controls in: ✓ Data entry ✓ Transaction approval ✓ Data integrity across systems • System workflow capabilities do not match current business practices • Extensive manual review and approvals not captured in systems • Missing attributes for current and future reporting requirements • Extensive system customizations with undocumented purposes • “Non-financial” systems excluded from reviews • Reconciliations not completed, or visible to management prior to book close

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Each layer of the Financial Systems Architecture must address SOX requirements

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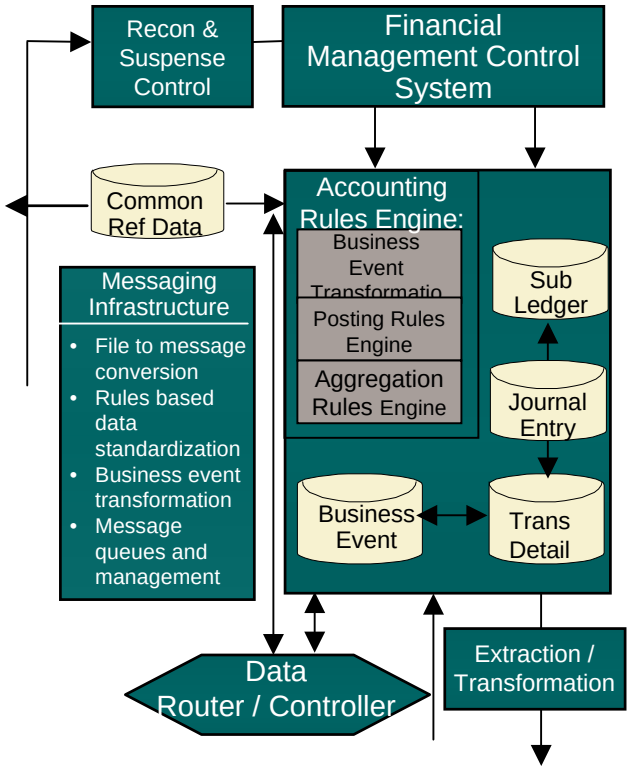
Data Management



SOX Attributes

Requirements

- Reconciliation of sub-ledger to G/L balances
- Structured technology and business change management

Considerations

- Data Transformation
  - ✓ Rules documentation
  - ✓ Event triggers
  - ✓ Frequency monitors
- Automated data and controls validation
- Manual interfaces

Issues

- No standard controls for transformation processes, including manual transformations
- Data integrity across transformation engines
- Undocumented data transformation purposes
- Lack of workflow enabled tasks driving corrective action
- No real-time monitoring, notification or messaging capabilities
- Reconciliations not completed or visible to management prior to book close

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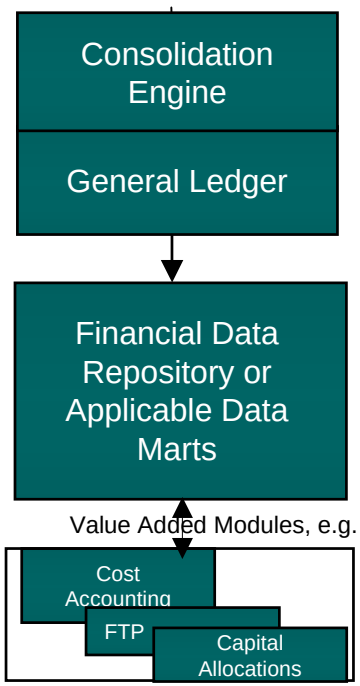
Each layer of the Financial Systems Architecture must address SOX requirements

Aggregation & Consolidation



SOX Attributes

Requirements

- Reconciliation of G/L data:
  - ✓ Data Marts
  - ✓ Consolidated results
  - ✓ Regulatory reporting

Considerations

- Data consistency in consolidation systems
- Self assessment

Issues

- Limited reconciliations performed between G/L and marts
- "No-single source of truth" for financials
- Do not leverage ERP controls
- Limited resolution support for data integrity issues
- No real-time monitoring and notification messaging
- Data integrity issues due to multiple sources and/or multiple data structures

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Each layer of the Financial Systems Architecture must address SOX requirements

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Decision Support & Reporting

- Consolidation & Regulatory Reporting
- Activity Based Management
- LOB, Product, Customer Profitability
- Budgeting and Forecasting
- Enterprise Mgt Reporting & Analysis
- Treasury/ALCO Reporting
- Tax

SOX Attributes

Requirements

- Accurate and timely information for
  - ✓ Management reporting
  - ✓ Regulatory filings
  - ✓ Planning & Forecasting
- Reconciliations between data marts for different purposes (i.e., revenue analytics, tax, compliance)
- Change management controls over corporate and end-user reporting tools

Considerations

- Identifying new control procedures and/or changes in control effectiveness using reporting tools
- Extensive manual management reporting (not supported by corporate systems)

Issues

- No “Single source” of reporting data
- Extensive “end-user” computing / reporting for published reports
- Disparate management reporting systems by business unit or function
- No visibility into controls information (for section 302 and 404) other than manual compilations
- Personalized dashboard reporting not enabled due to extensive manual reporting

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Each layer of the Financial Systems Architecture must address SOX requirements

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Controls Repository

Internal Controls Repository

SOX Attributes

Requirements
- Self & control risk assessments
- Policies & procedures capture
- Depict and store process flows and narratives
- Updated documentation
- Security

Considerations
- Archive management and auditor testing materials
- Project management of assessment processes
- Integration into architecture
- Support of reporting requirements

Issues

- Inability to support monitoring of controls
- No integration into financial architecture
- Stale documentation
- Limited self assessments and training support
- Limited business intelligence or reporting capabilities
- Unscalable and unsecured solutions

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What will you need to do

- Establish common standards
- Manage by exception
- Create data marts to support dynamic quick reporting needs
- Create management dashboards with triggers for events
- Identify manual and automated controls to capture and disclose significant events in required timeframe
- Integrate systems and move to more centralized Web-based environments to shorten timeframes and improve control information
- Determine disclosure standards and identify and catalog significant events
- Drive disclosure procedures into 404 controls process and policies

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Leverage Best Practices/Trends in Financial Controls and Reporting

- Regular closing of feeder systems (AP, AR, PR) into GLs
- Common COA across GLs
- Powerful financial consolidation solution with seamless integration to GLs
- Continuous inter-company reconciliation/posting of transactions
- Top-line adjustments in financial consolidation system vs. GLs
- Migrating from distributed to centralized, Web-based financial consolidation and reporting solutions
- Flash reporting of KPIs throughout the reporting period (sales, gross margins, major expense lines, etc.)
- Web-based reporting of results internally – self-service Finance
- Electronic submissions to external stakeholders (i.e. XBRL)
- Integration of reporting with planning, scorecarding and business modeling systems for continuous performance management

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What about Disclosures?

Disclosures: Problem Statement

Most disclosure drafting and publication processes are manual and ad hoc. Generally, limited structure and controls are in place to ensure all the appropriate parties have been involved in the drafting, review and approval of the disclosure to be made and the supporting materials. The SEC is phasing in accelerated filing requirements for 10K and 10Qs. The current requirements are:

For Fiscal Years Ending On or After	Form 10-K Deadline	Form 10-Q Deadline
December 15, 2002	90 days after fiscal year-end	45 days after fiscal quarter-end
December 15, 2003	75 days after fiscal year-end	45 days after fiscal quarter-end
December 15, 2004	60 days after fiscal year-end	40 days after fiscal quarter-end
December 15, 2005	60 days after fiscal year-end	35 days after fiscal quarter-end

Additionally, Sarbanes-Oxley Section 409 (Real-time Issuer Disclosures) requires greater speed of disclosures for what are off-cycle disclosures

- "…disclose to the public on a rapid and current basis such additional information concerning material changes in the financial condition or operations of the issuer…"

Finally, other Section 408 (Enhanced Review of Periodic Disclosures by Issuers) of the Act will require better management of disclosure materials even after issuance:

- "…commission shall review disclosures made by issurers [….] no event shall an issuer […] be reviewed under this section less frequently than once every 3 years…"

Client organizations need an effective process to manage on-cycle and off-cycle disclosures. These requirements span from the identification of "trigger events" to publication.

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Disclosure Processes and Controls must be a specific area of focus for organizations

Disclosure processes within organizations must be defined in the appropriate corporate policies with the appropriate supporting procedures. The Disclosures Program includes:

- Establishing appropriate organization structure with defined
  - Objectives
  - Scope
  - Roles & Responsibilities
- Additionally, support disclosure processes with tools that enable:
  - **Workflow Management** – will ensure that appropriate reviews and documented approvals, questions or issue are managed
  - **Drill-down to supporting to detail** – will ensure that there are “no surprises” relating to disclosures after they are made
  - **Version Control** – will ensure that all parties are working on the most current documents
  - **Archiving** – will ensure that all supporting materials are maintained / archived for a period of at least 3 years (potentially longer) for any disclosures made or not made

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Best Practices for Disclosures

Philosophy

Disclosure driven by not only the law, but by what investors need to know

- Full compliance with appropriate regulatory filing requirements (e.g., SEC, OFHEO, FDIC, OSHA, IRS, DOL)
- Meaningful voluntary disclosures, based upon defined qualitative and quantitative measures, of interest to investors
- Transparency of information reported to ensure parity between internal and external shareholders for investment decision making
- "Plain English" disclosures goal: making complex business activities understandable for the average investor
- Disclosure of key transactions, purpose and effect

Consistency in disclosure content and messaging

People

Active participation by senior management

Disclosure Committee and Officer role

- Balanced support / experience in Accounting, Accounting Policy, Investor Relations, Corporate Communications and Legal matters

Corporate Code of Ethics communicated throughout the company

- Messages from Senior Management requiring integrity in all aspects of business operations

Communication of the company's governance and disclosure culture

- Messages from Board and Audit Committee Chairmen on importance of internal controls, disclosures and documentation
- Audit Committee reviews the organizations control monitoring activities to assess compliance with the company's disclosures and internal controls
- Continuous (formal and informal) training on governance and disclosure processes and requirements

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Best Practices for Disclosures (cont.)

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Processes and Controls

Structured disclosure process with accountability and responsibilities clearly defined

- Utilization of checklists to drive content creation, gathering and life-cycle management
- Use of financial statement checklists
- Periodic attestations of controls and reconciliation of financial results
- Clearly defined review and approval responsibilities

Effective project management tools and techniques

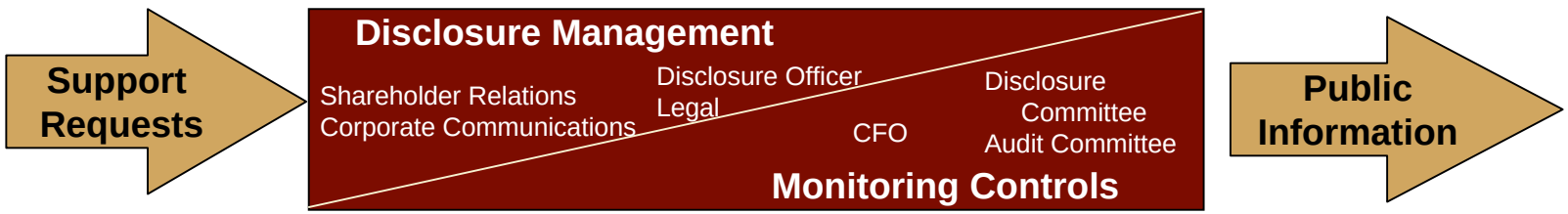
- Use of standard timeline templates with data/information due dates and formats

Balanced control environment

- Ensure senior management awareness and involvement of critical disclosure decisions
- Controls and archives for information deemed “not-for-disclosure”

Effective communication mechanisms with processes to:

- Allow employees to submit questions / concerns around disclosures
- Support information requests and interaction with external parties



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Best Practices for Disclosures (contd.,)

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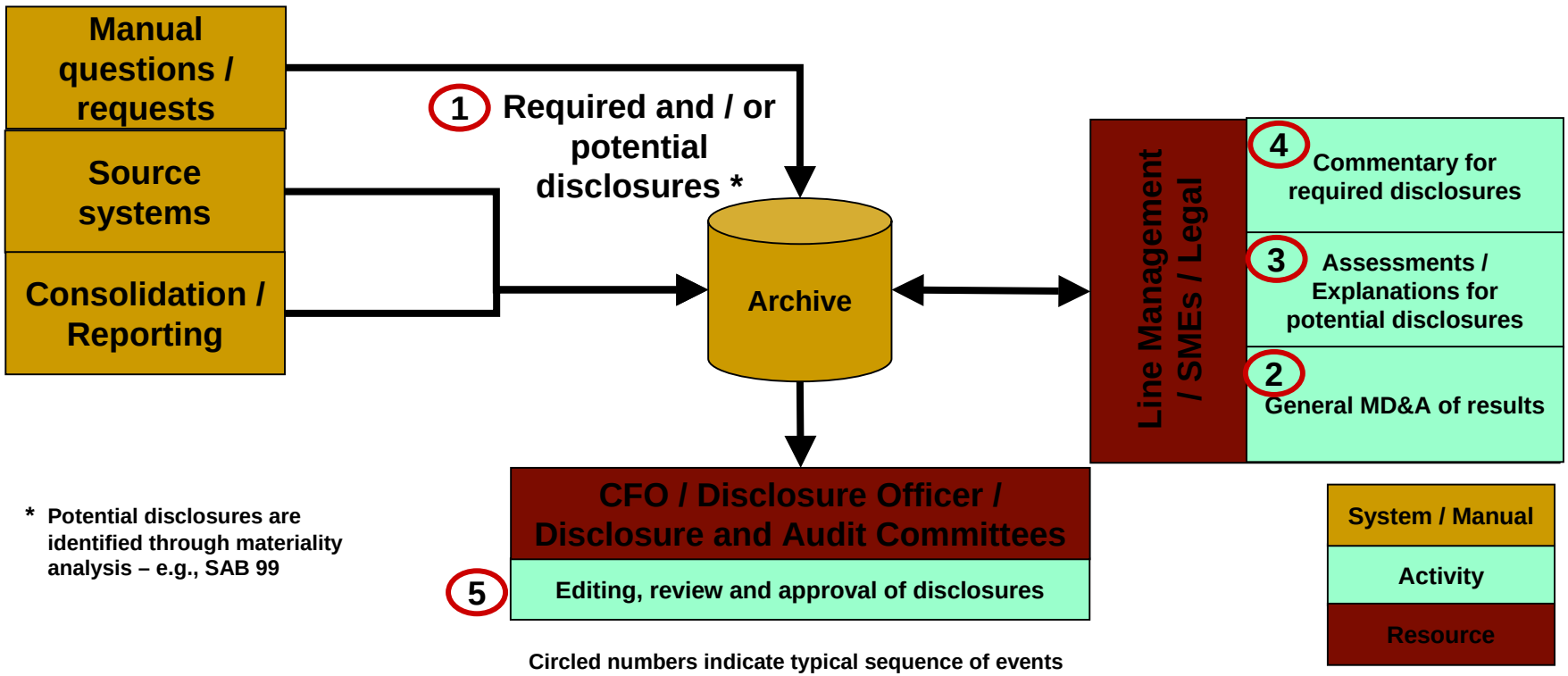
Technology

Disclosures are managed in a system/tool, with appropriate level of drill-down capabilities

Authoring, review and approvals are based upon type of disclosure (tax, regulatory, legal, compliance etc..)

Transparency and auditability of reported information

Information is detailed, substantiated and easy to find



* Potential disclosures are identified through materiality analysis – e.g., SAB 99

Circled numbers indicate typical sequence of events

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The SOX Program and Offerings

BearingPoint's Comprehensive Approach

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Phase I Plan

- **Education and training**
- Determine SOX governance and establish a PMO
- Dedicate resources and formalize roles and responsibilities
- **Establish steering committee**
- Determine control template standards and use of enabling technology
- **Conduct risk-based scoping exercise: material businesses,locations, accounts, disclosures etc**
- **Meet with int./ext. auditors on 302 and 404 plans**
- **Prepare communications plan**
- **Develop detailed project plan & obtain approvals**

Phase II Document / Assess

- Document, review and assess the control environment in accordance with selected framework
- Document remaining framework control components
- Review disclosures, accounts and footnotes from SEC filings
- Review key acctg policies with sr. mgmt. and audit committee
- **Review financial systems architecture and key data flows**
- **Perform gap analysis of controls, architecture and key financial processes**
- **Document risks and opportunities for improvement**
- Communicate findings to external auditor and begin prelim. auditor testing

Phase III Remediation

- **Prioritize improvement opportunities within:**
  - ✓ **Controls**
  - ✓ **Architecture**
  - ✓ **Key financial processes**
- Select improvement opportunities
- Engage implementation resources
- **Automation of key SOX activities to drive accurate and consistent financial reporting**
- Re-review areas and update documentation
- **Provide external auditor with updated documentation for final testing**

Phase IV Attest

- External auditor reviews management assessment and supporting documentation
- **External auditor provides comments on management assessment**
- External auditor completes attestation
- Perform post mortem and determine how to operationalize 404 activities. Document improved SOX process for next cycle

Phase V Optimize

- **Continuous improvement of financial reporting controls and processes utilizing appropriate technology enablers.**
- Periodic review of controls,processes and systems
- **Management of KPI's and analysis of compliance dashboard**

Program Management

- **Governance management**
- Resource and deliverables management
- Project / Program scope management
- **Escalation and resolution management**
- Project planning & monitoring
- Status reporting & issues management
- **Dependency mapping & risk management**
- Knowledge gathering & dissemination

Change Management

- **Create a plan for lasting change**
- **Develop awareness of vision**
- **Obtain buy-in and ownership from stakeholders**
- **Understand skills and culture**
- **Readiness assessment**
- **Communications planning & execution**
- **Roles & responsibilities development**
- **Training development & delivery**

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BearingPoint's SOX Offerings

In addition to developing and managing the overall SOX program approach and change management, BearingPoint has several specific offerings that directly support SOX compliance.

Tool Selection for Information and Controls Management

- Evaluate and select a toolset for document and controls management

ERP Optimization

- Evaluate ERP systems use of functionality for better controls, excluding security assessments
- Develop plan to optimize use of ERP system to support SOX

Consolidation and Reporting Improvement

- Improve the timeliness and accuracy of consolidation and reporting to support both sections 404 and 409
- Design and implement financial management procedures

409 Assessment

- Assess the requirements for real-time disclosure of material events that could affect company performance

Financial Systems Integration and Reporting

- Assess the financial systems architecture to support SOX requirements. Develop an integrated FSA strategy for compliance with 404 and 409
- Design, implement, and integrate systems and relevant reporting/alerts to support 404 and 409

Disclosure Process

- Review disclosure and disclosure related government processes
- develop best-practices for disclosures
- Select/implement tools to support external disclosures

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BearingPoint's Value Proposition

Working **with** our clients' chosen auditor in a balanced team approach, we bring a unique combination of skills that help our clients more rapidly and cost-effectively reach 404 compliancy, while setting the foundation for a more scalable solution in the future:

Business Process Improvement

- At the core of our skill set within our World-Class Finance Team is a long track record of Finance Transformation projects that involve business process improvement designed to streamline processes.

Broad Technology Skill Set

- BearingPoint enterprise-wide technology capabilities allows us to consider the future potential for a more technology-levered financial process and SOX solutions that fits within the company's broader technology framework.

Complete Independence

- As a independent consulting organization, we are able to conduct consulting work within companies free from the restrictions that bind audit companies. For our clients, this means that we are able to provide the more traditional consulting services necessary to achieve SOX compliancy, limiting potential future scrutiny that may result from an entire audit-lead initiative.

Program/Project Management Expertise

- SOX is a time-sensitive, large project involving many individuals. BearingPoint's core expertise lies in bringing complex projects with tight timelines and specific deliverables through to completion.

Change Management Capability

- Achieving SOX compliancy will involve a number of changes in the Finance organization. BearingPoint's change management practice is a highly regarded leader in the consulting industry.

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The Positive Side

Tackling the control issues can create real improvements in Finance

- **Increase process efficiency**
- **Increase linkage among financial processes**
- **Streamline your Financial Systems Architecture**
- **Improve business insight**

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BearingPoint™

Business and Systems Aligned. Business Empowered.™