

## SOX 404 Compliance Services

The Sarbanes-Oxley Act of 2002 (SOX) has dramatically altered the regulatory environment for public companies. SOX Section 404 requires public companies to assess the effectiveness of their internal control over financial reporting annually. Additionally, for certain public companies meeting the requirements of the Securities and Exchange Commission's rules, Section 404 also requires the company's independent auditor to attest to the effectiveness of the company's internal control over financial in accordance with standards established by the PCAOB. While SOX 404 is mandatory for public companies, many large privately-held and nonprofit entities have recognized the importance of the SOX 404 standards and are voluntarily complying with these standards as best practices.

SOX 404 compliance requires substantial time and effort. Many companies are partnering with accounting firms – with the requisite talent, resources and experience – to help navigate the difficult regulatory environment. KMJ, with over 30 years of experience servicing SEC registrants and assisting clients with corporate governance matters, is uniquely positioned to provide effective and efficient SOX 404 compliance services to your organization. At KMJ, we have the necessary industry and SEC reporting knowledge – as well as a structured, comprehensive and tested approach – to provide your organization with the resources you demand. We are committed to providing sound advice related to business processes, internal controls and SOX 404 compliance in a timely and responsive manner.

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**EXPERIENCE.** We tailor our SOX 404 compliance methodology to each client's unique corporate structure, internal control environment and business objectives. KMJ can help your organization with a broad range of SOX 404 compliance services – we provide everything from initial assessments to full regulatory compliance and implementation services. KMJ's methodology includes preparing each client to be self-reliant by means of individual and group training through the duration of the project. KMJ has the consulting and assurance knowledge to help you throughout the compliance process, or with a specific phase, functional area or business unit.

### WE CAN ASSIST YOUR ORGANIZATION WITH:

- *Project management*
- *Technical support, including planning, scoping, documentation, evaluation and reporting*
- *Risk assessment*
- *Control environment assistance*
- *Documentation support – narratives, flow charts, etc.*
- *Identifying and evaluating/testing controls*
- *Tracking of remediation of gaps and deficiencies*

- *Implementing a sustainable compliance process*

**COMMITMENT.** SOX compliance requirements have increased the responsibilities for executive officers, boards of directors and audit committee members. To meet these responsibilities, you need the experience and capabilities of a large, regional firm such as KMJ, one of the region's leading accounting, auditing, tax and consulting firms. KMJ's resource network stretches locally with offices in Orange, Los Angeles and San Diego counties, and nationally and internationally through an alliance with The International Accounting Group (TIAG), a worldwide alliance of independent accounting firms.

The members of your client service team have successfully completed SOX 404 compliance projects before and possess both a realistic understanding of what is involved and the commitment to drive the execution. Being involved in professional societies and have been in the community for over 30 years has allows us to build many relationships with other firms, from Big 4 to local, which allows for ease in communication and expectation from external auditors and audit committees.

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**OUR VALUE PROPOSITION.** KMJ combines the specialized industry knowledge of a national firm with accessibility, responsiveness and equitable pricing to serve the SOX 404 compliance needs of our clients.