

SOX Compliance Internal Controls Checklist

Document sample for Accounting Consultants

1. Entity-level Controls

- Documented code of conduct and ethics policies
- Established whistleblower policies and procedures
- Internal audit function in place
- Periodic risk assessment and management reviews

2. Financial Reporting Controls

- Documented financial close and reporting process
- Reconciliation of key accounts completed and reviewed monthly
- Management review and approval of financial statements
- Segregation of duties in journal entry processing and approval

3. IT Controls

- User access to financial systems is managed and reviewed regularly
- Change management procedures documented and enforced
- Backup and disaster recovery plans tested periodically
- Segregation of duties enforced within IT processes

4. Transaction-level Controls

- Purchase and payment approvals follow established thresholds
- Customer billing and revenue recognition processes documented
- Payroll processing separated between data input and approval
- Manual journal entries require supervisory approval and supporting documentation

5. Monitoring and Remediation

- Regular monitoring of control effectiveness through testing or review
- Documentation and timely remediation of control failures or deficiencies
- Annual review and update of internal control documentation
- Ongoing training and awareness for accounting staff on SOX requirements