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## Sarbanes-Oxley Opens Up New Doors For Businesses

Businesses must re-engineer themselves and see compliance with the Sarbanes-Oxley Act of 2002 as an opportunity for creating new ideas.

In addition to complying with the law, publicly held companies need to positively view the compliance. These companies need to stop their crybaby approach and look into the glass as half-full.

Sarbanes-Oxley Act compliance is an approach having multiple outcomes, ranging from the introduction of new initiatives to embracing, supporting, and implementing business processes and business enablers throughout the company.

When looking into Sarbanes-Oxley compliance efforts, publicly held companies must articulate the following:

- That the management of the company is responsible for establishing and maintaining adequate internal controls and procedures for financial reports. Shareholder confidence is a key to investing in companies and maintaining company senior management in their positions.
- Management's assessment as to the effectiveness of the company's internal control over financial reporting, based on management's evaluation of it at year-end, including the disclosure of any material weakness in the company's internal control over financial reporting identified by management.

It will actively engage senior management in their company business operations and have a hands-on approach in managing the business.

All business functions within the organization are represented in the Sarbanes-Oxley compliance effort.

The initiative represents an opportunity that should not be missed. It is the opportunity to re-engineer the business and introduce new ideas for running an effective operation.

Proper Sarbanes-Oxley compliance implementation will enable all business functions within the company to propose, debate and negotiate what the company's priorities and business initiatives ought to be.

Sarbanes-Oxley is an opportunity for business re-engineering using information technology as one of the core company business enablers and will lead to the realization of quantum benefits. You can't run a Sarbanes-Oxley 404 compliance project in a vacuum. Successful Sarbanes-Oxley compliance projects will have the following attributes:



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- Companies must make their staff available to the Sarbanes-Oxley project. In the subsequent years, the staff members could maintain Sarbanes-Oxley Act requirements and it will cut down on company expenses.
- Adopt Committee of the Sponsoring Organizations of the Treadway Commission framework and the information and related technology framework for its information technology area. These are the most respected and endorsed frameworks by the regulatory body, improving acceptance by external auditors.

### **About the Author:**

**Robert Putrus, PE, CMC** – is the Principal of THE ROBERTS COMPANY, LLC. He has an advanced M.B.A., M.Sc., Computer Engineering, M.Sc., and Systems Engineering, and B.Sc., Electrical Engineering. Robert is also a certified Professional Engineer (P.E.), and a Certified Management Consultant (CMC).

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