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Common SOX readiness pitfalls to avoid

Like any project, SOX implementation has its challenges. Although some may be unexpected or unique to the company's situation, many others are all too common—and largely avoidable. Here are several to watch out for:

Trying to accomplish too much, too soon

Moving too fast can put a heavy burden on company resources. Being realistic about the scope, budget, and timing can help you accomplish your project goals more effectively.

Ineffective risk assessment and scoping

If a risk assessment is not performed or is not effective, there is the potential for a company to spend a disproportionate amount of time and effort in areas of less risk instead of prioritizing areas of greater risk.

Lack of effective communication among team members

Set up regular communication in all aspects of your project. Provide multiple channels for interaction and have a way to escalate issues that require attention and resolution.

Sticking with the familiar

Implementing SOX can provide a fresh opportunity to revisit existing laborious manual processes and controls that protect against the current known risks, and replace them with automation that can mitigate the same risks, but are also efficient and sustainable in alignment with your growth plans.

Untimely and unplanned schedule changes

Too many schedule changes can cause you to miss deadlines and lose resources. Set up a formal process for managing and responding quickly to resourcing requests and maintain a dedicated core team to mitigate the risk of schedule changes.

Excluding people outside finance and accounting

SOX has stakeholders beyond the financial and accounting functions. Keep them in the communication loop and provide sufficient training over SOX requirements and how that will change their day-to-day way of executing and evidencing their internal controls.

Not having the appropriate skills and experiences

Identify your go-to people for supporting the project, including external resources that can work across your business, share leading practices, and bring in specialized help as needed.

Inconsistent ways of working

To avoid confusion and wasted time, use leading methodologies, tools, and templates so the SOX team can carry out their work in a consistent manner.

Failing to coordinate with external auditors

Meet with external auditors upfront so they know about your project—including the conclusions of your risk assessment, the controls you chose, and how you designed them.