

SOX 404 Access Control Review Report

Executive Summary

This access control review was conducted to assess the effectiveness of user access controls in compliance with SOX 404 requirements. The review covered critical financial systems including the General Ledger, Accounts Payable, and Accounts Receivable modules. The assessment identified several areas requiring immediate attention to ensure proper segregation of duties and access control effectiveness.

Key Findings

Finding	Risk Level	Impact
Inactive user accounts not removed within 90 days	High	Potential unauthorized access
Segregation of duties violation in AP module	Medium	Financial reporting risk
Missing approval workflow for system access	Medium	Control effectiveness
Inadequate logging of access changes	Low	Audit trail completeness

Detailed Analysis

User Access Management: The review identified 15 inactive user accounts that have not been removed within the required 90-day timeframe. These accounts represent a potential security risk as they could be exploited for unauthorized access to financial systems. **Segregation of Duties:** In the Accounts Payable module, we identified one user with both vendor creation and payment approval privileges, which violates segregation of duties requirements. This creates a risk of fraudulent payments being processed without proper oversight. **Access Approval Process:** The current system access approval process lacks formal documentation and approval workflows. Managers are approving access requests via email without proper tracking or verification of business justification. **Audit Logging:** While the system maintains basic access logs, the logging is not comprehensive enough to support detailed audit trails. Critical access changes are not being logged with sufficient detail for compliance purposes.

Recommendations

Priority	Recommendation	Timeline
High	Remove all inactive user accounts within 30 days	Immediate
High	Implement formal access approval workflow	30 days
Medium	Review and update segregation of duties matrix	60 days
Medium	Enhance audit logging capabilities	90 days

Low	Implement quarterly access reviews	Ongoing
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SOX 404 Compliance Assessment

Based on the findings of this access control review, the organization's current access control environment requires improvement to fully comply with SOX 404 requirements. The identified deficiencies in user access management and segregation of duties represent material weaknesses that could impact the reliability of financial reporting. **Overall Assessment:** The access control environment is rated as "Needs Improvement" with a risk level of "Medium" due to the identified control deficiencies.