



SOX106

Accounts Payable and Sarbanes-Oxley; Strengthening your Internal Controls- 10 hours

Objectives

This course describes how Sarbanes Oxley requirements should be implemented as they pertain to accounts payable functions. It includes a discussion of why the controls demanded by the Act are important to both public and private companies. It also includes an overview of the COSO framework and how it affects the accounts payable function.

Accounts Payable and Sarbanes-Oxley examines the need for strong internal controls that are integral to the efficient operation of any well-run department. Areas of an organization are explored that often run into trouble such as 1099's, travel and entertainment, unclaimed property and sales and use tax. This course provides overall guidelines to help accounts payable departments conform to SOX including information on preventing fraud, proper documentation, and the overall principles to structure accounts payable so it will be indisputably compliant.

This course will show the reader how to implement SOX in their Accounts Payable function. An entire section analyzes how poor controls surrounding the payment process can result in large scale fraud.

Course Outline

Chapter 1 – Sarbanes-Oxley: How it Applies to Accounts Payable

After completing Chapter 1, you should comprehend the following:

1. Background

2. Overview of the act
3. Effective dates of the act
4. Whistleblower protections
5. Auditor independence: the problem
6. Auditor independence: the new requirements
7. Timely disclosure
8. How material events are reported
9. Management assessment of internal controls
10. Auditor's assessment of internal controls
11. Corporate responsibility
12. Using the act to foster change
13. Directors insurance

Chapter 2 – Compliance Alternatives: Outsourcing and the COSO Framework

After completing Chapter 2, you should comprehend the following:

1. Outsourcing
2. Sarbanes-Oxley requirements if using an outsourcer
3. Mechanism for demonstrating appropriate controls
4. COSO framework: background
5. COSO objectives: enterprise risk
6. Enterprise risk management

Chapter 3 – Invoice Processing

After completing Chapter 3, you should comprehend the following:

1. Purchase orders
2. Purchase order problems
3. Documentation
4. Flowcharts
5. Invoice handling: clear instructions
6. Approval process
7. Three-way match
8. Small-dollar invoices
9. Contract compliance
10. Fraud
11. Segregation of duties
12. Master vendor file
13. Electronic invoicing

14. Month-end close
15. Year-end close
16. Recommended invoice-processing practices

Chapter 4 – Checks

After completing Chapter 4, you should comprehend the following:

1. Authorized signers and board delegations
2. Check signers
3. Documentation: check signers and accounts
4. Check stock
5. Check-signing procedures
6. Facsimile signer
7. Rush checks
8. Mailing checks
9. Outsourcing check printing
10. Check request forms
11. Positive pay
12. Reconcile bank statements
13. Recurring payments

Chapter 5 – Purchasing Cards

After completing Chapter 5, you should comprehend the following:

1. P-card growth
2. Typical usage
3. The survey: how has Sarbanes-Oxley affected your p-card operations?
4. Why comply if you don't have to?
5. Implementation resources
6. Who's doing the work?
7. Sarbanes-Oxley impact on p-card programs
8. Sarbanes-Oxley factor in change
9. Has Sarbanes-Oxley forced change?
10. Additional control features
11. What's being certified
12. Ramifications of not signing

Chapter 6 – Electronic Payments: Alternatives to the Paper Check

After completing Chapter 6, you should comprehend the following:

1. Wire transfers
2. Automated clearinghouse (ACH)
3. SAS 70
4. Daily reconciliations

Chapter 7 – Travel and Entertainment Expense Processing

After completing Chapter 7, you should comprehend the following:

1. Bad practices
2. Written policies
3. Policy enforcement
4. Spot-checking
5. Exceptions to spot-checking
6. Who submits when multiple employees are involved?
7. Electronic reimbursement
8. T&E cards
9. SAS 70
10. Excel reports
11. One-card programs

Chapter 8 – Unclaimed Property (Escheat)

After completing Chapter 8, you should comprehend the following:

1. State of compliance
2. Effect of Sarbanes-Oxley on private company reporting
3. Key escheat issues
4. compliance
5. What's required to do escheat correctly?
6. Common noncompliance areas
7. Subcertifications
8. Segregation of duties

Chapter 9 – 1099s and Other IRS-Related Information Reporting

After completing Chapter 9, you should comprehend the following:

1. Determining status

2. Obtaining a W-9
3. 1099s and year-end reporting
4. TIN matching
5. B Notices
6. Nonresident aliens
7. W-8
8. OFAC and FTO reporting
9. P-card and QPCA reporting

Chapter 10 – Sales and Use Tax

After completing Chapter 10, you should comprehend the following:

1. Problems with proper tax compliance
2. Really bad practice
3. Documented procedures
4. Audit trails
5. Software forms
6. Streamlined sales tax project: not a solution

Chapter 11 – Fraud Prevention Controls

After completing Chapter 11, you should comprehend the following:

1. Report to the nation: 2004
2. Fraudulent disbursements
3. Uncovering fraud
4. Who commits these crimes?
5. Recovery
6. Employee fraud
7. Vendor fraud
8. W-9
9. Small-dollar invoice fraud
10. Check fraud
11. Demand draft fraud

Chapter 12 – Documentation Needed to Conform to the Act

After completing Chapter 12, you should comprehend the following:

1. Board authorizations

2. Flowchart
3. Audit trails
4. Records retention
5. Records retention in merged entities
6. Policy and procedures manual
7. A written T&E policy
8. Other information that should be shared with all employees

Chapter 13 – Overall Guidelines for Conforming to the Act

After completing Chapter 13, you should comprehend the following:

1. Segregation of duties
2. Employ reasonable hiring and background-checking processes
3. Establish internal controls throughout the accounts payable process
4. Eliminate really bad accounts payable practices
5. Paper trails
6. Monitoring reports
7. Automated monitoring for compliance
8. Training