

# Sarbanes-Oxley Preparedness and Compliance: Confidential Energy Systems and Products and Electrical Contracting Client

## Client & Project Background

This client is focused on the business of energy-related systems and products and electrical contracting and consulting services. The client was required to become SOX compliant by December 31, 2006. In mid-2006, it became an accelerated filer and began the process five months prior to the compliance deadline. The client engaged Percipio to assist in the effort on many levels, including project management, project scoping, process and control assessment and documentation, control effectiveness testing, and development of sustainability plans and tools.

## Challenge

Most organizations take a year or more to become SOX compliant but this project needed completion within in a matter of months. The organization's internal processes were not formalized and the control environment was not robust. Getting the client to compliance required tight deadlines while creating a sense of acceptance for change.

**Percipio understood our needs, tailored their approach toward our particular circumstance and delivered the results needed to meet our requirements (on time and within budget). Percipio is not a run of the mill consultancy; they truly have become a trusted business partner.**

-Client

*CHIEF FINANCIAL OFFICER*

## Solution

Percipio's experienced project management provided a strong project foundation on which to build project success. First, we put the right size team on the job to maximize what could be accomplished during a work day. The team, with 40+ years combined risk experience and CPA qualifications, focused on the business cycles most closely associated with the highest risks in order to meet the rapidly approaching deadline. It was important to establish early on whether there were any show-stopping obstacles.

Percipio also worked closely with the client and its Auditors from the project's scoping phase through the project's completion to set expectations and avoid rework due to Auditor preferences - there was no time for surprises.

When the team facilitated process meetings, they doubled their efforts with the process owners to determine both "as is" and "to be" processes at the same time, emphasizing best practices all the while. This helped concentrate the time needed from the owners and produce documentation with more substance sooner.

Because we valued the client's time and knowledge of their business, we were able to establish rapport from the beginning that led to its growing sense of buy-in and ownership of the process and changes. We left the stakeholders with sustainability tools and training to create structure and repeatability.

## Results

The client became SOX compliant in less than 6 months. During the process, Percipio identified 130 Control Improvements—85% of which were remediated by the end of the project. With the intensity of focus on the processes, we also were able to identify Process Improvements in addition to SOX-related controls, helping the client to become more operationally efficient as well as SOX compliant.

Service Line / Service Offerings	Core Competencies	Key Deliverables
Risk & Controls ▶ Risk and controls analysis ▶ SOX preparedness and testing ▶ Internal audit strategy	▶ Project Management ▶ Process Design ▶ Change Management	▶ Risk Assessment ▶ PM Tracking and Audit Committee Updates ▶ Remediation Tracking and Status ▶ Operational Testing Results ▶ Process Maps and Documentation ▶ Sustainability Plans and Tools ▶ Deficiency Evaluation