



April 11, 2019

RPAs Have a Role in SOX Cost Reduction and Efficiency

PUBLIC COMPANIES, RISK ADVISORY/INTERNAL AUDIT
BY SCHNEIDER DOWNS PROFESSIONAL

If you're a public entity, you know the strain SOX testing puts on company resources: the time to discuss controls and walkthrough processes with the testers; the time to pull documentation for the testers and answer questions; and the time to help coordinate the testing. It's all time well spent, though, since it enables your CEO and CFO to sign a proclamation stating that the company's internal control structure is sound, and stands able to help prevent or detect a material misstatement to the company's financial statements.

The term "SOX control" is a misnomer, however. Controls are not in place simply because of the regulation, but to protect shareholders and ensure the company's financial information is accurate. SOX requires existing accounting controls be tested to validate that they're designed appropriately and operating effectively.

As we're now more than 15 years into the regulation, if you haven't already optimized your control environment, what are you currently doing? Have you implemented RPAs (Robotic Process Automation), data mining, exception reporting or other forms of data management within your internal control over financial reporting process? With the recent innovation in technology, now may be the time to readdress your optimization opportunities. Not only will it be a better way to manage your business, it could also help reduce your overall SOX compliance testing budget.

If you *are* using RPAs to perform some of your internal controls, or if you're using dashboards or other exception reporting, rigor would have to be performed in the first year of SOX testing to ensure the precision and completeness of the data being used to develop reports. Once a baseline understanding is obtained, however, each subsequent year should merely be a follow-up and/or refresher to that information.

For more information on RPAs and other technology innovations, and how they can reduce your SOX compliance costs, [contact Schneider Downs](#) or visit our [Our Thoughts On](#) blog.

You've heard our thoughts... We'd like to hear yours

The Schneider Downs Our Thoughts On blog exists to create a dialogue on issues that are important to organizations and individuals. While we enjoy sharing our ideas and insights, we're especially interested in what you may have to say. If you have a question or a comment about this article – or any article from the Our Thoughts On blog – we hope you'll share it with us. After all, a dialogue is an exchange of ideas, and we'd like to hear from you. Email us at contactSD@schneiderdowns.com.

Material discussed is meant for informational purposes only, and it is not to be construed as investment, tax, or legal advice. Please note that individual situations can vary. Therefore, this information should be relied upon when coordinated with individual professional advice.

© 2024 Schneider Downs. All rights-reserved. All content on this site is property of Schneider Downs unless otherwise noted and should not be used without [written permission](#).