

## We get it; you are tired of hearing about SOX. It's so 2002. *But that's the problem!*

May 24, 2007, the PCAOB adopted Auditing Standard No. 5 and it really did change the SOX audit requirements for the better. Unfortunately, it was too little, too late. Companies continue to spend a significant portion of revenue to achieve compliance and are reluctant to open "Pandora's box".

The Perkins approach to SOX is crafted around right-sizing SOX into a sustainable compliance project.

### Case Study

We teamed with this client in 2007 after they had twice started and stopped their Sarbanes-Oxley project. Perkins worked closely with the client's management team to develop a reasonable and practical approach by reformatting their existing SOX documentation into a sustainable control framework that met compliance standards within required deadlines.

- Internal costs of compliance were significantly reduced.
  - 50% reduction in year two.
- External auditors rely heavily on internal testing limiting redundancy and their time in the field.
  - Not only is Perkins an independent 3rd party but we are a CPA firm licensed with the PCAOB.
- Process documentation is in a sustainable format and easy to update.
- Areas for potential misstatements are well known and key controls have been drastically reduced.
  - Year-one was 60 key controls (including IT)
- IT controls were remediated to compensate for limitations in the small IT staff.

### What is the Perkins approach?

- We don't use process narratives. They are too hard to maintain year after year and frankly, most external auditors don't even read them. They complete their audit documentation in their own format/tool.
- We have a team of licensed CPAs and CISA (IT auditors) scrutinize every key control to ensure that it directly relate to a significant account balance and/or fraud. After all, its internal controls over financial reporting, not COBIT.
- Speaking of financial reporting, shouldn't the firm you engage with be up to date on GAAP and IFRS? The internal controls over your financial reporting should involve consideration of the control AND accounting ramifications, our team is focused and trained to provide this support.
- We embrace the PCAOB's requirement on walkthroughs. That's right, there is no requirement. (Note: we do walkthroughs when it is the most efficient method to identify likely sources of misstatement and key controls. But once you know...)
- We are not a value-added reseller of any SOX software. We are happy to use the Company's existing tools. We don't have a preference.

**SOX an issue?** Let's fix it and let's get there.

### Why Perkins?

Perkins clients benefit from our experience. . . Perkins consultants have performed IT risk management and compliance services for companies across a variety of industries. And, as a large, local accounting and business advisory firm, we work with you to understand your information risks in the context of your industry and business objectives.

Looking for experienced information risk and compliance help?

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