

Sarbanes Oxley Act (SOX) 404



Overview

In this course we will be learning quite a bit about Sarbanes Oxley. Where it began, why, the nature of the various parts of Sarbanes Oxley, what the burden is on publicly traded companies, how to implement the best tools and techniques to handle Sarbanes Oxley, and much more.

The most contentious aspect of SOX is Section 404, which requires management and the external auditor to report on the adequacy of the company's internal controls over financial reporting (ICFR). This is the costliest aspect of the legislation for companies to implement, as documenting and testing important financial manual and automated controls requires enormous effort. This course provides an overview of SOX Section 404 and discusses how one can effectively implement a solid program to address the needs of Section 404.

The Public Company Accounting Oversight Board (PCAOB) approved Auditing Standard No. 5 for public accounting firms on July 25, 2007. This standard superseded Auditing Standard No. 2, the initial guidance provided in 2004. The SEC also released its interpretive guidance on June 27, 2007. These two standards together require management to:

- Understand the flow of transactions, including IT aspects, in sufficient detail to identify points at which a misstatement could arise;
- Evaluate company-level (entity-level) controls, which correspond to the components of the COSO framework;
- Perform a fraud risk assessment;
- Evaluate controls designed to prevent or detect fraud, including management override of controls;
- Evaluate controls over the period-end financial reporting process;
- Scale the assessment based on the size and complexity of the company;
- Rely on management's work based on factors such as competency, objectivity, and risk;
- Conclude on the adequacy of internal control over financial reporting.

Sarbanes-Oxley Section 404

Sarbanes-Oxley was passed in 2002 and year one of attestation for publically traded companies was 2004. SOX section 404 is the most prominent of the many requirements covered under the legislation.

Taking this course will prepare you to successfully address the challenges of Section 404 at your company - a high profile and critical process!

What you'll learn

- Genesis of Sarbanes Oxley
- Management Certifications
- Objectives of Sarbanes Oxley
- Documentation Requirements
- Discuss SOX 404
- Testing Requirements
- Discover the requirements of Sarbanes-Oxley (SOX) Section 404.
- Recognize COSO and the Internal Control Framework.
- Identify SEC and PCAOB ongoing SOX 404 requirements.
- Identify documentation Requirements.
- Identify testing Requirements.
- Define significant Deficiency and Material Weakness.
- Recognize PCAOB 2012 Report on Public Companies ICFR.

Requirements

- None! You will learn everything about Sarbanes Oxley you need to in this course
- Commitment to learning