

## SOX Compliance for a Large Anglo-Swedish Pharma Company

Organizations today need to ensure that the processes are controlled and all the numbers that go into a balance sheet are correct and appropriate. In 2002 post the Enron, World Com corporate governance scandals in the US; Sarbanes-Oxley (SOX) Act was framed in order to establish new and enhanced standards for all US public listed companies.

SOX Act promotes a mechanism for businesses to prevent and detect fraud and protect the organization's resources, both physical (e.g., machinery and property) and intangible (e.g., reputation or intellectual property such as trademarks).

This need to have the processes controlled, can arise when the organizations goes through a extensive Business Process Re-engineering (BPR) exercise, has a merger or acquisitions activity, Business Transformation, an ERP implementation or any other reason where the process changes or redesigned. A few questions that business has to answer from time to time are:

- Are the processes controlled?
- Are the end users aware of the SOX compliance requirements and their role?
- Are we being compliant to the various sections of SOX, since we have undergone a process change?
- Are we prepared for an external audit?

Cognizant has defined a service offering "HR-SOX Compliance Definition" to analyze the situation in line with these questions. This offering enables business to redefine their processes by embedding the internal

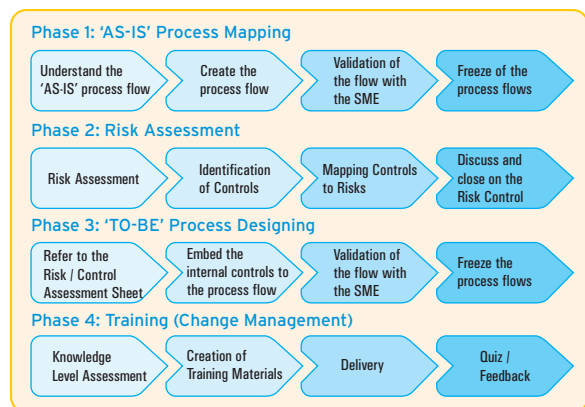
controls with in the processes as Business As Usual thus ensuring compliance to regulatory requirements.

### About the Customer

Executive Summary	
Industry	Life Sciences (LS)
Employee Base	66,000 (Approx)
Region	Asia Pacific
Process Area	Human Capital Management
Application	PeopleSoft HCM 8.8 and other custom third party solutions
Business Challenges	<ul style="list-style-type: none"> <li>▪ Ensuring SOX compliance</li> <li>▪ HR end user acceptance to change</li> </ul>

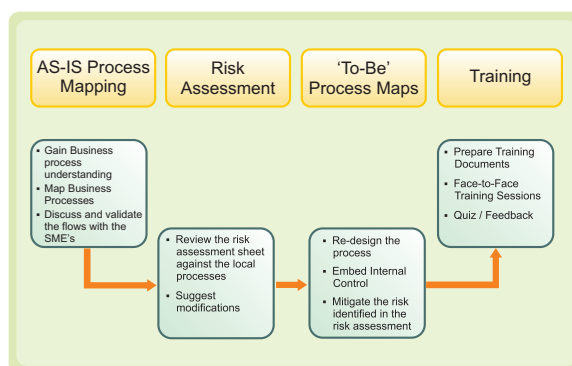
### Methodology

Cognizant's methodology towards SOX compliance has 4 phases



## Solution Highlights

After a few unsuccessful attempts of ensuring SOX compliance, the client approached Cognizant to assist them in ensuring that their HR Processes were SOX compliant. The list of in-scope processes was those that were part of the initial PeopleSoft Implementation that was also done by Cognizant. There were 10 countries in APAC that were part of the PeopleSoft Implementation and each country had around 15 different business processes, all of them were part of the scope for the SOX compliance project.



### Key Deliverables

- Re-designed Processes, with Internal Controls Embedded
- Complete Set of 'To-Be' processes for all the 10 countries
- Test plan and Testing Documents
- Conduct Training for End-Users
- Training Materials for future reference
- Standardized set of Input forms and templates
- Internal Audit Plan

### Challenges

- The program being rolled out in 10 countries
- No available process documentation
- Country specific process variances
  - Legal
  - Cultural
- Change Management
  - Ensuring End User Acceptance
  - Training

## Conclusion

Cognizant's robust methodology helped the client to successfully roll out the SOX compliance program across 10 countries in APAC. The change management strategy ensured that the end users were aligned and appreciated the purpose of the program. A well planned training program was organized for the end users to ensure adoption of the new process. The training documents were provided to the end users for future reference. The internal audit plan ensured their readiness for an external audit. The appropriate evidences were highlighted and the end users trained to ensure that these evidences are ready and all documentation is archived for an external audit.

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