



## 2008 AICPA Information Technology Conference

SAS and SOX Compliance Tools  
Mark D. Mayberry, CPA.CITP, CISA  
June 10, 2008



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### Agenda

- Why are we here?
- What are the requirements?
- What products are in the marketplace?
- How do I choose a product?
- Example implementations
- How do I learn more about this?
- Questions & answers



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### Why Are We Here?

- Sarbanes-Oxley Act of 2002
- PCAOB
- Audit Risk Standards
- HIPAA
- International regulations
- Others?



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### What Are The Company Requirements?

- SEC
  - Section 302
    - Certification and significant changes to internal controls
  - Section 404
    - Management's report on internal control system and effectiveness of control policies and procedures



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### What Are The CPA Firm Requirements?

- PCAOB
  - Auditing Standard No. 5
    - Opinion on effectiveness of internal control over financial reporting
    - Communicating certain matters
- AICPA
  - SAS 109
    - Understanding the entity and its environment
  - SAS 112
    - Communicating internal control related matters



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### Timeline

- 2004 – Just meet the requirements!
  - Spreadsheets
  - Simple databases
- 2005 – Process development
  - Refining workflow and process of compliance
- 2006 – Acceptance stage
  - Beginning to automate the processes with technology
  - Technology integration between financial applications and compliance tools



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### Timeline

- 2007
  - SOX being a catalyst to make improvements to IT infrastructure and business processes
- Current
  - Consolidation of viable vendors
  - More mature product offerings
  - User enhancement requests being implemented



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### What Products Are In The Marketplace?

- Hosted
- Internal
- SaaS?



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### How Do I Choose A Product?

- Does it work for both the company and audit firm?
- Is it scalable for my size clients or my company?
- What customization is allowed?
- Is there integration with different ERP systems?
- What application vendor access and support is available?
- How responsive is the vendor to user enhancement requests?



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**Does It Work For Both The Company And Audit Firm?**

- Does it bring IT and business together within the company?
- Can the company and the audit firm access or share files?



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**Is It Scalable For My Size Clients Or My Company?**

- Architecture for scalability?
- Three guys in a garage?
- Multi-location, multi-system?
- Small, public companies?
- Large, private companies?



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**What Customization Is Allowed?**

- Standard reports are OK, but can the company modify them to fit their needs?
- Built in models that can be tweaked (COSO)?
- Relevant industry specific content?
- Do you lose customization when you upgrade?



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**Is There Integration With Different ERP Systems?**

- Architecture is critical
- Specialty applications exist
- Beneficial for larger organizations
- Integrating companies acquired



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**What Application Vendor Access And Support Is Available?**

- Application vendor access and support is critical
- Relationship with vendor is important for effectiveness
- Training?
- Implementation consultation?
- Not a project. An ongoing relationship.



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**How Responsive Is The Vendor To User Enhancement Requests?**

- Do you have to wait until there is a big push from their customers?
- Smaller vendors may be more responsive



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### What We Have Found

- Hosted internally
- Primarily used for SOX, moving into internal audit
- Used for 302 certifications, not fully utilizing the capabilities
- Application vendor access and support are critical
- Companies prefer to customize the reports
- Ease of implementation is key to adoption



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### Example Implementation #1

- Company has \$100M in revenues
- Application implemented is Methodware
- Initially used for internal audit, now used for SOX too
- Includes COSO framework
  - Risks and controls
- Data exported to Microsoft Office for reporting
- Quarterly Section 302 certifications
- Very customizable, intuitive and flexible
- Responsive vendor support



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### Example Implementation #2

- Company has \$400M in revenues
- Application implemented is Stridus Conformus
  - Several modules in place
- Ability to scale for company growth
- Choice based on integration with ERP system
- Used for SOX, may add internal audit in future
- Good vendor support and responsiveness
- External auditor has selected access



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**Example Implementation #3**

- Company has \$280M in revenues
- Application implemented is OpenPages
- Included document repository of surveys, policies, controls, testing results and flowcharts
- Implementation was easy
- Needed to customize reports
- External auditors have secured access
- Centralized support and changes



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**What About the Auditors?**

- Multiple clients, multiple systems
- How do you keep it all straight?
- Impact on training



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- CCH
  - SOX 404 for Small, Publicly Held Companies
- Thomson Reuters
  - Products for internal and external auditors
  - Engagement ES
  - PPC
- CPA2BIZ
  - ControlsDoc



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**How Do I Learn More About This?**

- Visit vendor displays
- Network with others at conference
- IT Section Member content
- [infotech.aicpa.org](http://infotech.aicpa.org)
- Other industry trade groups
- Contact vendors, see the show and tell!



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**Questions & Answers**



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**The AICPA IT Community**

- Consists of:
  - Information Technology Membership Section (IT Section)
  - Certified Information Technology Professional (CITP) Credential



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The IT Section is an AICPA voluntary membership section that serves as a technology resource to keep you informed on the latest trends in technology from a unique CPA perspective

- Benefits include:
  - Top Technology Initiatives project with exclusive discussion papers, practice aids, and other resources
  - Special registration discounts for TECH+
  - Discounts on products, publications, CPE and events
  - Monthly communications about technology issues and trends from the CPA perspective
  - Access to IT Center Web site



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How To Join the IT Section

- Annual dues for the IT Membership Section are \$200 for AICPA members
  - When you join by July 31, 2008 receive the IT Section for only \$100
  - Non-CPAs of public accounting firms can become a member of the AICPA and join the IT Section\*\*\*
- To join:
  - Stop by the AICPA IT Community booth here at TECH+ and complete the enrollment form
  - Or, enroll online – [www.aicpa.org/infotech](http://www.aicpa.org/infotech)



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What Is A CITP?

- A CITP is a CPA:
  - Credentialed by the AICPA
  - Recognized for their unique ability to bridge between business and technology
  - Has achieved a combination of IT-related certifications, degrees, continuing education and business experience providing them with a *wide range* of documented IT competency



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### How To Become a CITP

- Enrollment Fee for the CITP Credential is \$550 for AICPA members
  - When you join by July 31, 2008 - pay only \$350
  - When you join by the close of TECH+ - pay only \$300
  - Annual renewal fees are \$350
- To apply:
  - Stop by the AICPA IT Community Booth and complete the enrollment form here at TECH+
  - Or download an application at [www.aicpa.org/CITP](http://www.aicpa.org/CITP)



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