

## Critical Success Factors for SOX Implementation

When a writer for *CIO* magazine set out to do a story on Sarbanes-Oxley (SOX) compliance from an IT perspective, his interviews with CIOs led to a story about IT audits, which identified the five most common IT control weaknesses hindering successful implementation of SOX solutions:

1. **Improper account provisioning with segregation of duties**
2. **Insufficient controls for change management**
3. **A general lack of understanding around key system configurations**
4. **Audit logs not being reviewed (or that review itself not being logged)**
5. **Abnormal transactions not identified in a timely manner**

Among many advantages, Anexinet's SOX solutions teach clients to address their IT control weaknesses by practicing these critical success factors:

### 1) Compliance is a Process, Not a Project

Regulatory compliance is a way of corporate life, not a project with an end state. It commands ongoing expenditures and staffing to be sustained.

### 2) Get Help and Build Positive Relationships

Engage the services of an IT partner experienced in SOX. External auditors identify shortcomings in controls, but are careful about consulting to mitigate risks. Select a partner that has experience with external auditors, since it is important for all parties to develop a positive working relationship. Open communication helps identify problems early, ample time for remediation.

### 3) Success Starts at the Top

Implementation of controls typically brings change to an organization. In order for change to be positive and productive, direction needs to come from the top and be effectively promulgated across the organization. Absence of an executive mandate or clear communication from senior management will diminish acceptance of controls at lower levels.

### 4) Build Support Across the Organization

Allow those affected by controls to have input and commit to a positive outcome. Controls are most effective if based on a clearly understood policy, responsiveness to departmental issues, and specific benefits to each constituency. An educated organization will tend to be less resistant with knowledge that controls are not arbitrary and benefits are shared.

### 5) Get Control by Giving Control

Ask department heads to play a collaborative role in any areas of IT control which impact them. This transparency promotes understanding and tends to demystify IT. It also alleviates concerns about technology expenditures and actions, and helps align IT solutions with organizational goals.

### 6) Form an IT Steering Committee

A steering committee is the most direct way to foster IT-business alignment and keep all organizational constituencies positively engaged. Old perceptions of IT dictating to the organization can be dispelled and tuning IT alignment with constantly changing business needs can be better achieved through frequent and formal steering committee communications.

### 7) Look for Ways to Benefit from Control

External auditors will often use results of third-party testing such as that performed by internal auditors. This can reduce audit expense and, more importantly, advance the testing of controls to an earlier stage in the audit cycle—maximizing remediation time. Internal audits should provide evidential matter, and rely on tools that make ongoing compliance more efficient and cost effective.

### 8) Get Control through Knowledge and Understanding

You can't control what you can't measure and you can't measure what you don't understand. Use process documentation to clarify control testing roles and responsibilities, and project lifecycle standardization to clearly define control requirements.

### 9) Manage and Test Control Processes

The more controls that are defined, the more testing that is required. Define only a necessary minimal number of "key controls" and test frequently too ensure they are working and functional. Testing should yield "evidential matter". If evidential matter isn't being created, the control isn't working.

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