SOX Compliance & Audit Support

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# 1. Project Objective:

To understand, support, and implement compliance measures as per the Sarbanes-Oxley Act (SOX) requirements and assist in audit readiness through documentation, process control testing, and risk management.

# 2. Introduction to SOX:

The Sarbanes-Oxley Act (SOX) of 2002 was introduced in response to corporate scandals to enhance corporate governance and restore investor confidence. It mandates strict reforms to improve financial disclosures and prevent accounting fraud.

Key Sections:  
- Section 302: Corporate responsibility for financial reports.  
- Section 404: Management assessment of internal controls.  
- Section 409: Real-time disclosures.

# 3. Project Scope:

- Understand and document the existing internal control framework.  
- Identify key control areas.  
- Perform walkthroughs and control testing.  
- Provide support during internal and external audits.  
- Document and track remediation plans.

# 4. Roles and Responsibilities:

Project Lead: [Your Name]  
SOX Compliance Officer: Collaborated with [Fictional Name or Department]  
Audit Team: Internal audit + External consultants

Responsibilities:  
- Conducting control self-assessments.  
- Collecting and verifying evidence.  
- Preparing risk-control matrices (RCMs).  
- Managing communication between departments and auditors.

# 5. Key Activities & Deliverables:

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | Description | Tools Used | Timeline |
| Control Documentation | Recording policies, procedures, and controls | MS Word, Excel | Week 1-2 |
| Risk & Control Matrix | Identification and mapping of risks to controls | Excel | Week 2-3 |
| Walkthroughs | Meetings with process owners to understand controls | Zoom, OneNote | Week 3 |
| Control Testing | Sample-based testing of control effectiveness | Excel, AuditBoard | Week 4-5 |
| Deficiency Tracking | Logging control failures and assigning action plans | JIRA | Week 6 |
| Audit Support | Providing evidence and answering auditor queries | SharePoint | Ongoing |

# 6. Tools & Technology Used:

- Microsoft Excel & Word: Documentation and analysis  
- AuditBoard: SOX compliance management  
- JIRA: Issue tracking  
- SharePoint: Document repository  
- Zoom/Teams: Communication with stakeholders

# 7. Challenges Faced:

- Lack of standardized documentation across departments  
- Difficulty in evidence collection  
- Resistance from departments due to time constraints

# 8. Key Learnings:

- Gained hands-on experience in internal controls testing.  
- Understood end-to-end SOX compliance lifecycle.  
- Improved cross-functional communication and audit preparedness.

# 9. Outcome:

- Successfully supported SOX readiness for FY2024.  
- Closed 95% of deficiencies raised in prior assessments.  
- Established a centralized document repository for audit evidence.

# 10. Conclusion:

The SOX Compliance & Audit Support project was instrumental in ensuring internal controls were well-documented, effectively tested, and audit-ready. The effort significantly contributed to transparent financial reporting and reduced risk of non-compliance.

# 11. SOX Audit Checklist (Section 404 Focus):

|  |  |  |  |
| --- | --- | --- | --- |
| Checklist Item | Description | Status (✓/✗) | Remarks |
| Risk & Control Matrix (RCM) | Ensure all key controls are mapped to risks | ✓ | Updated quarterly |
| Control Owner Identification | Owners are assigned and trained | ✓ | Updated for FY2024 |
| Process Narratives | All major processes are documented | ✓ | Finance, IT, HR covered |
| Evidence Repository | Centralized folder with all control evidence | ✓ | Maintained in SharePoint |
| Walkthrough Completion | All key controls walkthroughs done with owners | ✓ | Completed in Week 3 |
| Control Testing | Sampling, documentation, results analysis | ✓ | 20% sample tested |
| Deficiency Logging | All exceptions logged and tracked | ✓ | In JIRA |
| Remediation Plan | Action plans for deficiencies | ✓ | 95% closure rate |
| Change Management | Review of any changes in systems or processes | ✓ | Reviewed with IT |
| Final Audit Binder | All documents compiled for external auditors | ✓ | Delivered before deadline |

# Appendix:

- Sample RCM Template  
- Sample Control Testing Sheet  
- SOX Checklist (Section 404)