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Insights to refresh and rethink your *SOX program*

May 2026

Introduction

This report reflects input from a diverse range of organizations, providing a broad view of current trends and challenges. The breadth and candor of the responses offer valuable perspectives for leaders seeking to modernize and enhance SOX[1] practices.

We encourage you to use these findings to spark strategic discussions and inform decision-making within your organization. As each business context is unique, consider which approaches align with your goals and environment.

We hope this report supports your ongoing efforts to drive efficiency and transformation in your organization.

A special thank you to all the organizations that took the time to participate in our survey.

Reach out to us if you'd like to participate in future surveys, discuss relevant topics or be invited to our Controls and SOX COE roundtables and events.

To learn more about how to modernize your SOX program or to explore the survey insights, we offer SOX modernization labs, workshops and discussions.

1 Refer to Appendix 4 for acronyms or detailed descriptions.

Survey launchpad

Deloitte's SOX Survey – Executive Summary

The Deloitte SOX Survey highlights the challenges and leading practices shaping today's SOX compliance landscape. Rising costs, expanding control environments, and mounting complexities are consistent challenges that make it essential for organizations to rethink how they approach their SOX program. Our research highlights four essential takeaways that should stand out for SOX leaders.

We invite you to focus on the four biggest takeaways at the heart of our findings:

1 SOX costs and pressure

56%[1] felt pressure to decrease costs. However, more than half of organizations saw year-over-year increases, most by over 10%.

2 Technology interest; adoption lagging

75% have technology, including AI,[1] on their SOX roadmap, but few have fully implemented it or realized its value.

3 Levers beyond tech[1] untapped

Over 65% remain unaware of SOX modernization levers beyond technology, signaling significant opportunity.

4 The opportunity is here

Organizations modernizing both methodology and technology are twice as likely to realize efficiencies and improve quality.

These observations send a clear and urgent message:

While technology remains essential, SOX modernization will have more measurable results when organizations pair digital solutions with foundational upgrades to the risk assessment, testing methodology, and controls framework. Successful organizations are tackling these levers head-on, driving both greater efficiency and stronger risk mitigation, moving past cosmetic changes to achieve lasting transformation and future-proof their SOX program for what's coming.

The bottom line:

It's time to *refresh* and *rethink* your SOX program.

1 Refer to Appendix 4 for acronyms or detailed descriptions.
All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

Survey launchpad

SOX modernization — Levers to refresh and rethink

It's time to refresh and rethink. Despite over two decades of compliance with the SOX Act, most programs remain locked in legacy modes; over-testing controls, under-leveraging smart methodologies, and missing out on automation's true impact. Consequently, spending is increasingly allocated to "checking the box" rather than driving strategic business value. Instead of driving value, SOX compliance spending keeps climbing. Our survey exposes a vast, untapped modernization opportunity. Organizations that use this opportunity to purposefully rethink their SOX program strategy are seeing sharper insights, improved quality, and cost savings. These organizations bridge the gap between "checking the box" and building business value.

HOW TO SPOT A STALE PROGRAM

Hinders performance	Too expensive	False sense of control

- Increased costs due to misalignment of program resources and activities with pressure to do more with less
- Resource challenges are pervasive; unaligned stakeholders, lack of control owner accountability, and unclear roles and responsibilities across the Three Lines[1]
- False sense of control with effort not being spent in the right areas
- Technology strategy or enablement not adequately leveraged

STALE PROGRAMS EXPERIENCE:

Higher deficiency rates with nearly ***2x*** more recurring deficiencies	Longer remediation cycles with ***higher levels*** of effort	***Minimal*** auditor reliance benefits and higher effort for auditor management	***Higher cost programs and 3x*** higher likelihood of year-over-year ***cost increases***

HOW TO MODERNIZE

Use our **SOX modernization pillars** to refresh and rethink.

Program enhancements

Utilizing methodology, process and execution enhancements to improve your SOX program.

Operating model

Optimizing every element that intersects with people involved in the SOX life cycle—from reporting through culture.

Technology and automation

Augmenting compliance with technology such as AI and automation into the SOX life cycle and controls landscape.

OUTCOMES

- Enhanced ***quality***
- Increased ***efficiency***
- Deeper ***insights***
- Reduced ***cost***

Our survey assessed the current SOX program landscape against these pillars and is designed to inspire you to guide your own modernization.

1 Refer to Appendix 4 for acronyms or detailed descriptions.

SOX modernization — Maturity and opportunity

Most organizations view their SOX programs as "established," but our data shows this confidence masks blind spots. Where executives see maturity, over 90% of respondents reveal untapped modernization levers, legacy manual pain points, and a mismatch between strategic goals and SOX program design. **For many, it's time to move** now; breaking out of comfort zones to harness technology, rethink risk, and reshape the SOX operating model.

SURVEY INSIGHTS

Most organizations think they are established...

Program maturity[1]	Current state	Desired future state
Emerging	6%	–
Evolving	23%	3%
Established	***53%***	6%
Modernized	18%	51%
Next gen	–	40%

...Yet established doesn't mean modernized.

report scope, cost, or resources expanding despite "established" program status

not aware of SOX modernization levers left to be able to enhance their program—yet we saw many untapped levers in their responses

Top SOX program **pain points** → Top **focus areas** for organizations

65%	Control owner accountability
60%	IUC[1]/IPE[1] understanding and application
54%	Highly manual controls
46%	Management review controls documentation
45%	Coordination with external auditor

- **Technology enablement**
- **Risk assessment refresh**
- **Control framework refresh**

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SOX modernization — SOX program enhancements

Modernization isn't a buzzword, it's a mandate. Leading organizations achieve the greatest impact by pairing updated methodologies, robust testing strategies, and purposeful program design with technology enablement. Despite growing technology investments, our survey shows that true program enhancements (e.g., methodology, testing, frameworks, and SOX program redesign) are underutilized levers in SOX modernization. The consequences and expenses associated with inaction in this area are escalating, and boards now have higher expectations.

SURVEY INSIGHTS

Many SOX programs fixate on control rationalization, leaving broader program enhancements on the shelf.

62% have not materially updated program elements of the SOX program in the last two years

27% utilized SOX programmatic enhancements to reduce cost

Risk assessment modernization	**63%**	miss many methodology enhancements
	29%	lack majority of the enhancements
Testing strategy modernization	**37%**	consider testing strategies a top priority
	84%	have yet to modernize testing
302[1] modernization	**75%**	do not use 302 as a modernization lever
	70%	do not utilize 302 to drive program change

Control rationalization

50% performed control rationalization in the last three years

30% planned control rationalization in the next one to two years

Impacts from rationalization:

58%	decreased in-scope control count due to a more focused risk assessment
	Of these, organizations that performed a RCM[1] refresh within the last two years saw ***24% fewer controls***
40%	increased in-scope systems
44%	increased in-scope key reports
58%	increased in-scope automated controls

DELOITTE'S PERSPECTIVE

Modernization isn't optional, it's the new baseline.

Modernized SOX programs blend smarter risk assessments, sharper scoping, and innovative testing with tech enablement and they're reaping real rewards. While control rationalization was a common focus, many other levers were missed. Organizations pulling multiple modernization levers (e.g., methodology, operating model, automation) cut SOX costs by up to 30%, while slashing manual effort and redundant testing.

To capture true SOX value, don't just layer on tech—refresh your approach, redesign your SOX program model, and automate for smarter control execution.

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Survey launchpad

Technology — GRC[1] and SOX program management

Modern SOX programs rely on technology as the backbone; however, many organizations have yet to maximize its impact. Our survey reveals that while most organizations use GRC tools and digital platforms to manage SOX, significant opportunity remains to enhance how these technologies orchestrate program administration, reporting, and workflows. Resilient teams are those leveraging integrated solutions to streamline requests, unify data, and automate repetitive tasks. This lays the groundwork for consistency, real-time insights, and future scalability.

SURVEY INSIGHTS

The majority use GRC tools...

GRC adoption

have implemented a GRC tool, with the remainder using manual tools

of **GRC users** utilize either Optro or Workiva

of **GRC tool users** report that workflow automation is not integrated end to end

use more than one GRC tool for SOX program management

...Yet there are still many growing pains.

Where GRC is utilized

77%	Controls workpaper review workflows
74%	Maintaining control and testing documentation
71%	Evidence collection
60%	Reporting and status tracking
57%	External auditor workflows
54%	302 certification workflow
40%	Control deficiency management
27%	SOX program risk assessment

GRC tech enablement status

rely on manual triggers or supplemental spreadsheets outside their primary GRC tool

are exporting from GRC for external auditor review

are piloting/pursuing AI for program management workflows

Respondents' enhancement needs:

58%	Reporting capabilities
54%	Integration with other systems
48%	Tracking of follow-ups
45%	Scalability for growing needs

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Technology — SOX program execution

The basics have been adopted, but automation of testing remains untapped. Our survey reveals that while most organizations are actively leveraging technology to manage and maintain SOX processes, especially in GRC, documentation, and certifications, the next wave of value lies in automating testing and deploying AI for higher-impact activities. A minority are currently using AI for controls execution, despite more than half having such innovations on their near-term roadmap. To unlock efficiency, accuracy, and agility**,** bold leaders are shifting focus beyond GRC integration and reinvigorating the end-to-end SOX program life cycle with automation, AI, and modernized testing strategies.

SURVEY INSIGHTS

Digitization of the basics is strong...

Automation in the end-to-end SOX program life cycle

	Utilized	On roadmap	Not planned
Risk assessment	29%	***44%***	27%
302 certifications	***61%***	18%	21%
Control documentation maintenance	37%	***39%***	24%
Documentation requests	***53%***	28%	19%
Control testing	29%	***49%***	22%
Reporting	33%	***47%***	20%

...AI-driven testing is the missed opportunity.

Automation and AI in control testing

	Utilized	On roadmap	Not planned
AI RCM[1] review and rationalization	3%	45%	***52%***
AI workpaper creation	5%	***57%***	38%
AI/automated testing	4%	***58%***	38%
Automated evidence capture	16%	***51%***	33%
Process mining	8%	***52%***	40%
Test scanning tools	22%	28%	***50%***

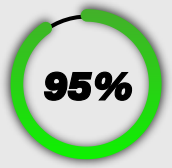
Respondents' expectations of AI impact on the end-to-end SOX program life cycle:

15% ***Extremely*** impactful

67% ***Somewhat*** impactful

5% ***Minimal*** impact

13% ***Not*** impactful



of respondents are focused on AI as their next step

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Technology — Control automation

Control automation is on the roadmap, but moving that into execution is clearly a challenge. Our survey shows that although many organizations have begun automating their control processes, most are just getting started, and many remain unconvinced about the benefits or their capabilities to automate or apply AI. However, automating controls can provide greater risk mitigation at a lower cost, with real and immediate returns. The next big opportunity is to use advanced automation and AI directly in control activities, unlocking both compliance and operational value, while continuing to keep governance and monitoring in mind.

SURVEY INSIGHTS

Control automation is a priority on paper; implementation is the hurdle.

have controls automation execution strategies on their roadmap

have **continuous controls monitoring** as their primary focus area for automation

Areas of automation in controls performance

	Utilized	Implementing	On roadmap	Not planned
Control execution with RPA[1] or AI	25%	18%	***44%***	13%
Process approval workflow tools	***63%***	10%	20%	7%
Data analytics for control execution	16%	10%	***41%***	33%
Reconciliation tools	***38%***	16%	27%	19%
Continuous control monitoring	11%	13%	***51%***	25%
Access controls, user provisioning and SOD[1]	***48%***	20%	28%	4%

Top challenges to automating controls

- ***59%*** Cost/budget
- ***50%*** Resources to execute and monitor
- ***43%*** Understanding of ROI[1]

Top challenges to automating SOX program life cycle

- ***55%*** Process doesn't support automation or AI
- ***51%*** Resources and skill set
- ***48%*** Budget constraints

Trustworthiness of governance (11%) was the least concerning challenge to organizations as most are not using AI and automation enough to prioritize this area.

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Technology — Deloitte's perspective

Current SOX programs rely too much on manual processes, leaving efficiency, insight, and cost savings unrealized.

While many organizations have automated basic certifications and documentation requests, **most still depend on resource-intensive manual testing and fragmented control execution.** This results in significant spend without timely results, missed opportunities for risk reduction, and constrained teams unable to focus on higher-value strategic work.

To turn SOX from a cost center into a source of strategic advantage, organizations should shift from "digitized" to "fully automated" and leverage AI across the life cycle.

The market is quickly shifting to consolidated, unified platforms that embrace AI for the SOX life cycle.

Leading organizations are moving beyond isolated digital improvements toward end-to-end SOX transformation. By adopting unified technology platforms, automating high-volume controls, and leveraging AI for testing, these organizations achieve measurable cost savings by accelerating speed, accuracy, insight, and responsiveness. Modernized programs consolidate reporting, automate requests, and evidence extraction, enabling seamless coordination across audit, compliance, and business teams.

The path forward is *clear.*

To unlock long-term value, organizations can shift from "digitized" to fully "automated" SOX environments. This means integrating GRC, automation, and AI; breaking down silos; and making the move from "single source of truth" to a "single flow of action." By **prioritizing automation where impact is highest and equipping teams for technology-enabled work,** organizations can free up resources, reduce regulatory risk, and create agile, future-ready SOX programs. This turns SOX from a cost center into a source of strategic advantage.

Survey launchpad

Risk assessment — Impact and opportunity

A modern risk assessment is more than a compliance exercise; it's a powerful lever for driving SOX program efficiencies and meaningful business impacts. Most organizations overlook potential enhancements, missing opportunities to streamline controls and reduce costs. Upgrading your risk assessment approach can enable smarter, leaner, and more resilient compliance.

SURVEY INSIGHTS

Many programs aren't utilizing a modern risk assessment...

Risk assessment methodology

81% perform **manual** risk assessments

63% miss **multiple** methodology enhancements

72%	No residual risk analysis
62%	No disaggregation of account balances
45%	No risk ratings
38%	No system linkage to account scoping
38%	No targeted coverage by account

Refreshing risk assessment

49% refresh only once per year, making it less likely that changes throughout the year are captured

56% do not refresh after a significant change impacting the ICFR framework

8% depend on their external auditor to define the risk assessment and scope or do not have a formal risk assessment process

Risk assessment benchmarking ***87%*** average revenue coverage

...And the impact is clear: The savings and scope reductions are measurable.

Midyear scoping impact

Less frequent refreshes were correlated with respondents identifying **midyear scope changes as a challenge**.

21% utilize risk assessment to **reduce cost**

17% ***more*** controls
in organizations that do not frequently refresh

31% ***more*** controls
in organizations that target a minimum coverage for an FSLI[1] test

24% ***fewer*** controls
in those that used a disaggregated scoping approach

36% ***fewer*** controls
in those that incorporated risk ratings in addition to a disaggregated scoping approach

Increasing scope

54% of organizations had an increase in control count from the prior year

Of those 54%...

56%	***30%***	***14%***
increased controls	increased controls	increased controls
1%–10%	***11%–20%***	***21% or more***

Increases in scope are driven by:

1. System implementations: ***73%***
2. External audit requirements: ***51%***
3. Deficiency trends: ***40%***

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Risk assessment — Impact and opportunity

DELOITTE'S PERSPECTIVE

Modern risk assessment methodology and tech enablement: Less effort with greater confidence

Risk assessments are the catalyst to drive change and modernization through the entire SOX program, driving consistency, clarity, and rightsized programs. Those that adopt modern methodology, refresh regularly, and are tech-enabled transform risk management. They provide organizations with a clearer view that focuses on the areas of highest risk while optimizing the control landscape and streamlining scope. They also empower management to have more confidence in their overall program and provide increased insights for decision-making and external auditor alignment.

Risk assessments *reimagined:*

A **comprehensive, technology-enabled approach** to risk assessments that delivers **leaner compliance, elevated risk mitigation, and increased organizational value.**

Scoping and control environment — Benchmarking and impact

Identifying an appropriate SOX program scope is the quickest path to controlling costs and boosting audit confidence. Yet, our survey shows that most organizations are still battling rising control counts and greater complexity, especially as IT implementations expand the SOX program environment. Further, our survey results indicate that when organizations rightsize and increase automation in scope, they free capacity, streamline testing, and see fewer deficiencies.

SURVEY INSIGHTS

Most organizations are still battling rising control counts yet control counts don't tell the whole story; the underlying landscape does.

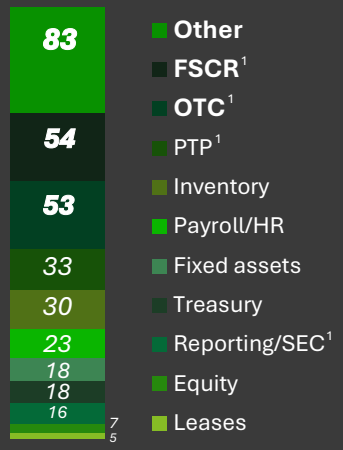
Control counts

Overall average control count: 608

Average count by revenue:

- 1,296 — $25B+
- 592 — $15B–$24B
- 386 — $1B–$14B
- 282 — Up to $1B

Business process controls: 301



ITGC[1] controls: 141

Other areas of scope:

Key reports	125
Systems	29
ELCs[1]	26
Third parties	20
Tools	15

Note: Control counts and SOX benchmarks vary widely and are very dependent on environment, systems, and complexity; use this data as ***a directional guide, not a strict target***.

Automated vs. manual controls

indicated the **manual nature of controls** was a challenge for their SOX program scope

16%
in-scope automated controls

↓ 12%
fewer *controls for organizations who had above-average in-scope automated controls*

Deficiency impact:

Organizations with above-average in-scope automated controls had ***fewer deficiencies*** on average and experienced a smaller deficiency rate increase from the prior year.

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Survey launchpad

Control testing — Execution strategy and methodology

SOX control testing remains a major driver of SOX program cost and effort. As regulatory demands and control environments grow more complex, many organizations still struggle to automate manual controls and processes. While modernizing testing strategy is a stated priority, most have not made changes to realize meaningful efficiency gains. Our survey shows that teams using data, automation, and standardized methods reduce cost and rework while improving risk mitigation—highlighting a significant upside for organizations that modernize.

SURVEY INSIGHTS

Cost and effort

39 *average hours per control*

Organizations flagged the below as drivers for increased cost in testing:

62%	58%	37%
Labor costs	External auditor	Increasing testing hours

Testing modernization

- 37% say **modernizing testing strategy** is a priority
- 84% hadn't fully applied modernization testing techniques
- 80% indicated testing as a significant challenge to their SOX program

Methodology benchmarking

Percentage of participants per method		Additional notes on the impact
82%	Common control approach	Despite widespread adoption, most indicated ***less than 10% of controls qualify as a common control***.
55%	Benchmarking[1] key reports	Of those, ***50% of respondents were benchmarking less than 30% of their key reports***.
28%	Benchmarking automated controls	Of those, ***36% of respondents were benchmarking less than 10% of their automated controls***.
55%	Varying nature timing and extent of testing	Those that adopted this methodology saw ***lower testing hours***.
43%	Varying testing phases by risk	Of the remaining respondents, ***40% were testing all controls equally*** with three or more phases.

3 years average bench-marking time frame

DELOITTE'S PERSPECTIVE

Modernizing your SOX testing is about applying a tailored methodology to specific risk areas, with the goal of aligning risks and cost.

Testing is the largest cost factor in SOX compliance. With rising labor expenses and growing regulatory requirements, traditional testing programs are feeling "the squeeze" more than before. While automation is critical to reducing manual burden and error rates, our experience and data show value is realized when automation goes hand in hand with modernized scope and a risk-driven methodology.

SOX programs that fail to link their risk assessment and scoping to testing strategies and methodologies typically see rising hours, rework, and inefficiency despite investments in technology. To change this, organizations should challenge the necessity of every test and modernize testing methodology. This will lead to a more agile, robust, and sustainable SOX program.

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Survey launchpad

External auditor — Reliance[1] and coordination

Many organizations focus on external auditor reliance. However, achieving true coordination and impactful benefits continues to be a challenge. Our survey reveals that while most organizations strive for alignment with their external auditor, it is often hampered by misalignment on testing approaches, unclear communication protocols, and a mismatch in scoping. These disconnects can drive inefficiencies and reduce cost savings, limiting the value realized from reliance.

SURVEY INSIGHTS

Reliance is a primary area of focus...

Reliance benchmarks

38% ***average*** reliance achieved

said ***reliance is ≤ 40%***

had no reliance at all

saw **no change** in reliance from the prior year

Reliance and coordination feedback

13%	***Saw reliance impact fees***
22%	Ranked coordination improvements a ***top priority***
36%	***Not satisfied*** with current reliance
54%	**Unsure** if reliance resulted in a **fee reduction**
58%	***Saw increased cost*** due to external auditor
87%	Felt they ***could not convey the benefit*** of reliance

Top 3 ranked challenges

1. Communication protocol
2. Testing approach alignment
3. Scope alignment

...But overall coordination and alignment can drive even more efficiencies.

Alignment

collaborate with their external auditors to implement a reliance strategy

Have more in-scope controls than their external auditors

Percentage of respondents not aligning in these areas:

19%	Sampling approach
20%	Walkthrough approach
23%	Testing attributes
31%	Risk assessment and scoping
31%	Testing timelines
34%	Enhanced testing templates

Reporting and coordination

24%	Indicated audit methodology changes and communication led to more deficiencies
28%	Reported reliance % to the audit committee as a KPI[1]
32%	Coordinated with external auditor from the 2nd Line[1]
60%	Coordinated with external auditor from the 3rd Line[1]

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External auditor — Reliance[1] and coordination (cont.)

DELOITTE'S PERSPECTIVE

Reliance can drive efficiencies, but overall coordination is the game changer

Despite good intentions, many organizations struggle to achieve the full impact of external auditor reliance. Clear articulation of reliance benefits, such as potential cost savings, streamlined testing, and enhanced stakeholder visibility, remains elusive for many stakeholders.

Addressing gaps in communication and approach isn't just about compliance—it's about building sustained efficiencies and freeing up resources for higher-value activities. The real differentiator is proactive alignment that synchronizes timelines; embeds technology and data into shared processes; and drives collaboration across the entire program. This can reduce the burden on control owners and prevent surprises throughout the year.

Unlocking the full value starts with **transparency in communication** so organizations can **move beyond transactional coordination** to **strategic collaboration**.

Those that do can see efficiencies in **both cost and compliance**.

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Survey launchpad

Control deficiencies — Benchmarking

Deficiency management and reduction continue to be a focus, with the root cause of many still being people and processes. Our survey shows deficiency rates are rising, and repeat deficiencies persist despite management's efforts to remediate faster. This underscores the need to identify the root causes of deficiencies, which allows organizations to address underlying issues and prevent recurrence.

SURVEY INSIGHTS

People and processes still shape the deficiency equation while the Third Line shoulders most of the load.

Deficiency benchmarks

6%
average deficiency rate

↓ 40%
fewer *deficiencies* for those that primarily outsourced their SOX program

44%
attributed deficiencies as a ***primary driver of cost increases***

Deficiency rates

34% *YoY[1]* ***increase in deficiencies*** → Of those that saw an increase, the average rate of deficiency **increased by *34%*** ↑

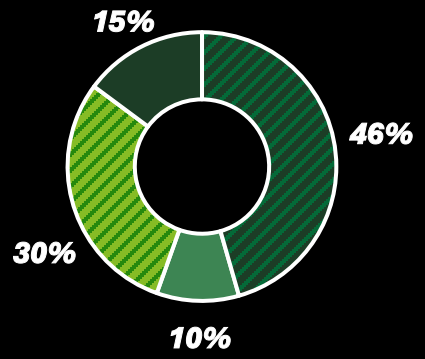
44% *YoY* ***decrease in deficiencies*** → Of those that saw a decrease, the average rate of deficiency **decreased by *26%*** ↓

91% *YoY* ***recurring deficiencies*** → Identified deficiencies recur ***25%*** of the time ↻

9% *of participants reported* ***a material weakness*** → 31% *had material weaknesses reported in* ***multiple years***

Self-identification of deficiencies by management:

- ≥50%
- 25%–50%
- ≤25%
- None identified



Top 3 root causes

Deficiencies
- Control owner turnover, skill sets and sufficiency of resources
- ITGCs and dependent controls
- Lack of automation in controls and processes

Recurring deficiencies
- Control owner turnover and resource sufficiency
- Lack of automation in controls and processes
- ITGCs and dependent controls

Material weaknesses
- Accounting documentation, policy, and/or procedures
- Segregation of duties/design of controls
- IT, software, security and access issues

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Control deficiencies — Strategies and ownership

Remediation effort is often not aligned to risk and is largely carried by the Third Line, creating unnecessary cost and leaving critical gaps. Our survey indicates the Third Line still carries most of the burden, even though the root causes of deficiencies largely stem from people and processes within the First Line. The path forward is to shift the operating model for remediation and manage deficiencies through a clear risk lens.

SURVEY INSIGHTS (CONT'D)

Top effective strategies for deficiency management

81%	Training and awareness
46%	Supporting remediation directly
30%	Revising procedures and documentation
15%	Strengthening oversight and monitoring

Deficiency management ownership

	Remediation and monitoring	Severity evaluation
First Line	**27%**	**4%**
Second Line	**28%**	**27%**
Third Line	**46%**	**69%**

DELOITTE'S PERSPECTIVE

Deficiency management should go beyond reactivity and into risk and culture alignment. With 9% of companies disclosing material weaknesses and 91% wrestling with repeat deficiencies, future-ready SOX programs should risk-assess remediation efforts to move the needle. Organizations are dedicating Third Line resources to chase deficiencies in lieu of managing the root causes: people and processes. Broadly applied remediation efforts across all deficiencies are inefficient and don't provide sufficient benefit for the cost. **It's time to differentiate.** Organizations should double down on remediation of high-risk areas to drive true change through the First and Second Lines. That means:

- **Sharpening risk focus:** Prioritize effort where risk and cost converge, not just where the symptoms flare.
- **Redesigning ownership:** Shift responsibility to a Second Line function that can advise and drive goals proactively.
- **Unleashing technology:** Accelerate adoption of next-gen[1] tools for continuous controls monitoring and remediation tracking. Automation isn't a "nice to have"; it's the lever that lets your talent focus on strategic objectives and not endless firefighting.

Progress won't come from more of the same.

Rethink your deficiency playbook for smarter risk management, seamless ownership, and actionable insights.

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Survey launchpad

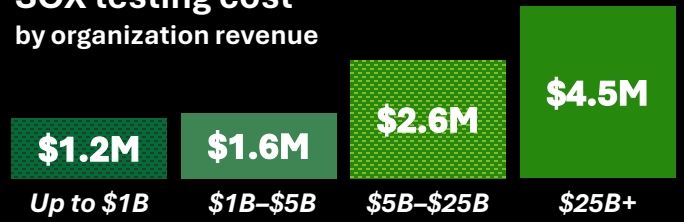
SOX program costs and effort

SOX program costs and the level of effort are rising across organizations, and the focus is on identifying levers for reduction. Half of respondents have experienced recent cost increases, and most feel pressure from their executives to further reduce spend. Despite this pressure, uncertainty remains about how to reduce costs, further highlighting the need for a new approach to SOX compliance.

SURVEY INSIGHTS

Cost increases and pressure are the norm...

SOX testing cost
by organization revenue



Other program statistics

- ***39*** *average hours* ***per control***
- ***20,000*** *average hours* ***for SOX program delivery***
- ***22%*** *average* ***offshore*** *usage*
- ***38%*** *average* ***outsource*** *usage*
- ***+22%*** ***increased cost*** *for organizations not using GRC*

...Yet most organizations lack a clear path to efficiency.

Cost climate

- 50% organizations that experienced ***increased cost*** → ***+10%*** average SOX program increase
- 56% ***felt pressure to reduce the total cost*** of SOX compliance → 63% ***uncertain*** how to reduce cost further

Top rated drivers for increases

- 63% Labor cost
- 63% External auditor
- 47% Deficiencies and remediation
- 40% Risk profile/risk assessment

Top rated drivers for decreases

- 52% SOX modernization
- 42% Program management and alignment
- 39% Risk assessment and scoping
- 38% Testing methodology

Note: The wide variation in the total cost of SOX programs among our survey respondents showed that there are many factors that play a role in cost beyond company size, including but not limited to the complexity of the environment, the IT systems landscape, business units, revenue streams, and the use of common controls. **Please consider these factors when reviewing the survey insights.**

DELOITTE'S PERSPECTIVE

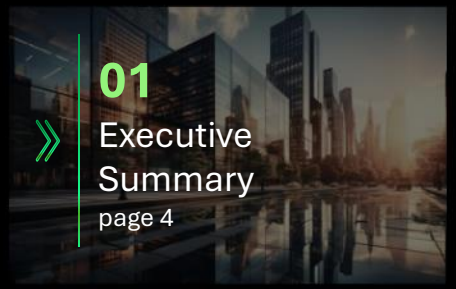
Modernization is crucial to bending the cost curve and driving value in SOX programs.

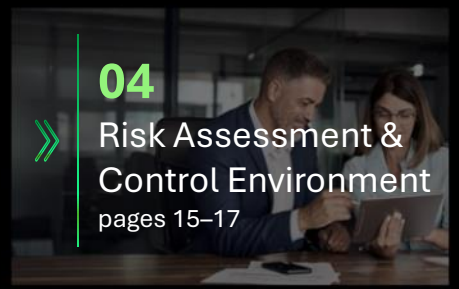
Organizations under pressure to reduce costs should critically rethink their SOX program design end to end. This is why our survey focuses on highlighting SOX modernization across the three levers, which can drive cost optimization and increased confidence in the program.

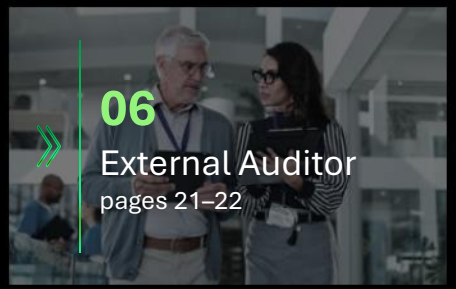
In addition, leveraging the SOX program to drive value can convert compliance spend into broader business benefits. By moving beyond incremental improvements and investing in program transformation, organizations can optimize spend and strengthen risk mitigation.

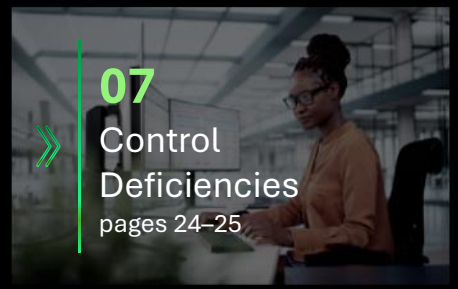
All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

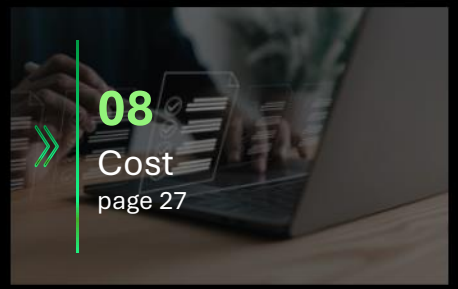
Survey launchpad

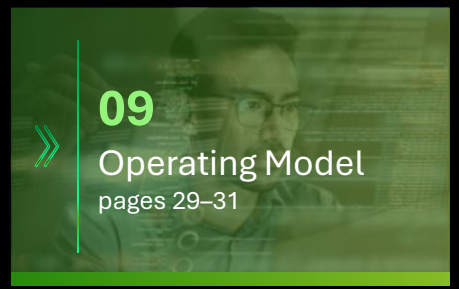












SOX program operating model — Program makeup

The operating model is the most overlooked lever for driving transformation, cost optimization, and a modern, value-driven program. Effective SOX programs are built to scale, aligning the operating model to revenue and control volume, rather than defaulting to the status quo. Organizations should rightsize the model based on the risk assessment and testing strategy, ensuring roles, ownership, and capacity match what's required. Leaders should also weigh the trade-offs of in-house versus outsourced and onshore versus offshore delivery to secure the right skills at the right times, while maintaining cost discipline and consistent quality.

SURVEY INSIGHTS

A purpose-built SOX program operating model can boost governance and resource allocation.

Program makeup

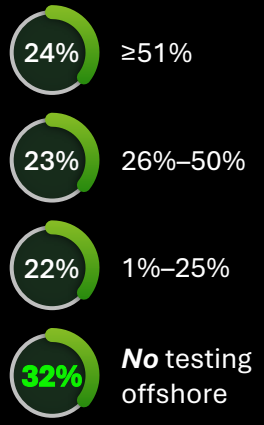
10
average ***FTEs supporting*** the SOX program

Onshore vs. Offshore

22%
Average ***offshore rate*** for overall SOX program

46%
Fully ***onshore*** SOX programs

Offshore SOX testing



In-house vs. outsource

43%
average ***FTEs*** from an ***external provider***

38%
average ***cost*** of total program **on *outsourcing***

Organizations with ***greater in-house resources*** tended to have ***more costly*** SOX programs than similarly sized outsourced programs.

Organizations with revenue of ***greater than $1 billion are using more in-house FTEs*** while ***organizations with revenue less than $1 billion are relying on more outsourcing.***

Organizations with ***more than 500 controls*** reported ***more in-house FTEs*** than outsourced FTEs.

Organizations with ***500 or fewer controls*** showed a ***roughly even split*** between in-house and outsourced talent.

DELOITTE'S PERSPECTIVE

Success can be accelerated by the operating model.

SOX program cost and effectiveness are driven less by in-house versus outsource decisions and more by **fit-for-purpose operating model design**. This aligns ownership, governance, and scalable capacity to revenue size and control volume. As organizations grow, they tend to retain more work in-house; often leading to increased cost due to training, tooling, and peak-period staffing needs. SOX programs can offset increased costs through control rationalization, automation, and targeted co-sourcing during peak periods and for specialized skills.

For smaller programs, outsourcing or co-sourcing can be a pragmatic way to bridge talent gaps while maintaining strong management ownership and accountability.

All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

SOX program operating model — Roles and reporting

The Three Lines of responsibilities can be a powerful tool to drive efficiency, accountability, and value. Well-defined roles and responsibilities can drive cost, speed, and confidence, which may influence external audit reliance. Yet, our survey showed that SOX programs are largely owned by the Third Line function, which may cause value loss as testing drives the bulk of program effort. KPIs are very compliance and deficiency results driven and may not provide value realization. Well-designed KPI reporting is management's "control tower" for SOX. For many companies, refreshing and rethinking the SOX program requires considering the entire operating model.

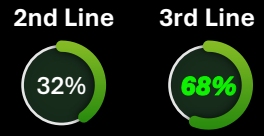
SURVEY INSIGHTS

The Third Line is burdened by and blurred with Second Line activities, resulting in a check-the-box program with limited time for insights, automation, and optimization.

Roles and responsibility

70%

*of SOX programs **are owned by the 3rd Line***



*average split of overall **SOX hours** spent by Line*

Type of SOX testing

83%	**3rd Line primarily testing**
20%	Self-certifications alongside testing
2%	Some form of peer testing alongside 2nd or 3rd Line
0%	Self-certification or peer testing alone

SOX program responsibilities

	First Line	Second Line	Third Line
Risk assessment	6%	30%	***64%***
302 certifications	33%	***39%***	28%
Control documentation maintenance	***50%***	25%	25%
Control testing	0%	18%	***82%***
Reporting	6%	19%	***75%***
External auditor coordination	8%	32%	***60%***

SOX advisory support

	First Line	Second Line	Third Line
Remediation planning and monitoring	27%	27%	***46%***
Deficiency severity evaluation	4%	27%	***69%***
GRC administration	5%	22%	***73%***
SOX adviser	4%	28%	***68%***
Control framework design and deploy	20%	***41%***	39%
Training	3%	33%	***64%***

Reporting remains focused on the basics of SOX.

Audit committee reporting

KPI	%
Number of SDs[1] & MWs[1]	88%
Testing status and results	78%
Number of CDs[1]	75%
Significant program changes	69%
Risk assessment results	54%
Annual budget and metrics	50%
Deficiency taxonomies	46%
External audit reliance	28%
Technology enablement	25%

Tools and automation in reporting

used the GRC tool to support reporting

utilized automation to reduce the effort of reporting

1 Refer to Appendix 4 for acronyms or detailed descriptions.
All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

SOX program operating model — Challenges and the power of a purposeful design

SOX programs should have a seat at the table within organizations because they play a pivotal role in safeguarding the integrity of financial reporting, strengthening internal controls, and fostering stakeholder trust. By actively involving SOX program managers in strategic discussions, organizations can be confident that compliance considerations are integrated into decision-making processes, enabling proactive identification and mitigation of risks. This not only supports regulatory adherence but also can enhance organizational resilience, transparency, and long-term value creation. Our survey indicates that SOX programs are integrated in many areas. However, there are still areas where SOX program managers do not have a seat at the table.

SURVEY INSIGHTS

Operating model is being overlooked...

say **people-related challenges** are persistent

- ***Labor costs*** were the ***largest driver of cost***
- ***People factors drive the most deficiencies***, including material weaknesses
- ***Alignment, reporting, and tone-at-the-top*** are recurring gaps
- ***Biggest improvement lever:*** control owner training and accountability

...Yet can be the primary driver of the program.

saw operating model as a modernization lever

- ***External auditor coordination*** is a major pain point—and an opportunity
- Resources ***lack appropriate skill sets***, including tech enablement
- ***SOX often lacks a "seat at the table"*** for privacy, M&A, AI governance, and implementations, creating inefficiency and risk
- ***Second Line support is limited,*** and the Third Line is overextended, leaving control owners under supported

What changes the game: An operating model redesign **built to fit your people and your SOX program**.

DELOITTE'S PERSPECTIVE

The case for purposeful design of your SOX operating model

Crafting a SOX operating model that is specific to your risk profile, landscape, stakeholders, and ultimate vision can drive benefits across the organization, including:

- **Engaging existing talent** to drive productivity and cost efficiencies in the SOX program
- Increasing agility to **meet the changing demands and risks** posed by the control framework
- **Aligning with organizational strategies** and risks
- **Driving transformation** and adopting the latest techniques and technologies

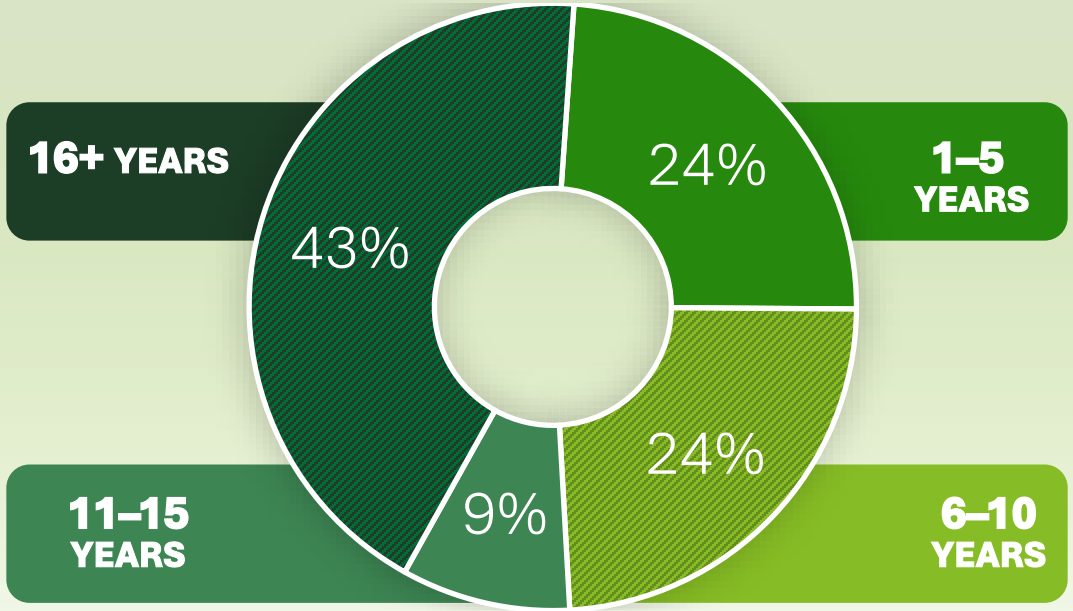
Organizations that take the time to build a fit-for-purpose operating model may see greater long-term value from their SOX program.

All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

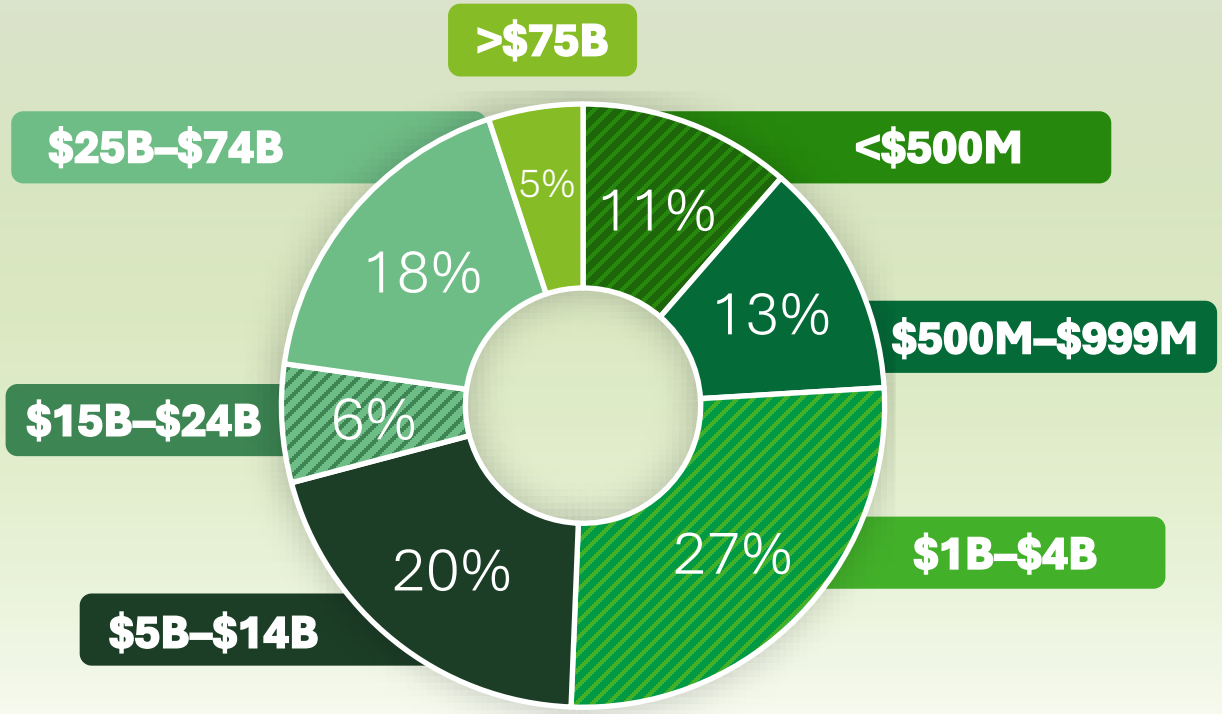
Survey launchpad

Appendix 1 — Respondent breakdown

SOX compliance program tenure



Organizations reporting revenue



All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

Appendix 2 — Non-key and operational controls

The identification of key and non-key controls is essential to determining the appropriate scope of controls for SOX testing. Notably, **64% of respondents reported having non-key controls or operational controls within their organizations**. These controls may provide SOX programs with the flexibility to serve as compensating controls in situations where deficiencies in key controls are identified. While non-key controls may not always be a primary focus for SOX testing teams, our insights indicate that responsibility for these controls typically resides within one of the Three Lines.

OWNERSHIP OF NON-KEY AND OPERATIONAL CONTROLS

Respondents with non-key and operational controls indicated the following breakdown of ownership for activities between the First, Second, and Third Lines:

Activity	First Line	Second Line	Third Line
Design and maintenance of operational controls	X		
Design and maintenance of non-key SOX controls	X		
Testing and reporting of operational controls			X
Testing and reporting of non-key SOX controls			X
Remediation of operational controls	X		
Remediation of non-key SOX controls	X		

INSIGHTS

The designation of controls as key, non-key, or operational should be based on an organization's inherent risk. Annually, the risk assessment will determine whether key controls are in or out of testing scope. As such, we expect key controls to move into or out of scope based on your organization's risk assessment process in any given year.

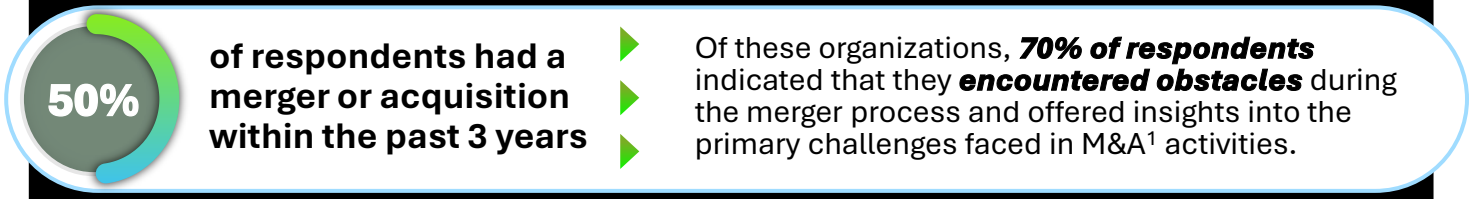
Non-key and operational controls are not always performed to the same standard as key controls, which could make them difficult to utilize as compensating controls. Organizations should consider their risk and cost appetites when determining the number of non-key and operational controls to maintain, test, and report.

All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

Appendix 3 — Other hot topics

HOT TOPIC #1 — MERGERS, ACQUISITIONS & DISPOSITIONS

During mergers, acquisitions, or dispositions, it is critical to evaluate the impact on each element of the SOX life cycle to support seamless and effective integration. These transactions necessitate proactive planning and the strategic allocation of additional resources to support successful transitions. Organizations leverage a range of approaches to prepare their SOX programs for post-merger integration, and survey respondents have provided valuable perspectives on the most frequently adopted strategies.



Top 3 challenges faced during M&A activities

1. Lack of understanding of the risk and controls environment, including IT and the target's culture
2. The controls readiness strategy did not consider integration efforts by the business
3. The organization did not combine the acquired controls into existing common processes

Top 3 strategies utilized during M&A activities

1. Align SOX risk and compliance objectives with external auditors
2. Complete a risk assessment of the target entity, including acquisition-related controls
3. Consider a *year-one exclusion*[1] from SOX 404 reporting requirements

Source: 2026 M&A Trends Survey: A tale of two markets

HOT TOPIC #2—CYBER

Our survey indicates that cyber risks remain a concern across organizations. Linking the SOX program to the management of these risks is critical.

Encouragingly, our survey found that **91% of respondents have not experienced a material cyber incident in the past three years**, suggesting that current risk mitigation strategies are largely effective. However, **among the organizations that experienced a cyber incident, 86% reported a financially relevant impact.** This underscores the importance of maintaining robust cybersecurity measures within SOX programs to proactively address emerging threats and sustain compliance resilience.

Cybersecurity meets AI and GenAI

Global Future of Cyber Survey, 5th Edition

1 Refer to Appendix 4 for acronyms or detailed descriptions.
All statistics are based on total respondents of the Deloitte 2025 SOX Survey unless otherwise noted.

Appendix 4 — Definitions

SOX: Sarbanes–Oxley Act of 2002

COE: Center of Excellence

Tech: Technology

AI: Artificial Intelligence, Agentic AI, Generative AI
**We use these terms interchangeably as programs discover the right fit for AI.*

IUC: Information Used in a Control

IPE: Information Produced by the Entity

GRC: Governance, Risk, and Compliance

RCM: Risk and Control Matrices

302: SOX Section 302 Certification

RPA: Robotics Process Automation

SOD: Segregation of Duties

ROI: Return on Investment

IT: Information Technology

ITGC: IT General Controls

ICFR: Internal Controls over Financial Reporting

FSLI: Financial Statement Line Item

FCRP: Financial Close and Reporting Process

OTC: Order to Cash/Revenue

PTP: Procure to Pay

HR: Human Resources

SEC: Securities and Exchange Commission

ELC: Entity Level Controls

Reliance: A testing strategy in which the external auditor can rely on the work of management.

KPI: Key Performance Indicator

First Line, Second Line, Third Line: IIA's Three Lines Model states that the **First Line** owns and manages operational risks and controls, the **Second Line** sets standards and provides oversight, and the **Third Line (internal audit)** independently assures governance, risk management, and controls.

Benchmarking: A testing strategy, in which, once a control is shown to be stable and operating effectively, the frequency and extent of future retesting are reduced by relying on prior test results and performing targeted update and inquiry procedures.

IPO: Initial Public Offering

YoY: Year over year

M&A: Mergers and Acquisitions

Year-One Exclusion: Often called the acquisition or scoping exclusion, this is a SOX Section 404 practice in which a newly acquired business may be excluded from management's ICFR assessment and testing for the year of acquisition, typically when it was acquired late in the year, provided the company discloses the exclusion and continues integrating and evaluating the acquired entity's controls.

FTE: Full-Time Employee

Emerging: Still identifying key risks and controls.

Evolving: Improved risk assessment and scoping and optimization of the environment.

Established: Improved processes and increased efficiency, some technology enablement.

Modernized: Risk assessment, scoping, the control framework, and the cost of compliance have been rationalized and modernized, with moderate technology enablement.

Next Generation (NextGen): Highly modernized state with significant technology enablement

MW: Material Weakness
A deficiency (or combination of deficiencies) that creates a *reasonable possibility* that a *material misstatement* in financial reporting will not be prevented or detected.

SD: Significant Deficiency
A deficiency (or combination of deficiencies) that is *less severe than a material weakness* but important enough to *merit attention* by those overseeing financial reporting.

CD: Control Deficiency
A control is *missing or not operating as designed*, so it may not prevent or detect misstatements in a timely manner.

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