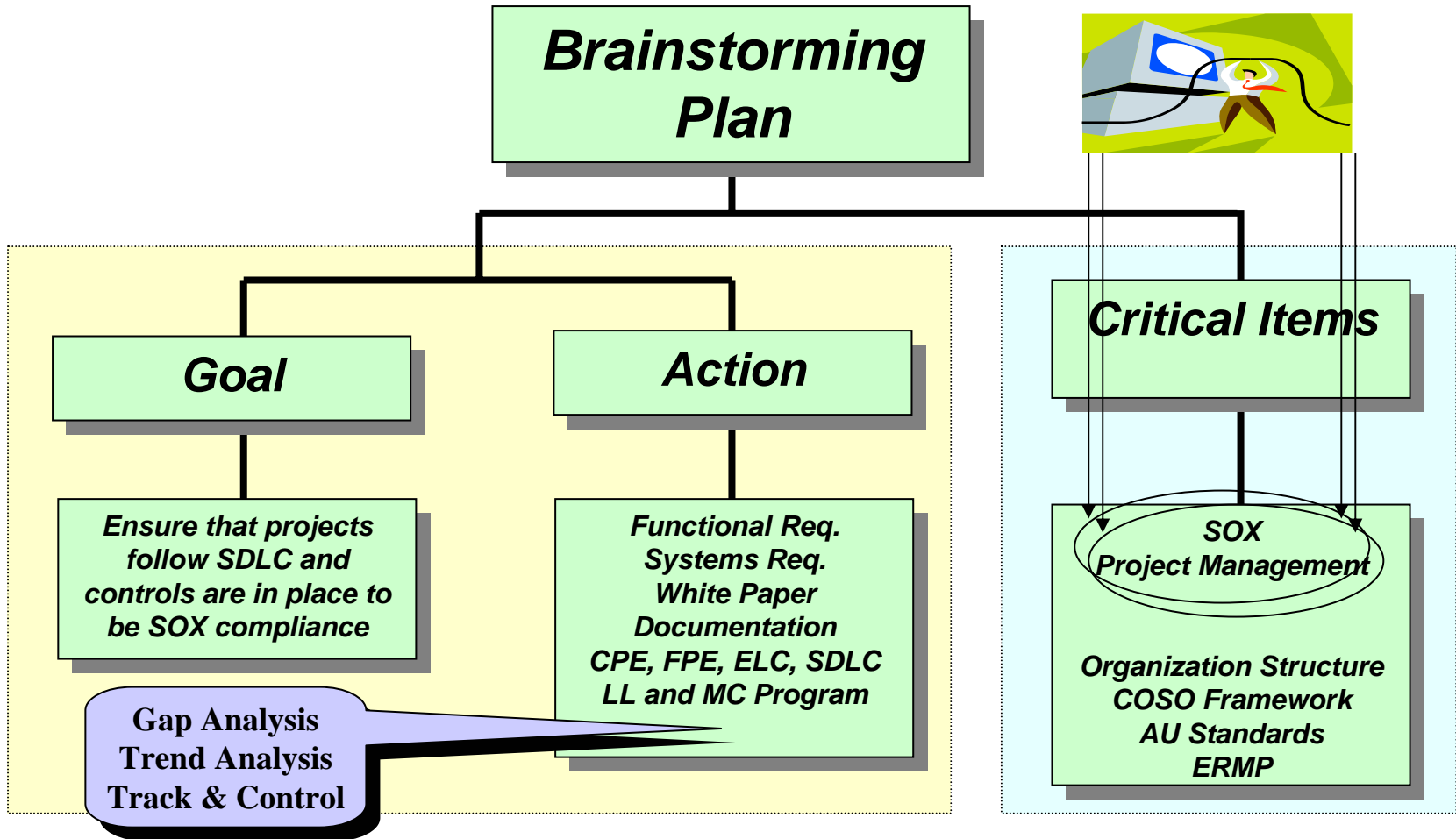


# Project Management and SOX



## Project Management and SOX

### Goal

- Support Hanger in implementing SDLC projects
- Ensure that requirements meet SOX rule

## Project Management and SOX

### Action

- Requirements Gathering/Matching
- White Paper Analysis and Recommendation
- Documentation of SDLC and related milestones
- Collect CPE and move to FPE
- Provide Lessons Learned database
- Implement artifacts for Monitoring and Control

## Critical Items

- SOX Matrix
  - COSO Framework (Environment, Risk, Control)
  - AU Standards
- Project Management tools and techniques
  - SDLC
  - ELC and RACI Model
  - MS Projects, RAVED, Rational
  - TRIAD
  - ERMP
  - PMBOK

# Project Management and SOX

## Critical Items (continued)

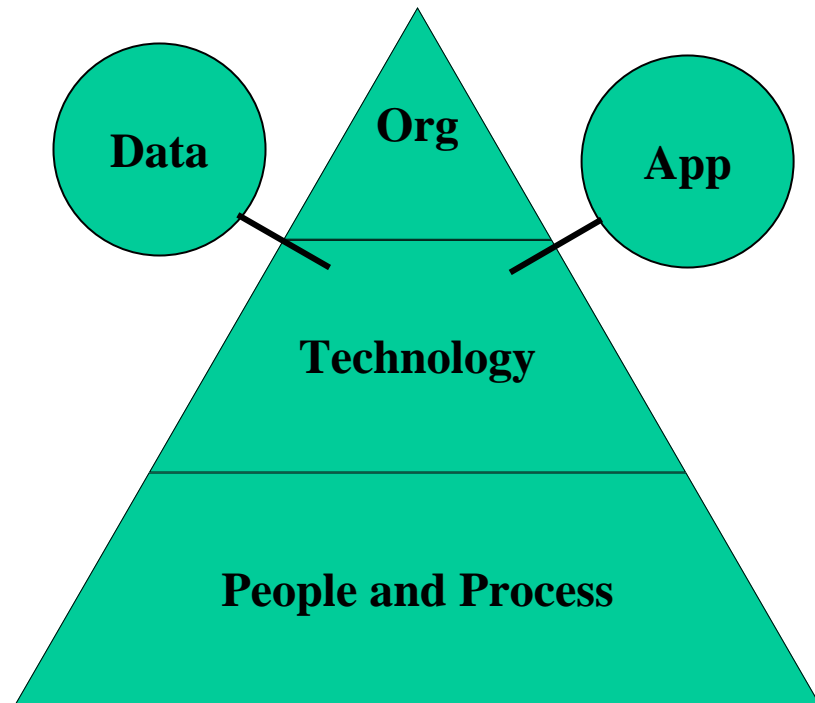
### – SOX Requirements

<b>General Requirements</b>	More monitoring/enforcement of Audit responsibility/oversight.	<b>Operational Requirements</b>	Auditor must assess/sign-off on internal control every year.
	Approval process needed for Auditor doing non-Audit services.		Management must assess/sign-off on internal control every year.
	Creation of Audit Oversight Board.		Disclose Special Financing Vehicles such as Off-Balance Sheet items.
	CEO and CFO accountability and certification.		Disclose Pro-Forma Financial Statements.
	CEO and CFO hands-on involvement and sign-off controls.		Disclose Insider Stock Transactions within two days (US only).
	Ban of Personal Loans and Security Analyst interaction.		Disclose Real-Time information via a secured connection.

# Project Management and SOX

## Critical Items (continued)

- SOX
- Domain Areas



# Project Management and SOX

## Critical Items (continued)

### – SOX Matrix Rules

SOX ID	Sub ID	SOX Category	ERM Domain RACI	Description
101		Board Membership		Board must have five financially literate members, appointed for five year terms. Two of these five members must be CPAs and the remaining three must not be. These members must serve on a full time basis.
301	10A-3	Audit Committee		NY and Nasdaq will delist companies without an Audit Committee in place that is independent of the company but directly responsible for all aspects of the audit work.
401		MD&A Off Balance Sheet		Explain Off-Balance Sheet arrangements as a separate section of the Management's Discussion and Analysis (MD&A). Disclose special contractual obligations and related estimates. Disclose unconsolidated entities, derivative instruments, credit swaps, and hedges.

# Project Management and SOX

## Allen Diep

- Merging Business Rules to systems/processes.
- Financial, SOX, and Project Management work
  - City of Philadelphia – Auditing and Budgeting
  - JP Morgan – Risk Management, Compliance, and Project Management
  - TRW – SDLC and Business Process Review
  - PwC – Auditing and Assurance
  - NG – ELC of Tax Management Systems
  - TMMSI – Risk Management, SOX, and RAVED