



# Sarbanes Oxley

How AutoFORM LaserNet can help

WORLDWIDE BUSINESS SOLUTION

## Legislation at a glance

### USA

**The Sarbanes-Oxley Act: 2002 (SOX)** Applies to all USA listed public companies including international subsidiaries.

Section 404: Documentation of financial controls with appropriate document records and auditor attestation to management's evaluation.

Up to U.S. \$5 million and or 20 years in prison for CEO/CFO false certification.

### Europe

#### **European 8th Directive-Pending**

Will require auditing companies to take a more microscopic approach to inspecting a company's accounts.

#### **International Financial Reporting Standards (IFRS or IAS) 2001**

Requires extensive record keeping, which can be best achieved through integrated electronic document management.

For example before IFRS, companies holding foreign currencies only needed to report the value of assets held in foreign currencies at the beginning and end of each reporting period. But under IFRS, they will have to disclose the daily movement in the value of those assets as foreign currencies rise and fall.

### UK

**Companies Bill - Pending (Audit, Investigations and Community Enterprise).** It is anticipated that this will require more detailed financial reporting & extensive document record keeping.

### France

**Loi sur la sécurité financière or LSF.** Generally considered the toughest in the EU and broader than SOX.

For example, SOX section 404 demands a management report on internal controls, but this only covers procedures relating to the preparation of financial data. The LSF chairman's report covers all internal controls.

Applicable to all "SA" companies and their international subsidiaries.

### Germany

Department of Finance - January 2002 dictates rules for data access and the auditing of electronic records.

International companies are facing a raft of new legislation on how a company should report and control their corporate finances. Laws such as Sarbanes Oxley, the International Financial Reporting Standards and the forthcoming European 8th Directive, will all have a dramatic impact on how organizations organise and govern their financial accounting systems.

While each piece of legislation concentrates on different aspects of financial control, they all have the same objective: directors and managers must constantly review and test that their company is stringently controlling its finances and, in a very legal sense, executives must accept personal responsibility for the accuracy of their accounts. For instance, the Sarbanes-Oxley act imposes personal fines of up to \$5 million or 20 years in prison for CEO/CFO false certification.

The aim is to ensure that financial reports are based on valid and accurate information and to eradicate potential error or fraudulent action. While most companies already take great pains to do this, in the future companies will be required to maintain an audit trail, supported by extensive document records, to prove this has been done.

## ERP Integrated Output & Document Management

The leading Output & Document Management solution AutoFORM LaserNet from EFS Technology provides an answer to the Sarbanes-Oxley challenge by implementing a flexible yet sophisticated standard business solution for managing document output, workflows, archiving and enforcement of business rules.

The AutoForm LaserNet solution is seamlessly integrated with your existing systems infrastructure providing a central point of document management and thereby ensuring a high degree of consistency and transparency in the corporate control of the information workflow. AutoForm LaserNet ensures a complete and searchable document transaction history for easy retrieval of information regarding previous financial transactions. Furthermore AutoForm LaserNet has a centralized document archiving feature that can be accessed from a web-browser and directly from many leading ERP and financial IT-applications.

## Automated document distribution & disclosure

With AutoForm LaserNet organizations can easily implement workflow routines for securing timely distribution of documents to all relevant recipients. The output management module enables printing to a wide variety of formats such as PCL, PDF, XML, ebXML etc. and distribution via email, fax, paper and/or storage in an archive. This flexibility provides the required basis for establishing a solid workflow system that can assure the timely delivery of all business documents to any relevant party e.g. for obtaining approvals or just to ensure that the party is kept informed. This facility is also extremely useful for automatically creating disclosure or statutory notices in either email, fax or laser print format.

## Raises alerts whenever a significant event requires action

The powerful AutoForm LaserNet document distribution tools can also be enhanced with automated business rules. These rules can be used to monitor the document content, set flags and raise alerts whenever a situation occurs that requires an action. Business rules can be defined to look for significant amounts, discrepancies, possible fraud and a multitude of other situations. Whenever such a situation occurs AutoForm LaserNet will perform such actions as database logging, email alerts, SMS messaging or any other action as defined by the organization.

## Links documents with transaction records

AutoFORM PDM helps you to keep an ordered record of the documents that you have used to create financial reports. This suite of document management & imaging solutions help you to capture and more importantly create a processing audit trail, for any type of document, from any source.

- **AutoFORM Document Imaging:** AutoFORM captures documents from scanners and PC files and uses data from your ERP and ancillary IT applications to index and automatically distribute the document to the appropriate person, department or approval chain.
- **AutoFORM Cold Archive:** Automatically stores large volumes of outgoing & incoming documents, letters, e-mails & faxes as they are generated or received. AutoFORM uses precisely the same document indices as your IT application to assist the speed of search & retrieval. In addition, documents can be linked to many ERP, CRM and finance screens to provide 'drill-down' document access.
- **Online Approval & Authorization :** AutoFORM controls and automates authorization processes for supplier invoices, purchase orders and other similar documents: embedding your controls of who can authorise what and to what level, while creating a permanent archive copy & audit trail for each stage of the authorization process.
- **Automated Statutory Notices or Disclosure:** SOX and other financial regulations such as the Financial Standards Authority often require you to demonstrate that essential notices, information or disclosure is sent prior to contract or with the goods or service. Similarly, most companies will need to create a daily record of currency exchanges. AutoFORM ensures that these documents are automatically generated, delivered and electronically archived (with a comprehensive audit trail) ensuring that legal requirements are always complied with.
- **Links documents to transaction records:** AutoFORM links documents to ERP and finance screens, while also making them accessible from web browsers. This improves the visibility of document information so that errors or fraud can be more easily identified and problems can be resolved before they become business risks.
- **Tamper Proof Records:** AutoFORM has a host of facilities to control or record document deletions, so that you keep the documents that you need—and equally important—cull those that you don't need. AutoFORM meets international standards for document record management. In particular, the EU electronic signature 1999/93/EC document authentication regulations.

## The Business Value of Corporate Governance with AutoFORM LaserNet

Using AutoFORM LaserNet to address Sarbanes Oxley issues will bring you a number of business advantages:

- **Implement solutions quickly**—within a week—without disrupting your organization or making changes to your IT-applications.
- **Increased productivity** by enabling speedier business processing and easy information retrieval.
- **Increases visibility of key documents**, e.g. supplier invoices: helps to prevent errors and fraud.
- **Reduces the time & cost of distributing documents** by arranging for them to be automatically delivered by email, fax or xml, in addition to network printers. Automatically routes documents for authorization or checking, such as supplier invoices & purchase orders.
- **Raises alerts** whenever a situation requires action: for example a missing Proof of Delivery.
- **Satisfy customers and suppliers needs** for receiving & delivering documents in any kind of format and via any electronic channel, so that they can meet their own Sarbanes Oxley requirements.
- **Cuts the Sarbanes Oxley compliance headcount**, costs and timelines. AutoFORM LaserNet uses simple Windows tools allowing many implementation tasks to be completed by individual departments (who already know your systems), without extensive IT-support.

*“As our feet are held to the fire,  
AutoFORM LaserNet provides  
fast, effective relief”*

## About EFS Technology

EFS Technology develops and distributes the standard output management solution AutoForm LaserNet with its integrated document management solution AutoFORM. The company team has more than 12 years professional experience with creating valuable output and document management solutions for more than 2,000 companies worldwide. Our customers use AutoForm LaserNet as their strategic tool for creating, distributing and managing business documents based on output from any IT-system.