Upside Software Supports Sarbanes-Oxley Act (SOX) Compliance

Upside Software Supports SOX Compliance

Upside Software addresses all key areas of the Sarbanes-Oxley Act that affect corporations. Upside Software's solutions, including UpsideContract, have specific functionality to aid in SOX compliance in its key areas, with the benefit of additional business control and cost savings.

The following table provides an overview of the impacts that each relevant section of SOX has on corporations and how Upside Software addresses these.

SOX Compliance Requirement	How Upside Software Addresses the Requirement	Key Deliverables
302—Corporate Responsibility for Financial Audits The CEO and CFO need to attest that the financial statements and disclosures released are accurate. CEOs and CFOs could be held personally liable for willful violations of this section. Signing officers are responsible for establishing and maintaining internal controls.	• The workflow engine within the system ensures that the processes (including segregation of duties, sign-offs, etc.) established by the corporation are fully adhered to (managed automatically). • The audit trail and log ensure accurate tracking. • Management of deliverables, compliance & performance are automatically handled and reported on. • Revenue recognition rules are complied with systematically.	• Internal system control. • Full contract visibility. • Flexible rules management. • Accurate audit trail. • Integration to external systems. • Extensive search capabilities. • Managed security & roles. • Reduced overhead in added management.
401—Disclosures in Periodic Reports—401(a) Adequate and comprehensive disclosures are required where relationships with customers or suppliers are disclosed where there may be some conflict, etc.	• Specific tracking information can be attached to stakeholders (e.g. subsidiaries, company directors own significant stakes in a company, etc.) and when that stakeholder (company or supplier) is engaged in a contract, a specific approval process or rule can be triggered. • Unlimited user defined field creation within the system allows organizations to track any type of information for a stakeholder that is deemed important. • Reporting within the system allows for a quick view of potential deals that need to be reported on financial reports.	• Flexible and comprehensive reporting. • Special rule processing for defined transactions. • Variant alerts based on certain transaction types or deals with specific customers/suppliers.

SOX Compliance Requirement	How Upside Software Addresses the Requirement	Key Deliverables
404—Management Assessment of Internal Controls Each annual report must include an "internal control report", which must: a) Indicate that management is responsible for creating and maintaining an adequate internal control structure; b) Demonstrate an assessment of the effectiveness of the internal control structure; c) The firm's auditor is required to attest to and report on the company's internal control report as part of the annual report (which means that they need to be satisfied with this as well).	• Setting up business rules and processes within the workflow engine allows for establishing internal controls that are regulated automatically. • Allocating approval levels (delegation of authority) and setting monetary values where specific approvals are required ensures proper segregation of duties. The workflow engine allows for regulating these approvals. • The audit trail captures the approval levels and transaction history allowing the auditors to be able to quickly attest that the internal controls are complied with.	• Special rule processing for defined transactions. • Established delegation of authority. • Managed approval chain. • Audit trail capture and tracking. • Flexible and comprehensive reporting. • Automated compliance of internal controls.
409—Real Time Issuer Disclosures Issuers must disclose information on material changes in the financial condition or operations of the issuer on a “real time” basis.	• Information that needs to be reported is readily available by running the real-time reports within the system. • Accuracy of information reported is greater due to the automated management and enforcement.	• Flexible and comprehensive reporting. • Managed enforcement ensures accuracy.
802—Records Management and Retention Requires retention and protection of audit and financial documents, including electronic records (such as emails, instant messages, and even chat sessions). Destruction, alteration or falsification of corporate records can have serious consequences.	• Central repository for storing, sorting, searching, managing and reporting contracts and related documents. • Provides mechanism to execute document retention and disposition policy. • Provides extensive redlining, version tracking, audit trail and documents check-in and check-out capabilities to meet an organization’s auditing and reporting requirements. • The audit trail and log ensure accurate tracking for all business transactions including – who, what, when and how. • Support for electronic signatures. • The system ensures that records are authentic and immutable. • Access to records and functions is controlled, limiting the ability to affect records to authorized people.	• Automated compliance of internal controls pertaining to the enforcement of retention policies relating to contract documentation. • Audit trail capture and tracking. • Secure management of information.

SOX Compliance Requirement	How Upside Software Addresses the Requirement	Key Deliverables
906—Financial Reporting CEOs and CFOs need to personally guarantee that the periodic reports containing financial statements fully comply with the SEC Act of 1934, and that they present the financial condition and results of the organization accurately.	• Enforce compliance against contracted terms and conditions, regulations and internal organizational policies, standards and best practices. • Ability to integrate with ERP applications where the financial data is usually recorded and tracked. • Standard and ad hoc reports on contractual data can be compared against financial data reports from the organization's financial application in order to identify material differences that exist between negotiated terms and actual business transactions. • The system provides senior management with the means to review and validate their financial reports and to go into details if required.	• Fast, flexible and comprehensive reporting ensures real-time accuracy of financial reports. • System of record for all contract driven business relationships and transactions.

Key Themes for SOX Compliance

The following table offers an overview of the key themes regarding SOX compliance and provides insight into how Upside Software addresses the requirements in each of these areas.

Key Themes of SOX	How Upside Software Addresses the Requirement
Establishing Internal Controls	• Special workflow processing for defined transactions. • Audit trail capture and tracking. • Flexible and comprehensive reporting. • Automated compliance of internal controls. • Managed security & roles. • Full contract visibility. • Comprehensive Alert & Notification processing.
Delegation of Authority	• Established delegation of authority based on spending or other limits (e.g. commodity based) – this is rule based. • Managed approval chain. • Managed security & roles. • Can integrate to existing systems where spending authority limits are maintained. • Comprehensive Alert & Notification processing.
Communication of Processes & Accounting for Compliance	• Comprehensive Alert & Notification processing. • Automated regulation of company processes ensures compliance and negates need for additional training, etc. • Workflow engine indicates what steps a transaction needs to take, so the information is visible to system users. • Compliance items can be used as approval conditions that must be met prior to the contract being approved and issued.
Enforcing Established Processes	• Automated regulation of company processes ensures compliance. • Special rule processing for defined transactions. • Variance alerts based on certain transaction types or deals with specific customers/suppliers.
Corrective Processes	• Specific reporting demonstrates where potential issues are and allows for corrective measures. • Variant alerts based on certain transaction types or deals with specific customers/suppliers ensures compliance. • Automated regulation of company processes ensures compliance and reduces errors.
Risk Assessment & Management	• The ability to manage contract risk (and contract related risk) provides a mechanism to identify, evaluate, track and manage risk events, drivers, and impacts. • The system allows risk events to be identified including a text description of the event along with an estimated probability of occurrence and the estimated loss if the event occurs (in time or dollars). • Records details of actions taken to mitigate risk events and stores historic information on adjustments made to probability estimates. • The system provides extensive reporting capabilities in the area to provide stakeholders with an effective view of their risks, supporting material and associated mitigation plans.

Key Themes of SOX	How Upside Software Addresses the Requirement
Adequate Reporting & Alerting	• Flexible and comprehensive reporting. • The task and event alerts allow the contract manager and/or the finance department to monitor the ongoing performance of the contract to ensure terms, conditions, and/or deliverables are met according to original expectations. • Response time limits can escalate an action when not acted upon. • Variant alerts based on certain transaction types or deals with specific customers/suppliers.

About Upside Software

Upside Software is the worldwide leader in Contract Lifecycle Management (CLM) solutions. Customers around the globe use Upside Software's suite of products to confidently perform Contract Management, Sourcing & Procurement, and Invoice & Billing management activities throughout their organizations.

Upside Software's products address the needs of Enterprise (e.g. Fortune 500, Global 2000), Public sector (Federal, State/Provincial, Municipal and Health Care), and Small & Medium Enterprise (SME) customers. Customers realize significant cost savings while improving customer and supplier relationships. Upside Software's solutions are deployed in as little as 3 days and typically provide a full return-on-investment (ROI) in under a year.

Founded in 2000, Upside Software is a profitable, rapidly growing software company with an advanced, yet mature, and comprehensive product suite. The company has extensive experience delivering real value to customers of every size and in most industry verticals.

For more information:

Upside Software Inc.
Suite 310, Manulife Place
10180 – 101 Street
Edmonton, Alberta, Canada
T5J 3S4

Phone: 1-877-984-2455 (toll free)
+1 780-702-1432 (local)

Fax: +1 780-702-1438

Email: ask@upsidesoft.com

Visit: www.upsidesoft.com