

CCH<sup>®</sup> SWORD

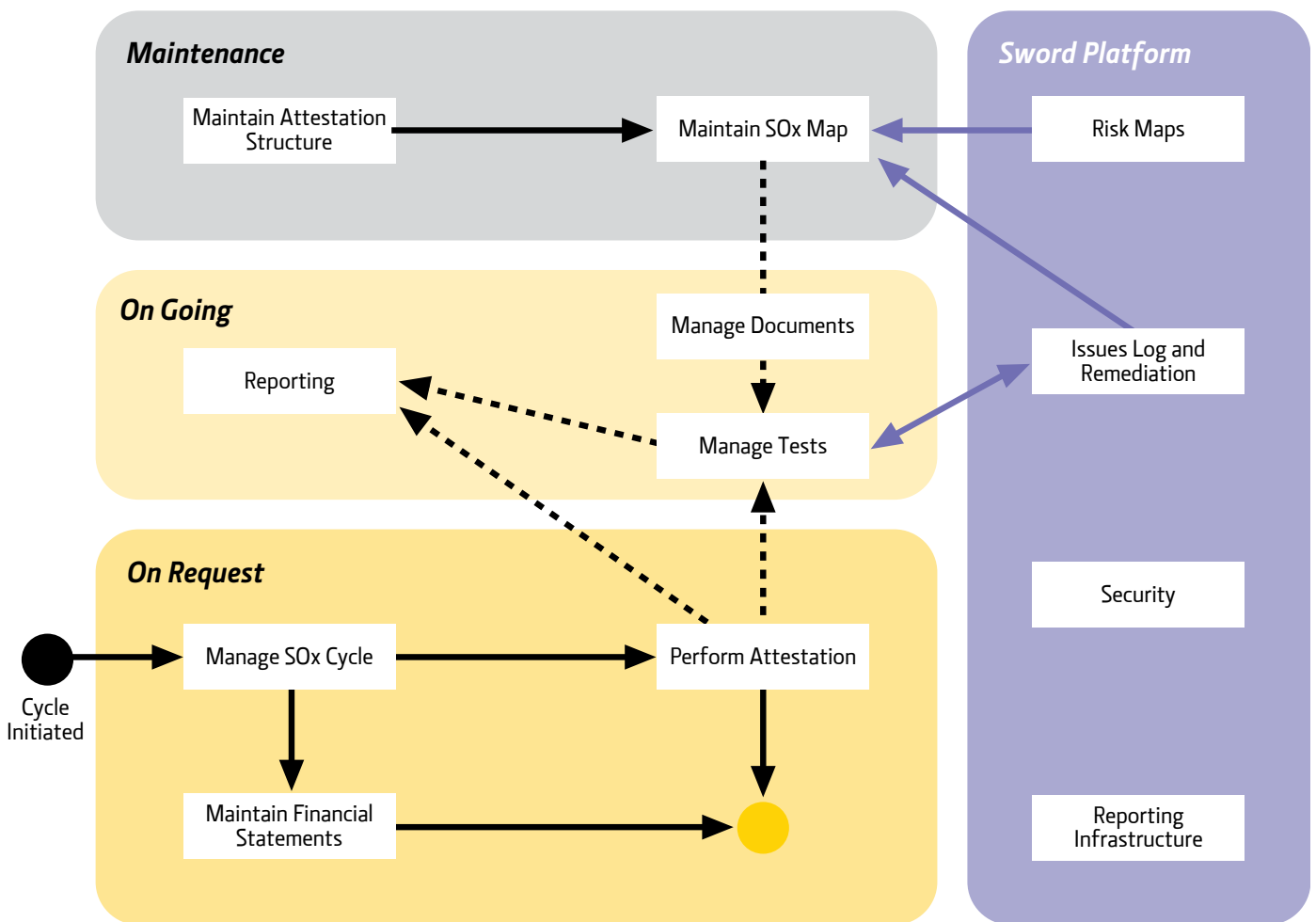
# SOx Overview

Measure

Monitor

Manage

There is a SOx Module as part of the award winning CCH SWORD product. This module enables users to comply with section 404 of the Sarbanes Oxley Act which states that management must report on the effectiveness of their internal controls in their financial reports and disclose any material weaknesses in their



This module is tightly integrated with CCH SWORD’s award winning platform for Operational Risk and Internal Audit, thus providing a single platform for all of an institution’s Governance, Risk and Compliance functions.

## Functions

### Manage Attestation Structure

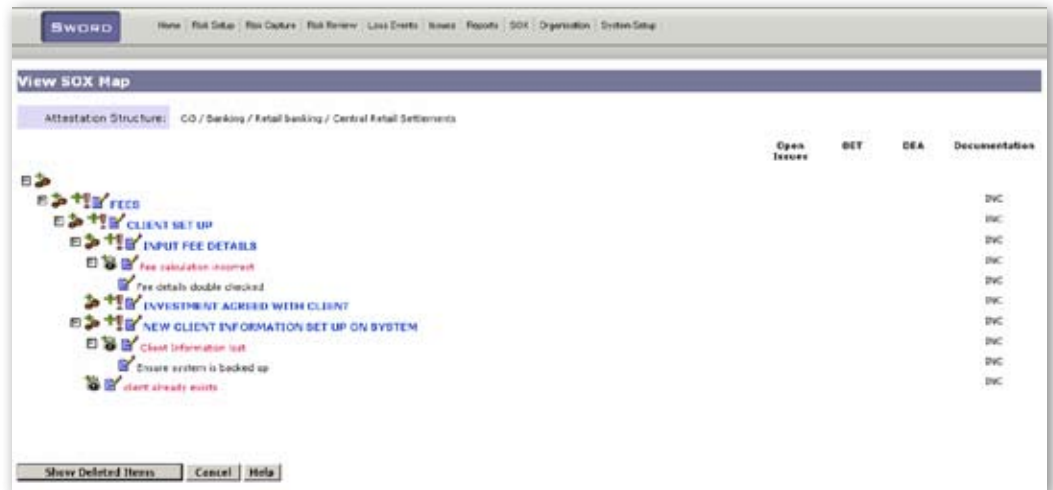
This is a multi level hierarchical structure that dictates the attestation responsibilities. Within each attestation unit, the owner is responsible for identifying all processes relating to that unit. When requested, the owner must attest to the control environment in that unit.



### Maintain SOx Map

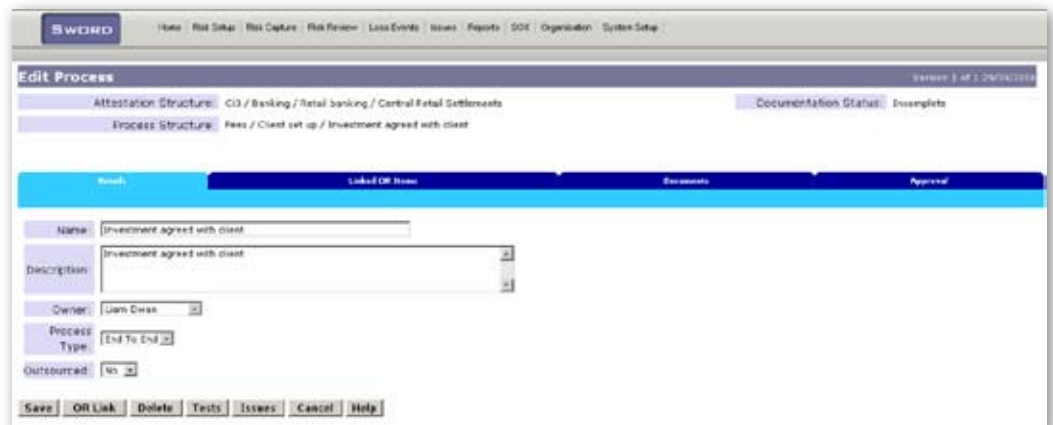
This is the collection of Processes for each Attestation Unit. Processes comprise of sub processes which have associated risks. Controls are assigned to the risks. Details and documentation concerning processes, risk and controls may be recorded and stored within the system.

To ensure consistency across Operational Risk and SOX management; Process, Risks and Controls can be linked from the existing Operational Risk Maps.



### Manage Documents

A key part of the SOx requirements are for a full documentation audit trail. All objects within the SOx map (processes, risks and controls) may have documents associated with them and the status of this documentation may be managed.



## Manage Tests and Remediation

It is a SOx Requirement that sub processes and controls be tested on a regular basis. CCH SWORD SOx will enable processes to be tested for designed effectiveness (DEA test) and controls to be tested for operational effectiveness (OET test).

Each control receives an effectiveness result and issues can be raised to address any problem areas highlighted by testing. The frequency of testing will depend on the profile of the control and the management approach to testing.

There is full integration with the consolidated issue and action module within CCH SWORD to manage the remediation process.

The screenshot shows the 'Create Test' interface. At the top, there is a navigation bar with 'SWORD' and various menu items like 'Home', 'Risk Setup', 'Risk Capture', etc. The main form area is titled 'Create Test' and contains several sections:
 

- Metadata:** 'Created By: RiskMpr', 'Created Date: 24/10/2006', 'Function Tested: Design Effectiveness Assessment'.
- Test Details:** 'Test Name' (text input), 'Description' (text area).
- Summaries:** 'Test Plan Summary' and 'Test Result Summary' (both rich text editors with toolbars).
- Target Completion Date:** A date picker set to 'Oct 24, 2006'.
- Buttons:** 'Save', 'Cancel', 'Help' at the bottom.

## Manage SOx Cycle

A SOx Cycle defines the time period for which a Financial Statement is valid. Within each cycle, the Financial Statements must be created and signed off and an attestation received from each attestation unit. The cycles are managed by users of the system.

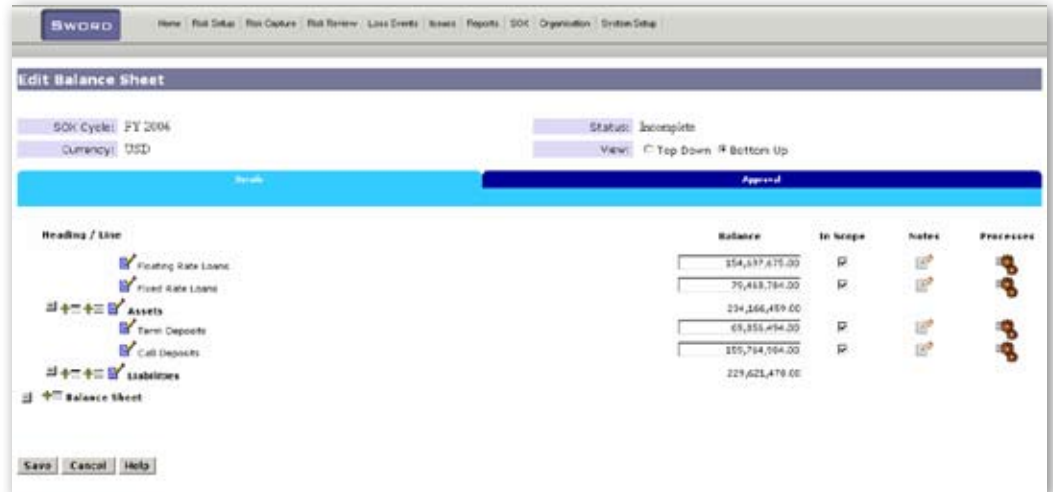
The screenshot shows the 'List Attestation Cycles' interface. It features a table with the following data:

Attestation Cycle Name	Start Date	End Date	Attestation Status	Financial Statements	Cycle Status	Edit
FY 2006	8/31/2005	31/12/2006	95% Complete	8/22 Approved	Open	[Edit Icon]

Below the table are 'Add', 'Cancel', and 'Help' buttons.

## Manage Financial Statements

The financial statements that are supported by SWORD are Balance Sheet and Profit & Loss. For each SOx Cycle, the balance for each account line is recorded and the processes that contribute to that account line identified. A scoping exercise is performed and the rational documented.



Headline / Line	Balance	In Scope	Notes	Processes
Floating Rate Loans	354,177,675.00	<input checked="" type="checkbox"/>		
Fixed Rate Loans	79,488,794.00	<input checked="" type="checkbox"/>		
Assets	234,166,489.00	<input checked="" type="checkbox"/>		
Term Deposits	69,355,494.00	<input checked="" type="checkbox"/>		
Call Deposits	165,794,094.00	<input checked="" type="checkbox"/>		
Liabilities	229,621,479.00	<input checked="" type="checkbox"/>		
Balance Sheet				

## Perform Attestation

An attestation is a signoff from the owner of an attestation unit stating that they believe the internal control environment to be effective. This functionality allows the user to take snapshots of the SOx Map, raise issues and re-assess a new snapshot until they are entirely satisfied with the control environment in the unit. Notifications are provided by email.

## User Types

The following roles are available within the CCH SWORD SOx module:

- SOx Administrator
- SOx Process Documenter
- SOx Control Documenter
- SOx Process Signoff
- SOx Financial Documenter
- SOx Financial Signoff
- SOx Tester

## CCH SWORD Integration

The CCH SWORD SOx module is fully integrated with the CCH SWORD platform which gives it access to high quality security, auditability and reporting.

All of the proven technical and management functions within the CCH SWORD platform, that support blue chip organisation across the world, are used by the SOx module providing it with enterprise level usability and supportability.

In addition the CCH SWORD SOx module enables institutions to leverage the work done in either SOx or Operational Risk for the other requirement. This is increasingly important in order to minimise both re-working and inconsistencies between the two frameworks. The CCH SWORD SOx module enables your organisation to choose between an exact mapping between Operational Risk and SOx or simply a linkage. This approach provides the client with the flexibility to choose an approach while retaining the power of a single system for both Operational Risk management and SOx compliance.



For further details or to organise a demonstration, please contact your local CCH SWORD sales office.

Details of CCH SWORD sales offices are available at: [www.swordrisk.com](http://www.swordrisk.com)