

## COMPLIANCE

### Situation

SolomonEdwards assisted one of the world's largest manufacturers and distributors of paper products with the documentation and review to achieve compliance with Section 404 of the Sarbanes-Oxley Act. The company had taken initial steps to begin the documentation process and requested SolomonEdwards to leverage the information already prepared to complete the documentation and flowchart out the identified business cycles. In addition, the scope of the engagement was expanded to include developing a standard documentation approach for each of eight sales operating systems being used in various locations.

### Solution

Due to the extensive size of the client organization, the need to develop a standard documentation approach for their eight different sales systems running at the same time was immediate. SolomonEdwards developed comprehensive narratives, process flowchart, and risk control matrices for each business cycle process identified.

Prior to the end of the testing year, the client was purchased by a privately-held company. The change in organizational structure from a public to a privately-held corporation dictated the redesign/restructuring of their major accounting business cycles:

accounting and reporting cycle, revenue cycle and expenditure cycle. SolomonEdwards assisted the containerboard and packaging division with the current state diagnostic and documentation for these cycles and the development of functional training and policies and procedures to coincide with the restructured organization.

### Results

- Developed eight web-based training courses covering both the procure to pay and revenue cycles to be used by personnel throughout the packaging division.
- Developed and implemented standard operating procedures, a peer review audit program, a self-assessment audit program, and key performance indicator report to ensure compliance with the key controls identified.
- Created a key control handbook, including key controls, acceptable evidence of those controls, documentation retention schedule for each, and segregation of duties worksheet for each business process.
- Reduced the amount of hours required by the company's external auditors to perform the walk-through and testing phases of the SOX project, thus reducing overall cost to the company.



**INDUSTRY:**  
Chemicals



**DEPLOYMENT:**  
Individual

**SERVICES:**



**Governance &  
Regulatory  
Compliance**

*Internal Audit, Risk &  
Compliance Advisory*

*Internal Control Over  
Financial Reporting  
(SOX)*