



# DECODER

## Sarbanes-Oxley Compliance

### SOX Summary

The Sarbanes-Oxley Act directly focuses on publicly traded financial services organizations, requiring them to:

- Make CEOs and CFOs responsible for financial statements and disclosures (302)
- Produce adequate internal control structure (404)
- Provide disclosures of anything that may affect stock prices within 48 hours (409)
- Protect audit records (802)

To comply, companies must ensure the long-term retention, security, integrity, authentication and availability of information and should select a suitable framework for assessing the effectiveness of their internal controls.

### How CipherOptics Helps

Sarbanes-Oxley requires companies to protect both their network from unwanted intrusion and their information from unwanted disclosure or theft.

CipherOptics CipherEngine provides network authentication controls, audit logging and real-time, network-wide, encryption of data. We enable Secure Information Sharing for companies who are serious about protecting their business critical information.

### About CipherOptics

CipherOptics is the leader in network-wide encryption. Offering an innovative policy and key management solution, coupled with high speed, low latency encryption technology, CipherOptics helps their customers mitigate the risk of data leakage, loss and theft over any network.

### What is SOX?

The Sarbanes-Oxley Act (also known as SOX or Sarbox) was enacted to increase regulatory visibility and accountability of public companies and their financial health. Sarbanes-Oxley is currently law, and even small companies are now required to comply with the critical Section 404 for fiscal years beginning on or after December 16, 2006.

### Who is impacted by SOX?

SOX affects all corporations that fall under the jurisdiction of the U.S. Securities and Exchange Commissions, with a direct focus on financial services companies, CPAs, CPA firms and attorneys of publicly traded companies.

### What are the requirements of SOX?

The most relevant requirements of the law are the following:

- CEOs and CFOs must attest to the accuracy of financial statements and disclosures in the periodic report (Section 302)
- Companies are responsible for having adequate internal control structure and procedures for financial reporting (Section 404)
- Companies must provide real-time disclosures of any events that may affect a firm's stock price or financial performance within 48-hours (Section 409)
- Companies must protect and retain financial audit records (Section 802)

To meet the assessment requirement, management must select a suitable, recognized framework for assessing the effectiveness of internal controls. Two popular control frameworks are COSO (Committee of Sponsoring Organizations) and COBIT (Control Objectives for Information and Related Technologies). COSO focuses on controls for financial processes, while COBIT focuses on IT.

### How do companies comply with SOX?

The combination of the various SOX requirements means that CEOs and CFOs must attest to having the proper "internal controls" at their companies to protect against data tampering. In short, complying companies must ensure the long-term retention, security, integrity, authentication and availability of information.

### How does CipherOptics help?

SOX security compliance requires a layered approach to network intrusion and data security. CipherOptics CipherEngine has the ability to control who, or what, can access specific information on your network, no matter its size or complexity. Our solutions provide you with the ability to securely share information with only those whom you intend.

CipherEngine enables Secure Information Sharing across your network without impacting its performance. Our transparent security solutions provide network-wide authentication and data encryption, both considered to be "best practices" for securing information.

