

## **COBIT Heightens Sarbanes-Oxley Compliance**

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**Submission To:** AABRI Conference, Orlando 2010, Accounting/Finance/Economics Track

**Preferred Presentation Dates:** Due to class/teaching schedules we cannot present on Thursday; consequently, we are requesting a Friday or Saturday presentation date.

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### ABSTRACT

The Sarbanes-Oxley Act (SOX) was implemented with a central initiative to improve internal control and the reliability of financial information within the accounting industry. While SOX does not directly address the need for information technology (IT) controls, such controls are necessary for compliance as most organizations' transaction processing and financial reporting functions are heavily dependent on an IT infrastructure (Byrum 2003). The COSO internal control framework (COSO 1992), the accepted framework for SOX internal control compliance, states that an organization must implement a compatible IT control framework, but it provides no guidance on how to do so (Damianides 2004). As IT is foundational to most organizations' internal and external reporting systems, appropriate guidance is needed to help accounting professionals design and implement IT control procedures for SOX compliance. The COBIT framework (ITGI 2007) helps fill this gap between accounting control and a rapidly intensifying need for IT control to ensure the integrity of financial reporting. The purpose of this paper is to show how the COBIT framework may be effectively used to support specific Sarbanes-Oxley compliance efforts. The paper provides an overview of both SOX and COBIT and then illustrates how the COBIT framework may be used to outline policies for three central IT control concerns relevant to SOX compliance, lack of user competency and training, system security, and risk assessment.

Key Words: Sarbanes-Oxley, internal control, IT control, COBIT

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