protiviti®

Face the Future with Confidence

SOX COMPLIANCE
AND THE PROMISE OF
TECHNOLOGY AND AUTOMATION

Assessing SOX internal costs, hours, controls and other trends in the results of Protiviti's 2021 Sarbanes-Oxley Compliance Survey

Table of Contents

Executive summary

It's been more than a year since a historic global pandemic changed the way companies operate in the near-term and very likely for the long-term future. We can see the impact on numerous fronts — certainly including the time, costs and efforts organizations are investing in their Sarbanes-Oxley compliance activities. And for certain companies, the use of technology and automation rose to the forefront as a key advantage.

The results of Protiviti's annual Sarbanes-Oxley Compliance Survey quantify some of the effects. SOX compliance costs, which have revealed relatively consistent year-over-year increases for the past decade of our study, showed some leveling off for certain groups of organizations. This likely is an indication of changing operating models resulting from closed offices and facilities, which altered the way SOX audits were conducted and, in most cases, reduced typical travel related to compliance activities.

Yet for other organizations, costs show moderate increases. Perhaps more importantly, most organizations continue to spend more hours in their SOX compliance activities. This is probably not so much an effect of the pandemic as it is requests from external auditors and other stakeholders for more detailed information, together with other related regulatory obligations.

As part of this year's study, we also took a closer look at organizations we define as "Digital Leaders" (see page 4). There are some interesting differences in how these organizations approach their SOX compliance activities relative to other organizations. Most notably, while their SOX compliance costs and hours are comparable to those organizations not in the Digital Leader category, they are employing significantly greater use of technology and automation in their compliance processes. This is to be expected and something that should result in greater efficiencies over the long term.

Key Findings

Internal SOX compliance costs continue to rise, but the results are more of a mixed bag — While SOX compliance costs have gone up for a number of groups of organizations, other companies have seen slight decreases. This is to be expected given the dynamics of the past year and changing operating models.

Hours continue their upward march — SOX compliance hours increased for a majority of organizations, and among these companies, most experienced increases of 10% or more. However, Digital Leaders have experienced a lesser impact in terms of substantial increases in hours, suggesting they are gaining some advantages through their greater use of technology and automation in the SOX compliance process.

With technology and automation, Digital Leaders stand out — In numerous aspects of the SOX compliance process, from the use of technology tools to automating controls in different processes, Digital Leaders are significantly more advanced than other organizations. Digital Leaders clearly are leveraging these tools to reap the benefits they deliver in terms of greater efficiencies for documentation and testing.

Automation presents challenges — Implementing automation in the SOX compliance process can present challenges for any organization. Specific hurdles include the overall level of effort, change management considerations, stakeholder buy-in and overall investment. However, there is a roadmap to achieve short-term and long-term successes.

While audit teams are eager to make SOX compliance and other regulatory requirements less manually intensive through automation so that they will have more capacity to focus on higher-level strategic tasks, we're finding that the majority don't know where to start, especially without buy-in from their senior leaders. We've found that the best way to begin and demonstrate the clear, bottom-line value that automation tools deliver in regulatory compliance processes is to start small: identify a simple, small-scale process to automate and present the use case to leadership to pave the way for broader applications across the organization.

— Brian Christensen,
   Executive Vice President — Global Internal Audit

Protiviti's Digital Maturity Scale and rankings

In our study, respondents were asked to rate the digital maturity of their organization on a 10-point scale (see sidebar). The question was prefaced with a detailed definition of digital transformation and maturity:

Digital transformation is about changing the way an organization acts and thinks in everything it does to position it to compete with "born digital" companies and Digital Leaders, including through increased use of data and technology to support enhanced customer engagement, digitization of products and services, better informed decision making, and improved operational performance. We define the levels of digital maturity as follows:

- **Digital Skeptic:** Digital plans are not formalized and initiatives are managed in an ad hoc or reactive manner. React to competition. Risk averse.

- **Digital Beginner:** Digital plans are not fully developed, although multiple digital initiatives are underway and the objectives of these initiatives are understood. Embracing change. Collection of point solutions.

- **Digital Follower:** A digital strategy has been developed and the organization has a proven track record of delivering on digital initiatives. Digital initiatives are typically focused on discrete aspects of the customer journey. Clear strategy. Agile. Effective at change delivery.

- **Digital Expert:** Digital aspects are in place and managed quantitatively enterprisewide. High levels of process automation have been achieved. The organization has a proven track record adopting emerging technologies. Low cost base. Hyper scalable.

- **Digital Top Performer:** The organization has a proven track record of disrupting traditional business models. Digital aspects of strategic plans are continually improved based on lessons learned and predictive indicators. Innovative. Disruptive.

For the purpose of our analysis, we have categorized our group of "Digital Leaders" to include those organizations and internal audit departments that rank themselves at "7" or higher. The results for Digital Leaders are presented throughout our report.

Digital Maturity Scale

1. Digital Skeptic
2. Digital Skeptic +
3. Digital Beginner
4. Digital Beginner +
5. Digital Follower
6. Digital Follower +
7. Digital Expert -
8. Digital Expert
9. Digital Expert +
10. Digital Top Performer

Digital maturity rankings

• • • *How organizations rank on the digital maturity scale*
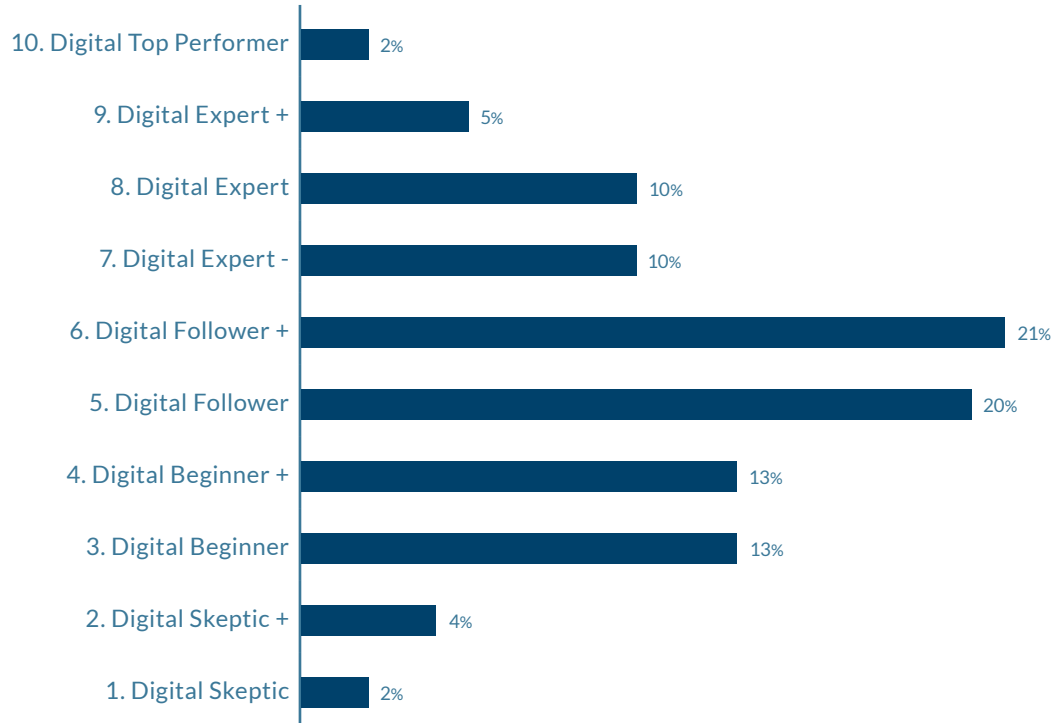
Ranking	Percentage
10. Digital Top Performer	2%
9. Digital Expert +	5%
8. Digital Expert	10%
7. Digital Expert -	10%
6. Digital Follower +	21%
5. Digital Follower	20%
4. Digital Beginner +	13%
3. Digital Beginner	13%
2. Digital Skeptic +	4%
1. Digital Skeptic	2%

For the purpose of our analysis, we have categorized our group of "Digital Leaders" to include those organizations that rank themselves at "7" or higher.

• • • *SOX compliance year by digital maturity*

	Digital Leaders	All other organizations
Beyond 2nd year of SOX compliance 404(a) and 404(b)	45%	66%
2nd year of SOX compliance 404(a) and 404(b)	16%	8%
1st year of SOX compliance 404(a) and 404(b)	20%	8%
1st year of SOX compliance or ongoing 404(a)	13%	8%
Pre-1st year of SOX compliance	6%	10%

How does your organization compare?

Costs for SOX compliance — results vary during pandemic year

● ● ● *Average annual SOX compliance costs (internal) by number of unique locations**

Percentages in parentheses indicate year-over-year changes

Figure: Average annual SOX compliance costs (internal) — 2021 vs. 2020

- **2021** — **2020**

Y-axis: Average annual SOX compliance costs (internal)
$2,000,000 / $1,800,000 / $1,600,000 / $1,400,000 / $1,200,000 / $1,000,000 / $800,000 / $600,000 / $400,000 / $200,000 / $0

X-axis: Number of unique locations — 1-3 / 4-6 / 7-9 / 10-12 / >12

2021 data: $975,900 (+18%), $1,252,400 (+11%), $1,424,600 (+12%), $1,373,600 (-21%), $1,733,200 (+1%)

2020 data: $828,200, $1,127,000, $1,271,500, $1,737,800, $1,716,500

* Excludes external audit-related fees.

What you need to know

- Interestingly, while overall internal SOX compliance costs primarily show increases when categorizing companies by number of unique locations, industry and other groupings, for many groups of organizations these costs show year-over-year decreases. This could be a result, at least in part, of the impact of the COVID-19 global pandemic.

- Another factor to consider: With most public reporting companies in the United States shutting down offices and facilities for a large portion of 2020, SOX compliance costs naturally trended down.

- However, over the course of 2020, organizations had to plan and implement remote working alternative controls documentation efforts. While this primarily impacted management, SOX compliance teams had to spend time updating process documentation to reflect these alternative controls.

• • • *Average annual SOX compliance costs (Internal)**

	2021	Year-over-year trend
Digital maturity		
Digital Leaders	$1,440,300	N/A
All other organizations	$1,198,500	N/A
SOX filer status		
Large accelerated filer	$1,328,300	↓
Accelerated filer (not SRC)	$1,221,900	↑
Smaller reporting company (SRC)	$1,126,000	↑
Emerging growth company	$1,408,300	↑
Size of organization		
$10 billion or greater	$2,014,100	N/A
$5 billion to $9.99 billion	$1,414,000	↑
$1 billion to $4.99 billion	$1,145,900	↓
$500 million to $999.99 million	$1,061,500	↑
$100 million to $499.99 million	$475,700	↓
$25 million to $99.99 million	$550,000	N/A
Less than $25 million	$181,300	N/A

* Excludes external audit-related fees.

How does your organization compare?

• • • *Average annual SOX compliance costs (Internal)**

	2021	Year-over-year trend
SOX compliance year		
Beyond 2nd year of SOX compliance 404(a) and 404(b)	$1,248,900	⊙↓
2nd year of SOX compliance 404(a) and 404(b)	$1,385,800	⊙↑
1st year of SOX compliance 404(a) and 404(b)	$1,528,300	N/A
1st year of SOX compliance or ongoing 404(a)	$1,286,400	N/A
Pre-1st year of SOX compliance	$767,700	⊙↑
Industry		
Healthcare — Provider	$922,200	⊙↑
Financial Services	$1,227,900	⊙↓
Manufacturing and Distribution	$1,215,800	⊙↑
Technology, Media and Telecommunications	$1,402,400	⊙↑
Energy and Utilities	$1,446,000	⊙↑
Insurance	$1,029,500	⊙↓
Consumer Products/Retail	$1,250,700	⊙↑

* Excludes external audit-related fees.

How does your organization compare?

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Who spent $2 million or more? (Internal)*

	2021	Year-over-year trend
Digital maturity		
Digital Leaders	22%	N/A
All other organizations	20%	N/A
SOX filer status		
Large accelerated filer	24%	⊛
Accelerated filer (not SRC)	15%	⊛
Smaller reporting company (SRC)	20%	⊛
Emerging growth company	23%	⊛
Size of organization		
$10 billion or greater	47%	N/A
$5 billion to $9.99 billion	25%	⊛
$1 billion to $4.99 billion	15%	⊛
$500 million to $999.99 million	10%	⊛
$100 million to $499.99 million	3%	⊛
$25 million to $99.99 million	8%	N/A
Less than $25 million	0%	N/A

* Excludes external audit-related fees.

How does your organization compare?

• • • *Who spent $2 million or more? (Internal)**

	2021	Year-over-year trend
SOX compliance year		
Beyond 2nd year of SOX compliance 404(a) and 404(b)	24%	↔
2nd year of SOX compliance 404(a) and 404(b)	13%	↓
1st year of SOX compliance 404(a) and 404(b)	19%	N/A
1st year of SOX compliance or ongoing 404(a)	18%	N/A
Pre-1st year of SOX compliance	10%	↑
Industry		
Healthcare — Provider	0%	↓
Financial Services	18%	↓
Manufacturing and Distribution	24%	↑
Technology, Media and Telecommunications	32%	↑
Energy and Utilities	12%	↓
Insurance	5%	↓
Consumer Products/Retail	20%	↑
Number of unique locations		
More than 12	41%	↓
10-12	17%	↓
7-9	24%	↑
4-6	15%	↓
1-3	13%	↑

* Excludes external audit-related fees.

How does your organization compare?

• • • Who spent $500,000 or less? (Internal)*

	2021	Year-over-year trend
Digital maturity		
Digital Leaders	12%	N/A
All other organizations	30%	N/A
SOX filer status		
Large accelerated filer	24%	⬆
Accelerated filer (not SRC)	19%	⬇
Smaller reporting company (SRC)	40%	⬇
Emerging growth company	15%	⬇
Size of organization		
$10 billion or greater	8%	N/A
$5 billion to $9.99 billion	17%	⬇
$1 billion to $4.99 billion	24%	⬇
$500 million to $999.99 million	23%	⬇
$100 million to $499.99 million	80%	⬆
$25 million to $99.99 million	67%	N/A
Less than $25 million	100%	N/A

* Excludes external audit-related fees.

How does your organization compare?

• • • *Who spent $500,000 or less? (Internal)**

	2021	Year-over-year trend
SOX compliance year		
Beyond 2nd year of SOX compliance 404(a) and 404(b)	30%	↓
2nd year of SOX compliance 404(a) and 404(b)	13%	↓
1st year of SOX compliance 404(a) and 404(b)	3%	N/A
1st year of SOX compliance or ongoing 404(a)	13%	N/A
Pre-1st year of SOX compliance	56%	↓
Industry		
Healthcare — Provider	22%	↓
Financial Services	26%	↑
Manufacturing and Distribution	31%	↑
Technology, Media and Telecommunications	27%	↑
Energy and Utilities	14%	↓
Insurance	32%	↓
Consumer Products/Retail	16%	↓
Number of unique locations		
More than 12	20%	↑
10-12	17%	↑
7-9	10%	↓
4-6	20%	↓
1-3	39%	↓

* Excludes external audit-related fees.

How does your organization compare?

Hours required for SOX compliance — on the rise again

• • • *For fiscal year 2020, how did the total amount of hours your organization devoted to Sarbanes-Oxley compliance change?*

	SOX compliance hours increased	SOX compliance hours increased more than 10%*	SOX compliance hours decreased	SOX compliance hours decreased more than 10%**	SOX compliance hours stayed the same
Digital Leaders	58%	56%	17%	52%	25%
All other organizations	52%	68%	18%	56%	30%

* Among organizations in which Sarbanes-Oxley compliance hours increased.

** Among organizations in which Sarbanes-Oxley compliance hours decreased.

What you need to know

- While the hours required for SOX compliance efforts increased for a majority of organizations, Digital Leaders appear to have experienced a lesser impact in terms of increases in hours of more than 10%. This can be an indication of some advantages they are gaining through the use of technology and automation in the SOX compliance process. In addition, given their greater use of technology and automation, it is possible that amid the pandemic, Digital Leaders were less impacted by newly implemented remote testing requirements.

- A larger number of organizations experienced decreased SOX compliance hours compared to our prior year results — another likely effect of the pandemic and the ensuing changes on compliance activities, including but not limited to curbs on traveling and office visits.

- On average, Digital Leaders appear to spend slightly more time on different key controls. This could be because they tend to be larger and more complex organizations.

	SOX compliance hours increased	SOX compliance hours decreased
SOX filer status		
Large accelerated filer	48%	16%
Accelerated filer (not SRC)	50%	31%
Smaller reporting company (SRC)	56%	12%
Emerging growth company	71%	13%
Size of organization		
$10 billion or greater	45%	19%
$5 billion to $9.99 billion	59%	18%
$1 billion to $4.99 billion	56%	21%
$500 million to $999.99 million	53%	16%
$100 million to $499.99 million	53%	12%
$25 million to $99.99 million	50%	8%
Less than $25 million	38%	25%
SOX compliance year		
Beyond 2nd year of SOX compliance 404(a) and 404(b)	52%	13%
2nd year of SOX compliance 404(a) and 404(b)	45%	22%
1st year of SOX compliance 404(a) and 404(b)	58%	32%
1st year of SOX compliance or ongoing 404(a)	56%	25%
Pre-1st year of SOX compliance	65%	15%

How does your organization compare?

	SOX compliance hours increased	SOX compliance hours decreased
Number of unique locations		
More than 12	56%	9%
10-12	40%	26%
7-9	55%	27%
4-6	56%	19%
2-3	58%	17%
1	43%	18%

• • • *During fiscal year 2020, how many hours, on average, would you estimate your organization spent on each key control as it relates to the following activities?**

All respondents	2021 avg. no. of hours	2020 avg. no. of hours	Less than 1 hour	1-2 hours	3-4 hours	5-6 hours	7-8 hours	9-10 hours	Over 10 hours
Testing for control operating effectiveness	6.2	6.0	2%	13%	22%	17%	16%	12%	14%
Testing management review controls	5.6	5.6	5%	16%	23%	16%	14%	10%	12%
Testing information produced by entity (IPE) for data used to execute key controls	4.9	5.1	6%	28%	17%	16%	12%	7%	10%
Time to analyze a SOC report	5.1	4.5	9%	15%	23%	18%	13%	8%	10%
Creating or updating control documentation	4.8	4.5	9%	24%	19%	16%	11%	7%	10%
Evaluating control design	4.8	4.3	9%	27%	18%	14%	9%	9%	11%

* Not shown: "Don't know" responses.

How does your organization compare?

• • • *During fiscal year 2020, how many hours, on average, would you estimate your organization spent on each key control as it relates to the following activities?**

Digital Leaders	2021 avg. no. of hours	Less than 1 hour	1-2 hours	3-4 hours	5-6 hours	7-8 hours	9-10 hours	Over 10 hours
Testing for control operating effectiveness	6.4	1%	9%	24%	17%	19%	17%	10%
Testing management review controls	5.7	5%	15%	18%	20%	18%	13%	8%
Testing information produced by entity (IPE) for data used to execute key controls	5.2	7%	20%	19%	16%	20%	9%	8%
Time to analyze a SOC report	5.9	3%	12%	20%	21%	18%	14%	7%
Creating or updating control documentation	5.4	3%	20%	18%	19%	21%	11%	6%
Evaluating control design	5.9	4%	14%	18%	20%	17%	17%	7%

* Not shown: "Don't know" responses.

How does your organization compare?

• • • *During fiscal year 2020, how many hours, on average, would you estimate your organization spent on each key control as it relates to the following activities?**

All other organizations	2021 avg. no. of hours	Less than 1 hour	1-2 hours	3-4 hours	5-6 hours	7-8 hours	9-10 hours	Over 10 hours
Testing for control operating effectiveness	6.1	3%	14%	21%	17%	15%	11%	15%
Testing management review controls	5.6	5%	16%	25%	14%	13%	9%	13%
Testing information produced by entity (IPE) for data used to execute key controls	4.7	6%	30%	16%	16%	9%	6%	10%
Time to analyze a SOC report	4.9	12%	16%	24%	16%	11%	5%	10%
Creating or updating control documentation	4.6	11%	26%	19%	14%	8%	6%	12%
Evaluating control design	4.5	11%	31%	18%	12%	6%	5%	12%

* Not shown: "Don't know" responses.

How does your organization compare?

Benchmarking the SOX control environment — Digital Leaders broaden use of technology and automation

• • • *What percentage of your controls testing do the external auditors rely upon?*

Digital maturity		
	Digital Leaders	**All other organizations**
0%	4%	8%
1%-10%	9%	9%
11%-20%	19%	19%
21%-30%	28%	23%
31%-40%	14%	14%
41%-50%	10%	11%
More than 50%	16%	16%
Average estimated percentage	**29%**	**29%**

What you need to know

- The results show a general trend of lower reliance by external auditors on controls testing, which is understandable given the dynamic environment in 2020 with varying ranges of upheaval in organizations and, overall, significant amounts of change.

- Large accelerated filers tend to see greater levels of reliance by their external auditors on their controls testing. This is to be expected given the overall higher level of maturity in their organizations.

- There are numerous processes — among them, IT application controls, IT general controls, as well as processes for financial reporting, payroll, accounts receivable and fixed assets — in which Digital Leaders are significantly more advanced in the use of technology and automation compared with other organizations.

- Compared with other organizations, Digital Leaders are significantly more likely to use an audit management application to automate SOX workflows, centralize supporting documents, interact with control owners and executive management, and manage reporting.

- Implementing automation in SOX compliance processes can present challenges, especially for organizations that are less digitally mature. Specific hurdles include the overall level of effort, change management considerations, stakeholder buy-in and investment budget. However, there is a roadmap to achieve short-term and long-term successes.

What percentage of your controls testing do the external auditors rely upon?

SOX filer status	Large accelerated filer	Accelerated filer*	Smaller reporting company	Emerging growth company
0%	2%	7%	15%	2%
1%-10%	10%	9%	6%	8%
11%-20%	17%	23%	17%	25%
21%-30%	21%	25%	24%	32%
31%-40%	15%	13%	9%	20%
41%-50%	14%	10%	17%	8%
More than 50%	21%	13%	12%	5%
2021 average estimated percentage	**32%**	**27%**	**27%**	**25%**
2020 average estimated percentage	**44%**	**44%**	**43%**	**39%**

* Does not include smaller reporting companies.

Size of organization	$10 billion or greater	$5 billion to $9.99 billion	$1 billion to $4.99 billion	$500 million to $999.99 million	$100 million to $499.99 million	$25 million to $99.99 million	Less than $25 million
0%	2%	10%	3%	7%	16%	37%	0%
1%-10%	6%	7%	12%	6%	11%	19%	29%
11%-20%	22%	18%	21%	17%	5%	6%	36%
21%-30%	23%	23%	23%	31%	23%	0%	21%
31%-40%	14%	18%	14%	17%	11%	0%	0%
41%-50%	15%	12%	9%	9%	9%	25%	7%
More than 50%	18%	12%	18%	13%	25%	13%	7%
Average estimated percentage	**32%**	**28%**	**29%**	**28%**	**30%**	**21%**	**20%**

Has your organization's use of technology tools (such as automated workflow technology, audit management software, etc.) changed since the prior fiscal year (e.g., through the use of a new technology, etc.)? (Shown: "Yes" percentages)

56% Digital Leaders
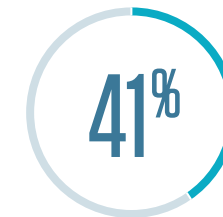
41% All other organizations

• • • *For the 2020 fiscal year, did your organization utilize technology tools in the testing of controls to comply with Sarbanes-Oxley Section 404? (Shown: "Yes" percentages)*

66% Digital Leaders

45% All other organizations

• • • *If "Yes": For which of the following processes do you use technology tools in the testing of controls to comply with SOX Section 404?**

	Digital Leaders	All other organizations
IT application controls	50%	39%
Financial reporting process	44%	25%
Payroll process	44%	19%
Accounts payable process	43%	41%
IT general controls	41%	42%
Account reconciliations process	40%	35%
Accounts receivable process	39%	24%
Financial close process	36%	35%
Fixed assets process	32%	17%
Revenue process	31%	19%
Inventory process	25%	21%
Treasury/cash application process	19%	13%
Tax process	18%	5%
Purchasing process	17%	17%

* Among organizations that utilize technology tools in testing of controls to comply with Sarbanes-Oxley Section 404.

How does your organization compare?

• • • *If "No": Does your organization plan to use technology tools in the testing of controls to comply with SOX Section 404 in the next fiscal year?**

	Digital Leaders	All other organizations
Yes, we plan to use technology tools in the next fiscal year	37%	22%
No, but we plan to introduce the use of technology tools within two years	50%	47%
No, we do not plan to use technology tools	13%	31%

* Among organizations that do not utilize technology tools in testing of controls to comply with Sarbanes-Oxley Section 404.

• • • *Do you use an audit management application to automate SOX workflows, centralize supporting documents, interact with control owners and executive management, and manage reporting? (Shown: "Yes" percentages)*

65% 2021

61% 2020

75% Digital Leaders

61% All other organizations

How does your organization compare?

If you do not use an audit management application, why?*

Reason	2021	2020
Manual process works well enough, difficulties seeing the ROI	27%	25%
No budget	17%	29%
Attempted to use a tool, but the tool did not meet expectations	12%	2%
Attempted to use a tool, but implementation did not meet expectations	10%	6%
Our team is too small/we do not have enough controls to justify using a tool	7%	11%
No support from management	7%	9%
We outsource or significantly co-source control testing and don't need a tool	6%	6%
No support from IT	3%	5%
Lack of necessary IT skills on the SOX team	3%	N/A
Other	8%	7%

■ 2021   ■ 2020

* Among organizations that do not use an audit management application to automate SOX workflows, centralize supporting documents, interact with control owners and executive management, and manage reporting.
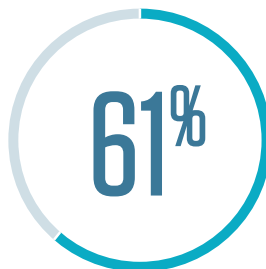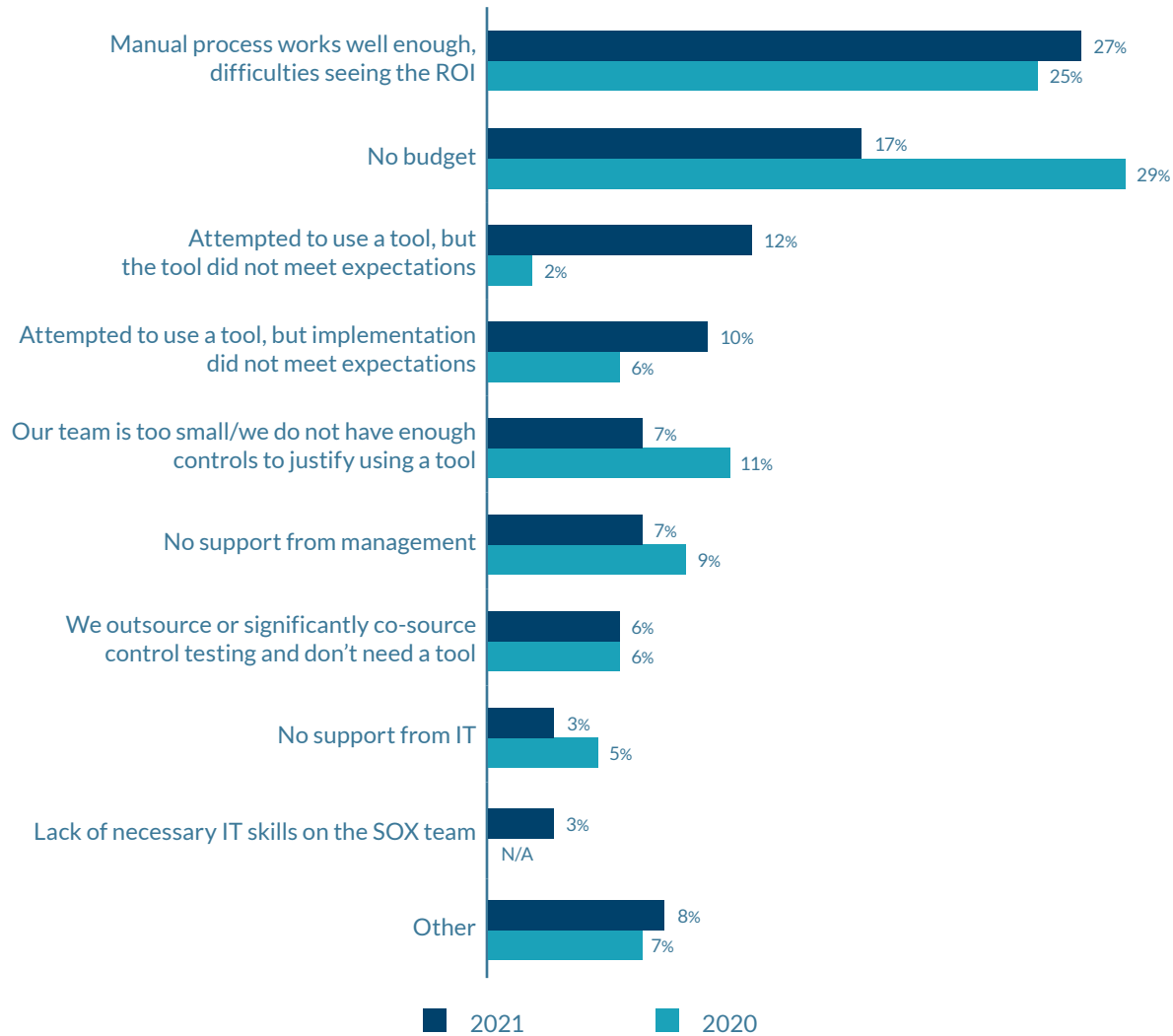
How does your organization compare?

Automated controls overview

• • • *For fiscal year 2020, what percentage of your organization's total key controls would you estimate are automated key controls?*

What you need to know

- Digital Leaders have automated a significantly higher percentage of their key controls compared with other organizations.

Digital maturity	Digital Leaders	All other organizations
0%-5%	5%	15%
6%-10%	8%	20%
11%-25%	18%	27%
26%-50%	34%	19%
51%-75%	22%	10%
76%-100%	13%	9%
Average estimated percentage	**45%**	**29%**

SOX filer status	Large accelerated filer	Accelerated filer*	Smaller reporting company	Emerging growth company
0%-5%	15%	9%	26%	6%
6%-10%	23%	17%	16%	3%
11%-25%	31%	22%	13%	11%
26%-50%	16%	28%	19%	34%
51%-75%	9%	11%	13%	29%
76%-100%	6%	13%	13%	17%
Average estimated percentage	**27%**	**35%**	**32%**	**50%**

* Does not include smaller reporting companies.

• • • *To what extent does your organization plan to further automate its manual processes and controls in 2021?*

How does your organization compare?

Digital maturity		
	Digital Leaders	**All other organizations**
We have significant plans to automate a broad range of IT processes and controls	34%	20%
We have moderate plans to automate numerous IT processes and controls	44%	37%
We have minimal plans to automate selected IT processes and controls	15%	34%
We have no plans to automate any further	7%	9%

SOX filer status				
	Large accelerated filer	**Accelerated filer***	**Smaller reporting company**	**Emerging growth company**
We have significant plans to automate a broad range of IT processes and controls	13%	22%	17%	49%
We have moderate plans to automate numerous IT processes and controls	38%	47%	23%	41%
We have minimal plans to automate selected IT processes and controls	43%	22%	27%	6%
We have no plans to automate any further	6%	9%	33%	4%

* Does not include smaller reporting companies.

Overcoming the five greatest challenges to automating the SOX compliance process

As evident in the survey results, internal audit and SOX compliance teams face a host of key challenges in seeking to incorporate greater automation within the SOX compliance process. From the overall level of effort required to lack of available funding and knowledge of available tools and technology, the road to automation is filled with obstacles.

• • • *What are the top five challenges inhibiting furthering automation of your SOX compliance process?**

	All respondents
Level of effort to implement, train, govern and maintain	56%
Lack of time to spend exploring automation due to other priorities	55%
Many areas of the SOX control environment are not conducive to automation	49%
Lack of funding and/or executive support for automation	41%
Lack of knowledge on available tools and technology	41%

*Multiple responses permitted.

Compounding these challenges, when it comes to SOX compliance and testing, management often times does not trust automation. There frequently are concerns about looking at full populations of data which may reveal exceptions that need to be addressed.

But automated controls and testing deliver numerous benefits — there are countless examples that can be found among Digital Leaders and other organizations. Moreover, there is a path to success for those who have yet to undertake any automation-related initiatives.

The first key step is to get started, ideally focusing on automating one area that may present a relatively easy opportunity for success. Once the SOX compliance team achieves a few such "wins," automating the testing process becomes easier to put into place. Also, if the internal audit group helps develop the automation, it subsequently has the opportunity to turn it over to the business to manage. This represents a win both for internal audit and the business.

In addition, if there is an opportunity to work in partnership with the external auditor to automate testing, the trust factor between the two groups will grow, furthering the possibility that the external auditor can increase its reliance on internal audit's testing of controls (see page 18).

So, with these opportunities in mind, the key question becomes: What's next on your list to automate?

Entity-level controls overview

- - - *Number of entity-level controls — by digital maturity*

	Digital Leaders	All other organizations
Less than 15	7%	9%
16-25	15%	24%
26-35	5%	17%
36-45	7%	10%
46-55	8%	6%
56-75	7%	6%
76-95	7%	3%
96-115	13%	6%
More than 115	31%	19%
Average estimated number	**81**	**61**

- - - *Number of entity-level controls — by number of unique organization locations*

	1-3 locations	4-6 locations	7-9 locations	10-12 locations	More than 12 locations
Less than 15	10%	6%	4%	9%	10%
16-25	27%	16%	17%	26%	16%
26-35	20%	11%	11%	9%	10%
36-45	9%	8%	10%	9%	11%
46-55	7%	6%	3%	6%	11%
56-75	7%	5%	6%	9%	7%
76-95	4%	4%	0%	0%	7%
96-115	5%	9%	14%	17%	7%
More than 115	11%	35%	35%	15%	21%

What you need to know

- The year-over-year pattern for the average number of entity-level controls and average annual SOX spend (see page 6) is consistent. Compared to 2020, we see a steady increase in both average entity-level controls and average SOX spend among organizations with 1-3 locations, 4-6 locations and 7-9 locations. For organizations with 10-12 locations, the average number of entity-level controls and average SOX spend decreased since 2020. For organizations with more than 12 locations, there is a slight increase for both.

- Overall, Digital Leaders have a lower percentage of their entity-level controls classified as key controls compared with other organizations.

• • • • *Average estimated number of entity-level controls — by number of unique organization locations*

Estimated number of entity-level controls (y-axis)
Number of unique locations (x-axis)

2021 / 2020

Number of unique locations	1-3	4-6	7-9	10-12	>12
2021	50	78	86	60	71
2020	43	61	68	67	68

• • • • *Percentage of entity-level controls classified as key controls — 2021 vs. 2020*

Percentage of organizations (y-axis)
Range of entity-level controls classified as key controls (x-axis)

2021 / 2020

Range	0%-5%	6%-10%	11%-20%	21%-30%	31%-40%	41%-50%	51%-75%	76%-100%
2021	2%	3%	7%	9%	10%	14%	19%	36%
2020	4%	6%	9%	12%	8%	13%	15%	33%
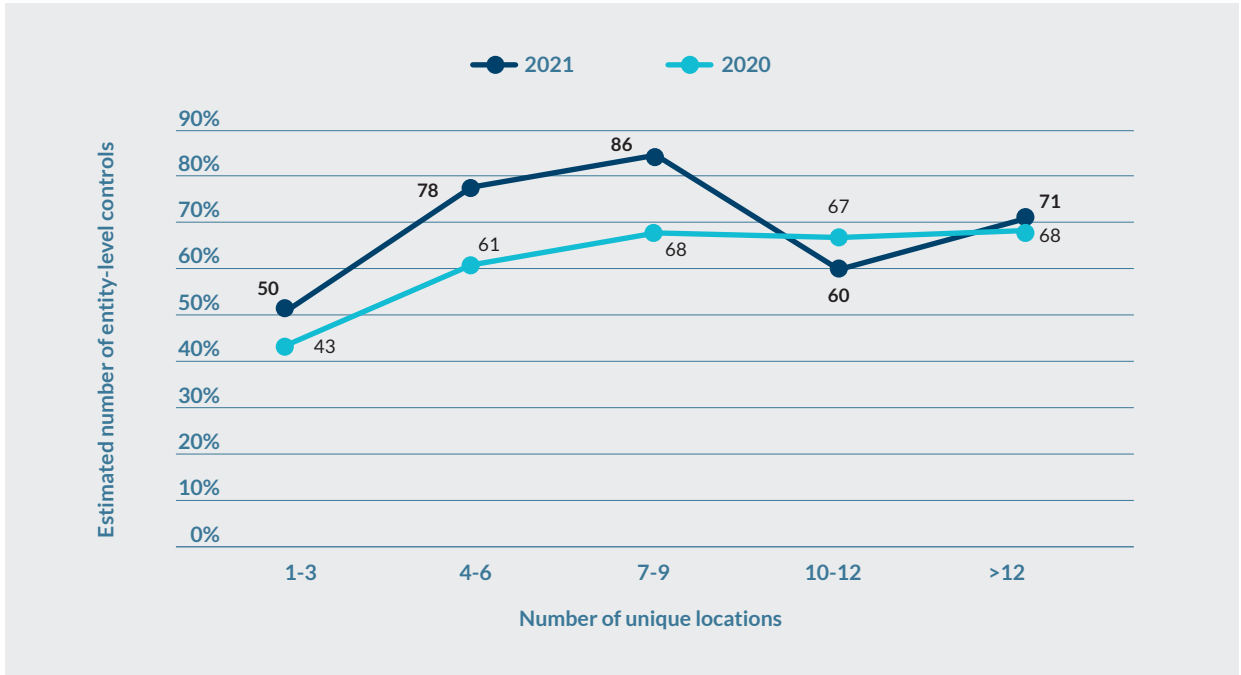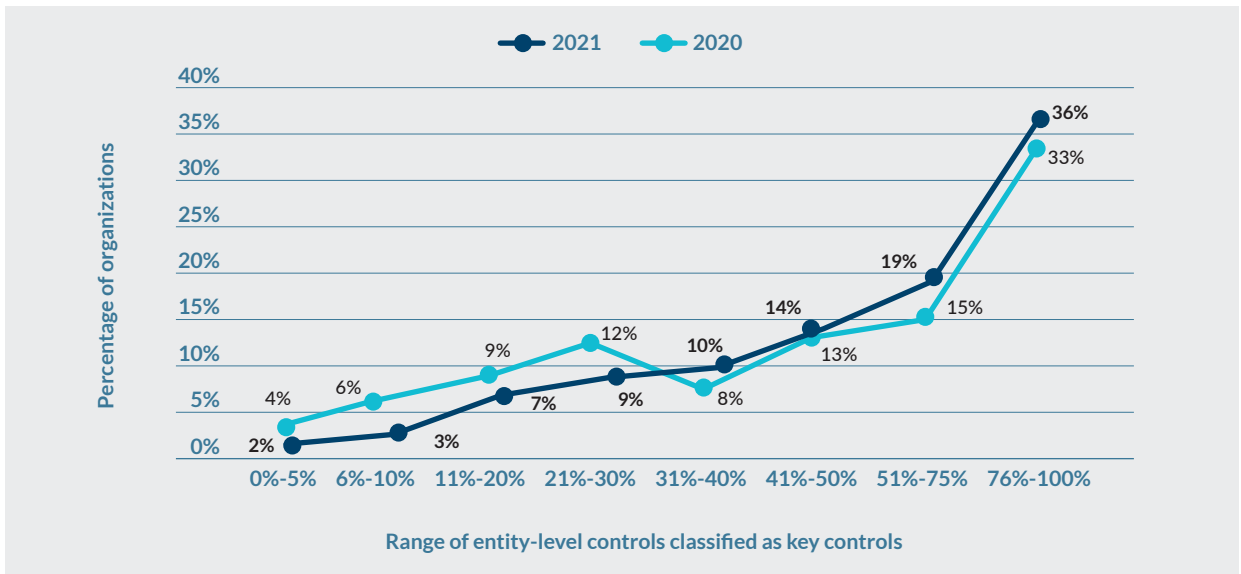
How does your organization compare?

⋅ ⋅ ⋅ *Percentage of entity-level controls classified as key controls — by digital maturity*

Percentage of organizations

━━●━━ Digital Leaders   ━━●━━ All other organizations

Range of entity-level controls classified as key controls

How does your organization compare?
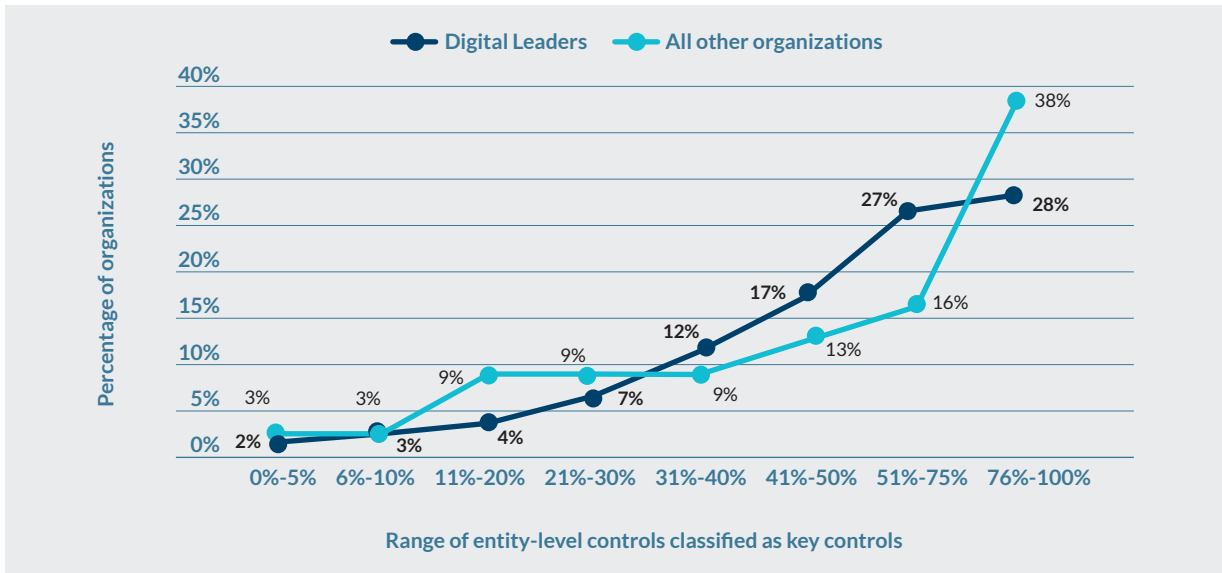
⋅ ⋅ ⋅ *Percentage of entity-level controls classified as key controls — by number of unique organization locations*

	1 location	2-3 locations	4-6 locations	7-9 locations	10-12 locations	More than 12 locations
0%-5%	4%	5%	1%	0%	0%	4%
6%-10%	5%	2%	3%	0%	6%	3%
11%-20%	8%	10%	4%	6%	3%	10%
21%-30%	10%	8%	8%	6%	15%	10%
31%-40%	5%	10%	12%	12%	3%	9%
41%-50%	9%	14%	17%	14%	9%	17%
51%-75%	17%	17%	25%	17%	20%	14%
76%-100%	42%	34%	30%	45%	44%	33%

Process-level controls overview

• • •   *Number of process-level controls — by digital maturity*

	Digital Leaders	All other organizations
<35	6%	8%
35-55	9%	6%
56-75	6%	7%
76-95	2%	2%
96-115	4%	3%
116-135	3%	3%
136-155	1%	4%
156-175	1%	3%
176-195	1%	1%
196-215	4%	7%
216-235	0%	3%
236-255	5%	4%
256-300	5%	6%
301-400	7%	11%
401-500	15%	9%
501-600	12%	6%
601-700	8%	6%
701-800	3%	5%
801-900	4%	2%
901-1000	4%	4%
Average estimated number	**381**	**330**

How does your organization compare?

• • • *Number of process-level controls — by number of unique organization locations*

	1 location	2-3 locations	4-6 locations	7-9 locations	10-12 locations	More than 12 locations
<35	10%	13%	6%	3%	3%	4%
35-55	7%	5%	5%	8%	3%	10%
56-75	11%	5%	7%	6%	12%	5%
76-95	5%	3%	2%	3%	0%	0%
96-115	5%	2%	3%	1%	6%	5%
116-135	7%	3%	3%	0%	3%	2%
136-155	6%	5%	2%	1%	0%	3%
156-175	1%	5%	1%	0%	3%	2%
176-195	3%	1%	2%	0%	0%	1%
196-215	5%	10%	5%	5%	3%	5%
216-235	5%	3%	1%	3%	0%	2%
236-255	5%	4%	1%	5%	12%	5%
256-300	6%	9%	5%	3%	0%	6%
301-400	8%	7%	17%	10%	8%	7%
401-500	8%	12%	9%	10%	15%	11%
501-600	3%	5%	11%	13%	12%	4%
601-700	3%	3%	10%	10%	3%	8%
701-800	0%	1%	7%	10%	9%	4%
801-900	0%	3%	2%	6%	0%	2%
901-1000	3%	1%	1%	3%	8%	14%
Average estimated number	**217**	**273**	**375**	**431**	**408**	**413**

How does your organization compare?

• • • *Percentage of process-level controls classified as key controls for purposes of evaluating the effectiveness of internal control over financial reporting — by digital maturity*

	Digital Leaders	All other organizations
0%-5%	1%	2%
6%-10%	1%	2%
11%-20%	3%	3%
21%-30%	5%	7%
31%-40%	9%	5%
41%-50%	18%	11%
51%-75%	34%	25%
76%-100%	29%	45%
Average estimated percentage	**62%**	**68%**

• • • *Percentage of process-level controls classified as key controls for purposes of evaluating the effectiveness of internal control over financial reporting — by number of unique organization locations*

	1 location	2-3 locations	4-6 locations	7-9 locations	10-12 locations	More than 12 locations
0%-5%	2%	3%	1%	0%	0%	2%
6%-10%	1%	4%	1%	0%	0%	2%
11%-20%	4%	2%	3%	4%	3%	3%
21%-30%	6%	11%	3%	7%	3%	5%
31%-40%	3%	6%	10%	4%	6%	8%
41%-50%	13%	11%	10%	13%	27%	13%
51%-75%	20%	25%	38%	24%	26%	25%
76%-100%	51%	38%	34%	48%	35%	42%
Average estimated percentage	**71%**	**63%**	**65%**	**70%**	**67%**	**68%**

How does your organization compare?

- - - *Percentage of process-level controls classified as IT general controls for purposes of evaluating the effectiveness of internal control over financial reporting — by digital maturity*

	Digital Leaders	All other organizations
0%-5%	2%	7%
6%-10%	5%	10%
11%-20%	7%	21%
21%-30%	14%	19%
31%-40%	22%	12%
41%-50%	13%	10%
51%-75%	24%	12%
76%-100%	13%	9%
Average estimated percentage	47%	35%

- - - *Percentage of process-level controls classified as IT general controls for purposes of evaluating the effectiveness of internal control over financial reporting — by number of unique organization locations*

	1 location	2-3 locations	4-6 locations	7-9 locations	10-12 locations	More than 12 locations
0%-5%	5%	5%	6%	4%	6%	7%
6%-10%	15%	11%	4%	6%	9%	12%
11%-20%	30%	15%	11%	13%	23%	18%
21%-30%	21%	23%	11%	11%	18%	23%
31%-40%	11%	20%	17%	10%	3%	12%
41%-50%	4%	10%	13%	17%	23%	8%
51%-75%	11%	8%	25%	18%	6%	14%
76%-100%	3%	8%	13%	21%	12%	6%
Average estimated percentage	28%	35%	44%	48%	36%	35%

How does your organization compare?

SOC reports

• • • • *If you receive SOC 1 reports, are you preparing a formal mapping between company controls and outside providers' controls (as listed in SOC 1 reports)?*

2021 vs. 2020

2021

- 68% Yes
- 25% No
- 7% Not applicable

2020

- 63% Yes
- 22% No
- 15% Not applicable
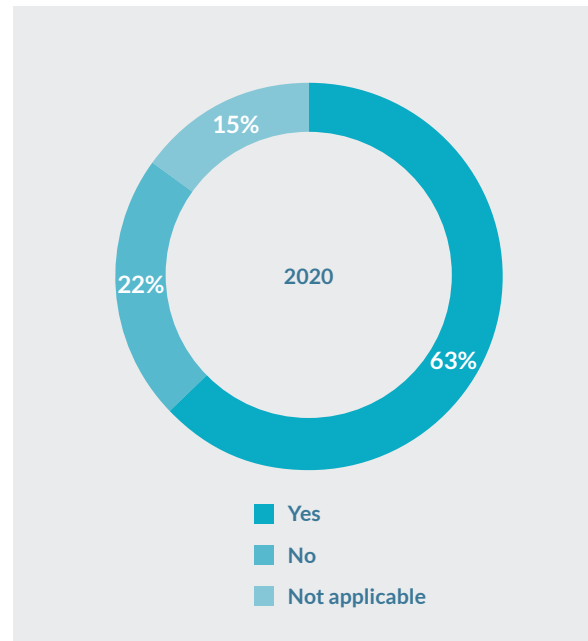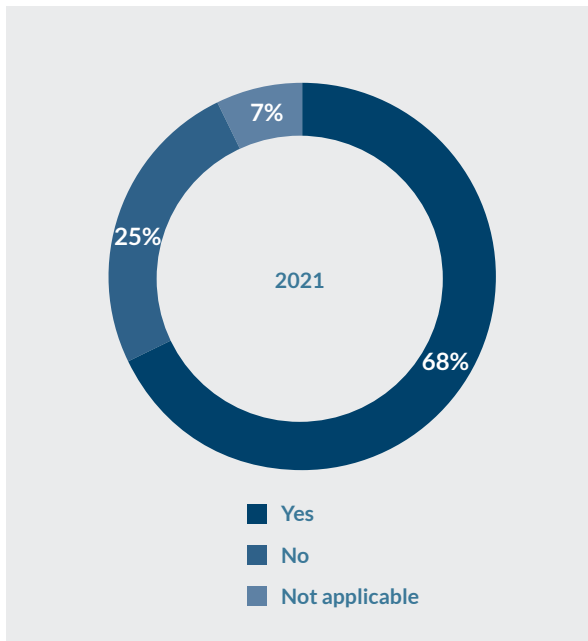
What you need to know

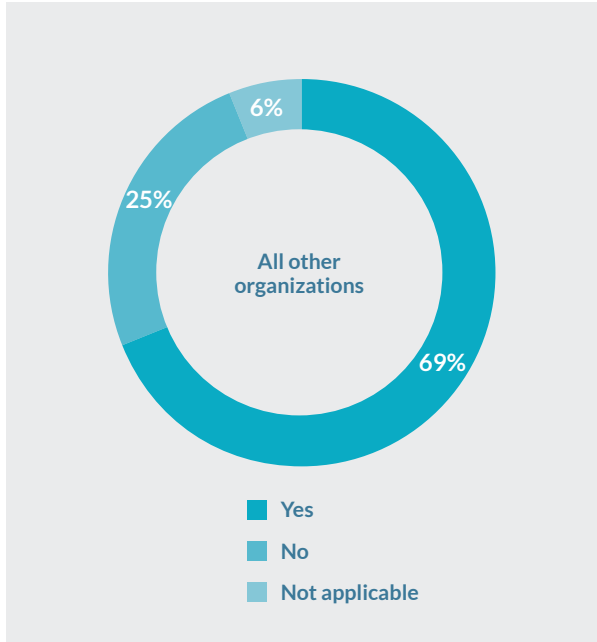- As companies look to expand their use of outsourced service providers, especially in the technology space, they are finding that those vendors often don't have a SOC report in place. SOX compliance teams need to plan ahead to allow for the time to perform on-site audits of these vendors.

- - - *If you receive SOC 1 reports, are you preparing a formal mapping between company controls and outside providers' controls (as listed in SOC 1 reports)?*

Digital maturity

Digital Leaders

8%
26%
66%

- Yes
- No
- Not applicable

All other organizations

6%
25%
69%

- Yes
- No
- Not applicable
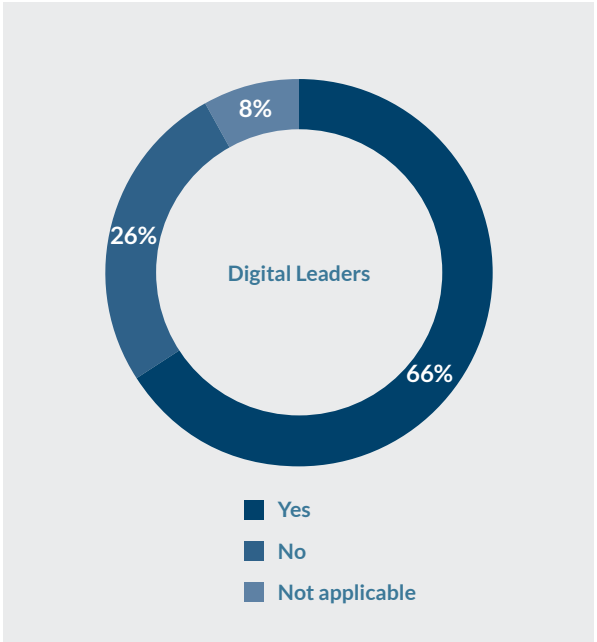
- - - *What portion of your SOC reports have exceptions or qualified opinions?*

	Digital Leaders	All other organizations
0%	10%	22%
1%-24%	31%	43%
25%-49%	16%	13%
50%-74%	30%	12%
75%-100%	13%	10%
Average percentage	**37%**	**24%**

How does your organization compare?

- - - *For processes that your company outsources, how often are they able to rely solely on internal management review controls for testing outsourced provider controls?*

	Digital Leaders	All other organizations
0%-5%	8%	21%
6%-10%	5%	7%
11%-25%	8%	11%
26%-50%	28%	18%
51%-100%	51%	43%
Average percentage	**52%**	**47%**

- - - *For processes that your company outsources, have you had to audit the supplier on site to gain sufficient comfort around the control environment?*

2021 vs. 2020

39% 2021   **37%** 2020

Digital maturity

56% Digital Leaders   **32%** All other organizations

How does your organization compare?

• • • *What business processes/functions does your company outsource/use a third party provider for? (Multiple responses permitted)*

2021 vs. 2020

How does your organization compare?

Category	2021	2020
Payroll	39%	41%
Accounts payable	25%	23%
Accounts receivable	23%	20%
Billing/Invoicing	23%	21%
Cash management	20%	16%
Travel & entertainment	20%	25%
Credit & collections	19%	19%
Budgeting, planning & forecasting	17%	10%
Fixed assets	17%	12%
General ledger	14%	11%
Procurement	13%	12%

■ 2021   ■ 2020

Digital maturity

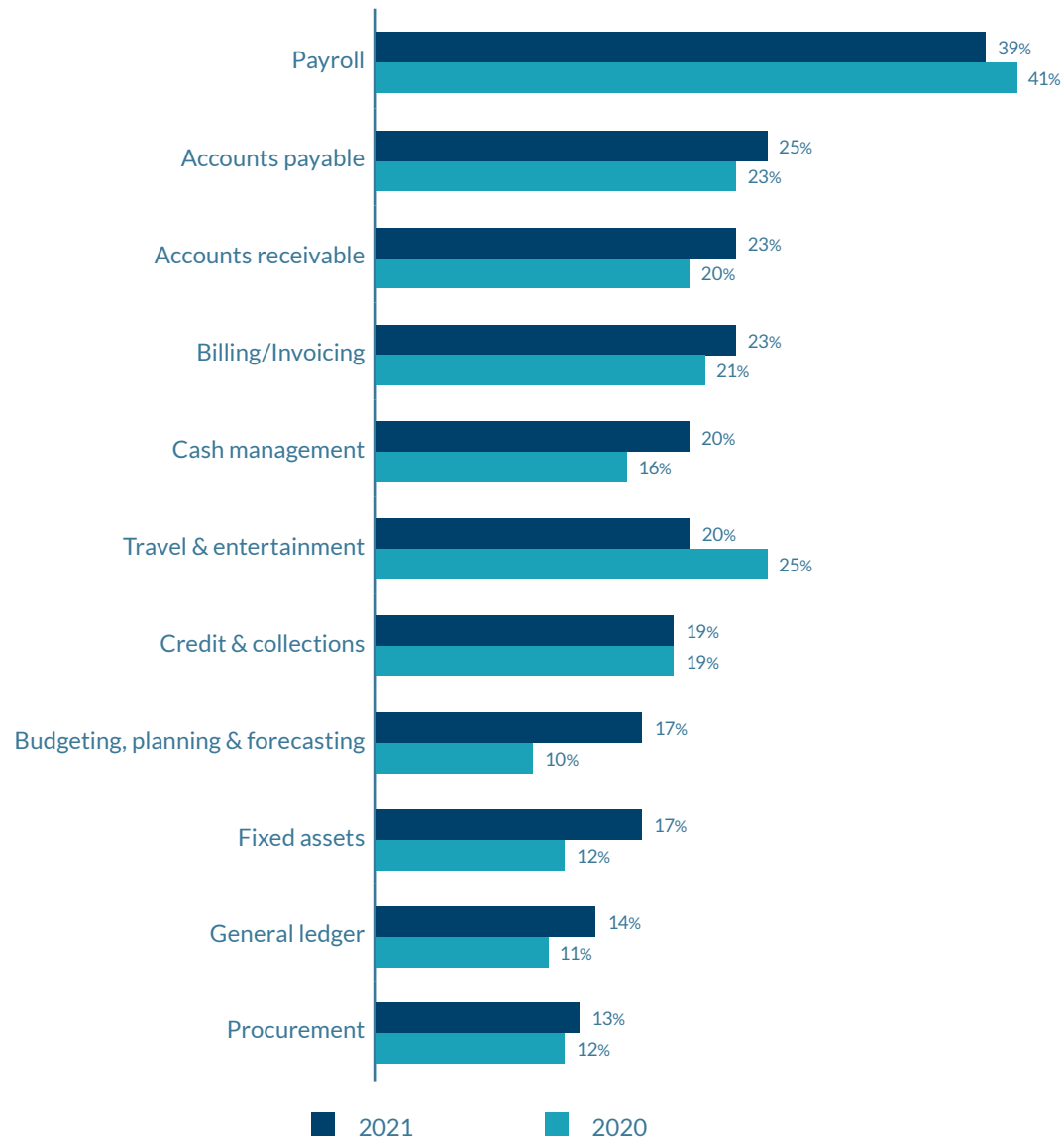|	Digital Leaders	All other organizations
Payroll	34%	41%
Billing/Invoicing	32%	20%
Cash management	32%	15%
Accounts receivable	31%	20%
Fixed assets	31%	12%
Accounts payable	28%	23%
Credit & collections	27%	16%
Budgeting, planning & forecasting	25%	14%
General ledger	22%	12%
Travel & entertainment	20%	20%
Procurement	18%	12%

■ Digital Leaders ■ All other organizations

How does your organization compare?

• • • *What IT processes/functions does your company outsource/use a third party provider for? (Multiple responses permitted)*
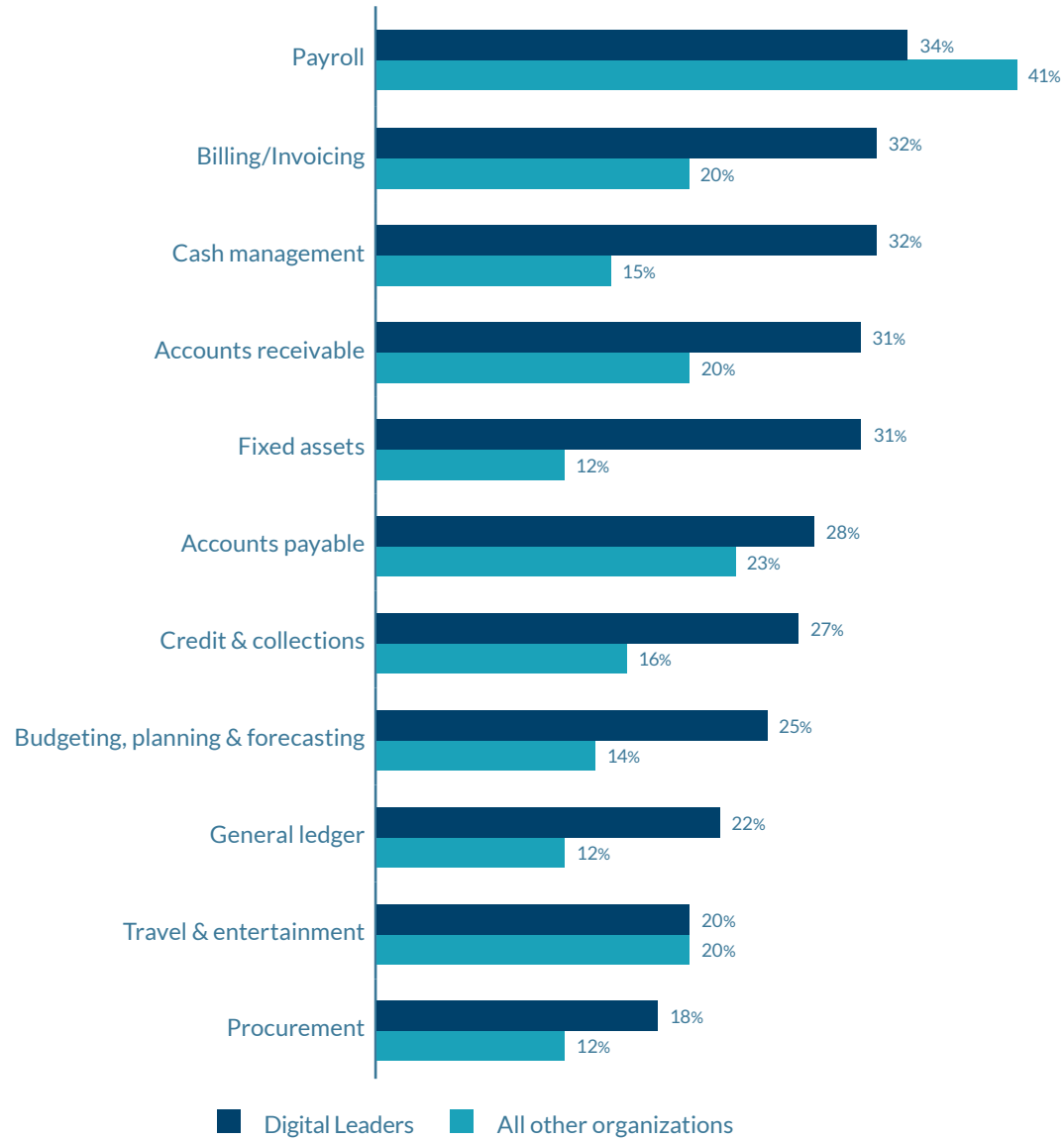
2021 vs. 2020

Category	2021	2020
Cloud hosting	52%	53%
Data center hosting	43%	40%
Security monitoring	36%	31%
Application (ERP) support	33%	30%
Help desk support	31%	27%
Custom development (web, mobile, other)	30%	23%
Vendor risk assessment	21%	14%

■ 2021   ■ 2020

How does your organization compare?

Digital maturity

Cloud hosting
- Digital Leaders: 49%
- All other organizations: 54%

Data center hosting
- Digital Leaders: 45%
- All other organizations: 42%

Security monitoring
- Digital Leaders: 41%
- All other organizations: 34%

Application (ERP) support
- Digital Leaders: 37%
- All other organizations: 31%

Custom development (web, mobile, other)
- Digital Leaders: 34%
- All other organizations: 28%

Help desk support
- Digital Leaders: 29%
- All other organizations: 32%

Vendor risk assessment
- Digital Leaders: 27%
- All other organizations: 18%

■ Digital Leaders   ■ All other organizations
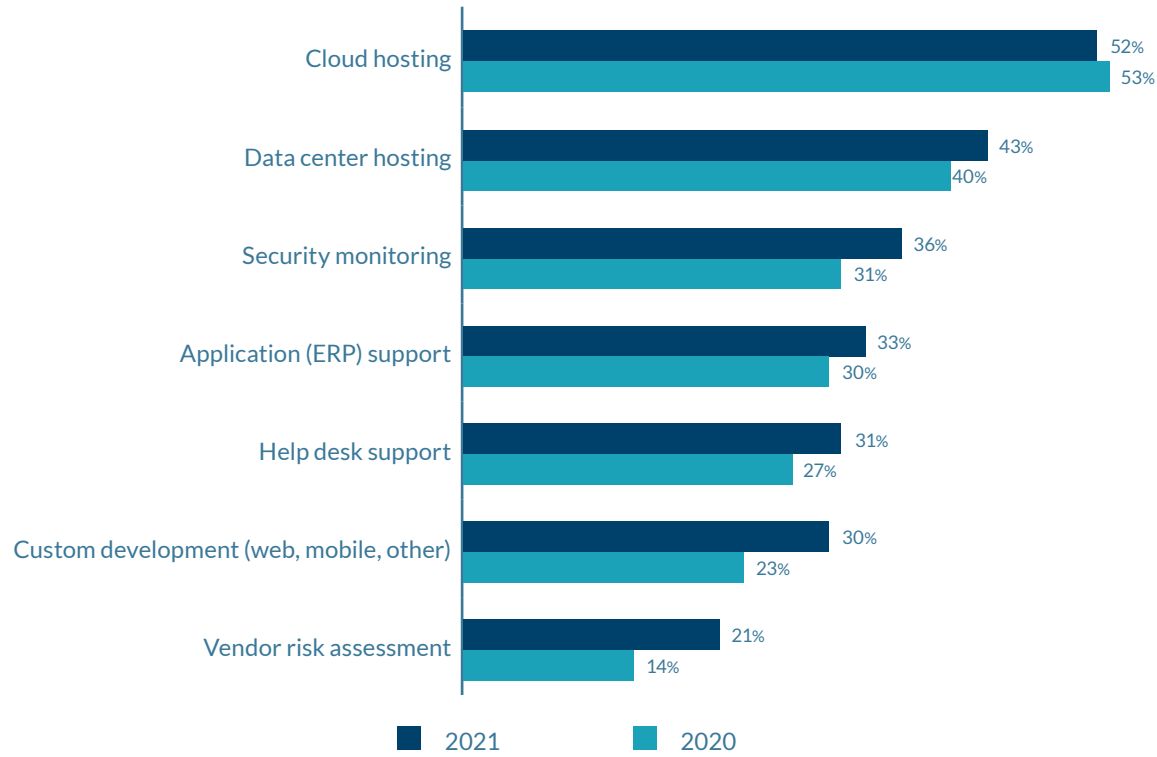
How does your organization compare?

Testing information produced by the entity

• • • *To what extent do you test information produced by the entity (IPE) for data used to execute key controls?**

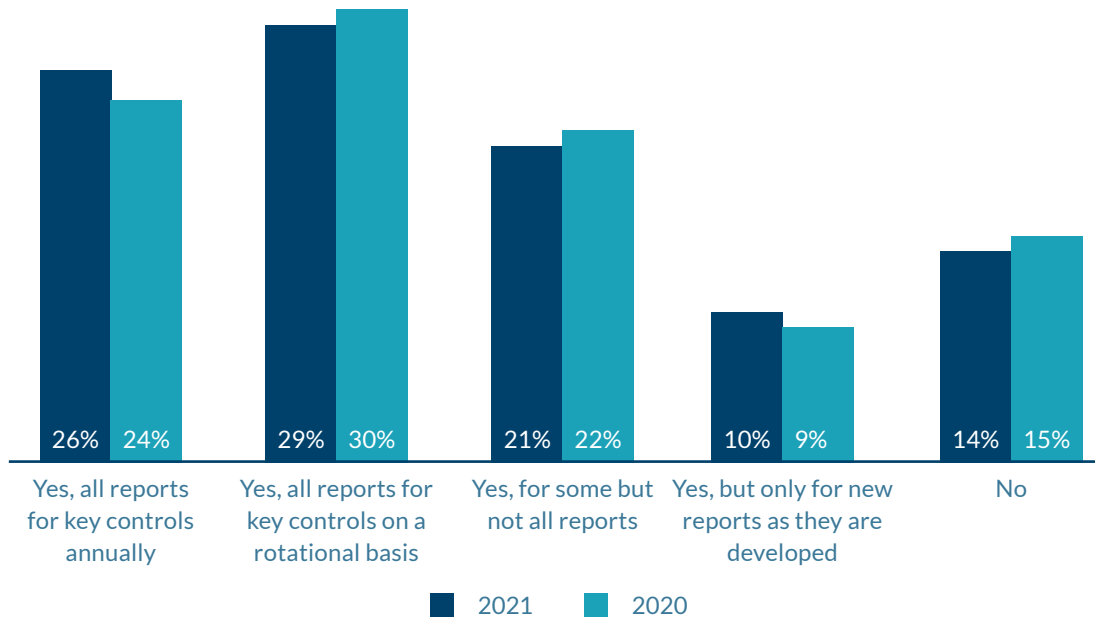| Digital maturity	Digital Leaders	All other organizations
We test IPE on a rotational basis with coverage every 2-3 years	32%	22%
We test IPE once a year for each key control that uses or relies upon it, and do not test it again if its source has not changed	40%	37%
We test IPE every time we test a control that uses or relies upon it	21%	29%

SOX filer status	Large accelerated filer	Accelerated filer**	Smaller reporting company	Emerging growth company
We test IPE on a rotational basis with coverage every 2-3 years	16%	23%	33%	48%
We test IPE once a year for each key control that uses or relies upon it, and do not test it again if its source has not changed	38%	46%	33%	36%
We test IPE every time we test a control that uses or relies upon it	36%	26%	17%	10%

* Not shown: "Don't know" responses.
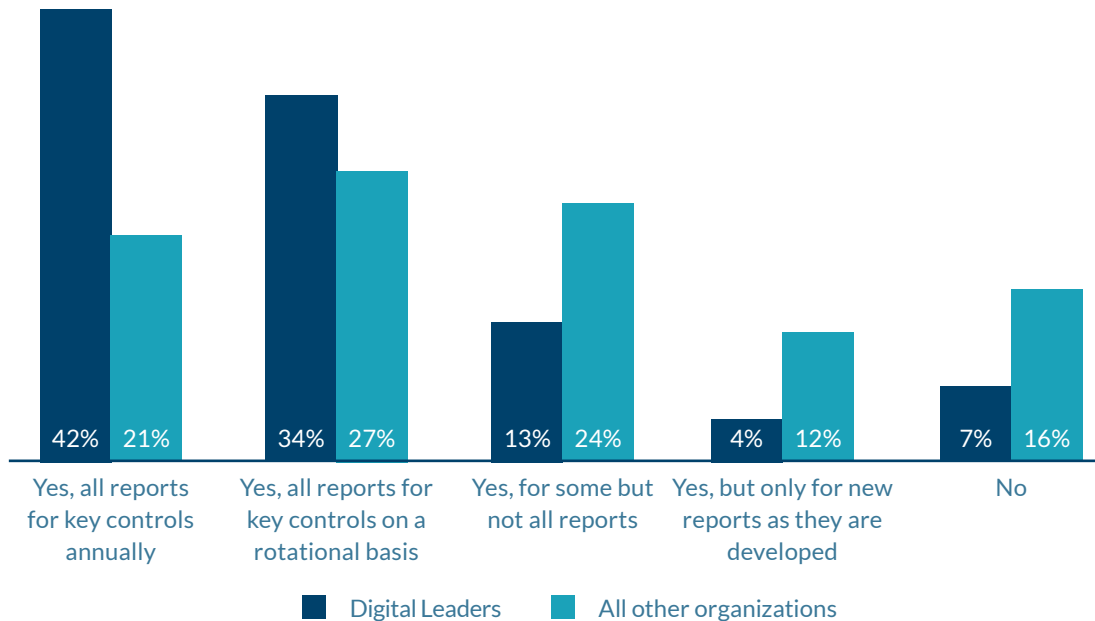** Does not include smaller reporting companies.

How does your organization compare?

••• *Do you baseline test system-generated reports used in key Sarbanes-Oxley controls?*

2021 vs. 2020

Yes, all reports for key controls annually	Yes, all reports for key controls on a rotational basis	Yes, for some but not all reports	Yes, but only for new reports as they are developed	No
26% 24%	29% 30%	21% 22%	10% 9%	14% 15%

■ 2021 ■ 2020

Digital maturity

Yes, all reports for key controls annually	Yes, all reports for key controls on a rotational basis	Yes, for some but not all reports	Yes, but only for new reports as they are developed	No
42% 21%	34% 27%	13% 24%	4% 12%	7% 16%

■ Digital Leaders ■ All other organizations

How does your organization compare?

Cybersecurity

- • • *During fiscal year 2020, was your organization required to issue a cybersecurity disclosure (according to CF Disclosure Guidance: Topic No. 2)? (Shown: "Yes" percentages)*

2021 vs. 2020

38% 2021

34% 2020

Digital maturity

56% Digital Leaders

32% All other organizations

- Interestingly, Digital Leaders report having issued significantly more cybersecurity disclosures compared with other organizations. This likely is a reflection of their organizations being more technology-reliant, web-based and/or cloud-based.

- While this could be perceived as making Digital Leaders more prone to cyber attacks, another scenario is that given their maturity, they simply have more exposures and may also have greater visibility into when and where they are being attacked. Other organizations may not have this level of visibility.

- - - *If "Yes": What was the impact on the total amount of hours your organization devoted to Sarbanes-Oxley compliance during the fiscal year?**

Digital maturity	Digital Leaders	All other organizations
Increased > 20%	4%	3%
Increased 16-20%	22%	17%
Increased 11-15%	24%	31%
Increased 6-10%	34%	14%
Increased 1-5%	8%	11%
No change in hours	8%	24%

2021 vs. 2020	2021	2020
Increased > 20%	3%	7%
Increased 16-20%	19%	19%
Increased 11-15%	28%	24%
Increased 6-10%	22%	18%
Increased 1-5%	10%	15%
No change in hours	18%	17%

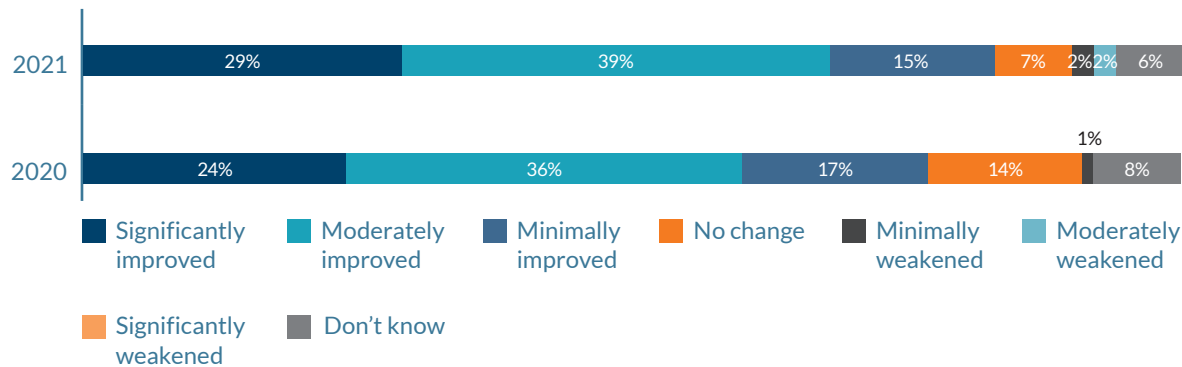* Among organizations that reported that they are required to issue a cybersecurity disclosure (according to CF Disclosure Guidance: Topic No. 2).

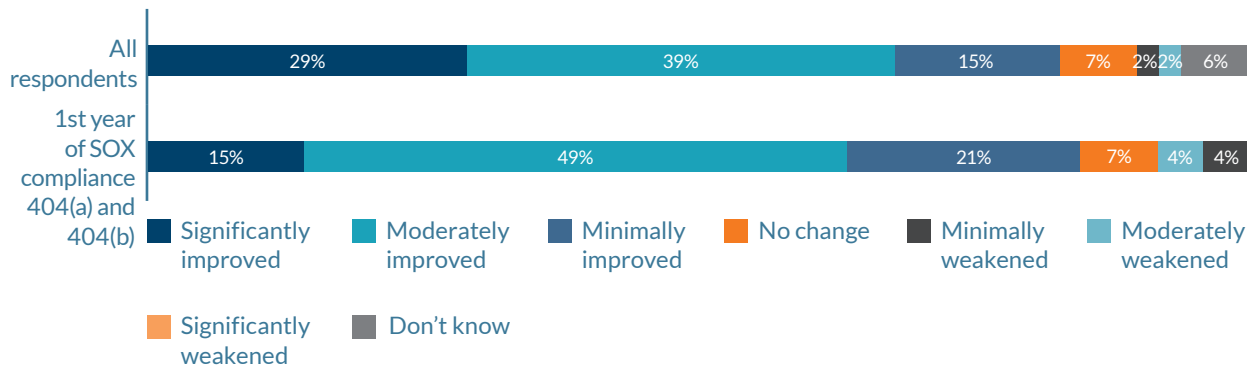## How does your organization compare?

Perceptions of the SOX compliance process and internal control over financial reporting

• • • *How has the internal control over financial reporting (ICFR) structure changed since Sarbanes-Oxley Section 404(b) was required for your organization?*

2021 vs. 2020

2021	29% — 39% — 15% — 7% — 2% 2% — 6%	
2020	24% — 36% — 17% — 14% — 1% — 8%	

- ■ Significantly improved
- ■ Moderately improved
- ■ Minimally improved
- ■ No change
- ■ Minimally weakened
- ■ Moderately weakened
- ■ Significantly weakened
- ■ Don't know

All respondents vs. 1st-Year SOX filers

All respondents	29% — 39% — 15% — 7% — 2% 2% — 6%
1st year of SOX compliance 404(a) and 404(b)	15% — 49% — 21% — 7% — 4% 4%

- ■ Significantly improved
- ■ Moderately improved
- ■ Minimally improved
- ■ No change
- ■ Minimally weakened
- ■ Moderately weakened
- ■ Significantly weakened
- ■ Don't know

- There are some notable year-over-year changes, including internal audit's involvement in updating documentation, as well as organizing and running a project management office. Both of these count as important value-add activities in the SOX compliance process.

• • • *Considering the lifecycle of your Sarbanes-Oxley program until now, what are the primary benefits your organization has achieved through its Sarbanes-Oxley compliance process? (Multiple responses permitted)*

How does your organization compare?

Digital maturity

	Digital Leaders	All other organizations
Improved internal control over financial reporting (ICFR) structure	59%	64%
Continuous improvement of business processes	55%	48%
Enhanced understanding of control design and control operating effectiveness	52%	63%
Compliance with SEC rules	50%	49%
Increased reliance by external audit on the work of internal audit	49%	45%
Ability to better identify duplicate or superfluous controls	45%	37%
Improvements in company culture, specifically related to risk and controls	44%	54%

All respondents vs. 1st-year SOX filers

	All respondents	1st year of SOX compliance 404(a) and 404(b)
Improved internal control over financial reporting (ICFR) structure	63%	45%
Enhanced understanding of control design and control operating effectiveness	60%	41%
Improvements in company culture, specifically related to risk and controls	51%	48%
Continuous improvement of business processes	50%	44%
Compliance with SEC rules	49%	38%
Increased reliance by external audit on the work of internal audit	46%	34%
Ability to better identify duplicate or superfluous controls	39%	44%

- • • Is internal audit involved in Sarbanes-Oxley activities in your organization? (Shown: "Yes" percentages)

81% 2021   **82%** 2020

- • • If "Yes": How is internal audit involved in Sarbanes-Oxley activities in your organization? (Multiple responses permitted)*

	2021	2020
Testing	84%	88%
Updating documentation	69%	61%
Project management office	50%	41%

- • • What percentage of internal audit's time is spent on SOX?*

	All respondents
Less than 25%	17%
25%-49%	30%
50%-74%	31%
75%-100%	22%
Average percentage	**49%**

* Among organizations in which internal audit is involved in Sarbanes-Oxley activities.

How does your organization compare?

• • • Who in your organization supports Sarbanes-Oxley testing efforts? (Multiple responses permitted)

Digital maturity		
	Digital Leaders	**All other organizations**
Internal audit	72%	72%
Management and/or process owners	64%	61%
Third-party service provider	38%	42%
Business/financial controls unit	48%	33%
Project management organization (PMO)	48%	32%

2021 vs. 2020		
	2021	**2020**
Internal audit	72%	70%
Management and/or process owners	62%	68%
Third-party service provider	41%	31%
Business/financial controls unit	36%	35%
Project management organization (PMO)	36%	27%

How does your organization compare?

Outsourcing practices

• • • *Does your organization use outside resources for Sarbanes-Oxley compliance activities related to process controls?*

Digital maturity

	Digital Leaders	All other organizations
Yes, we use co-source providers	51%	42%
Yes, we outsource our process-related Sarbanes-Oxley activities	21%	14%
No, we do not use outside resources	28%	44%

SOX compliance year

	Beyond 2nd year of SOX compliance 404(a) and 404(b)	2nd year of SOX compliance 404(a) and 404(b)	1st year of SOX compliance 404(a) and 404(b)	1st year of SOX compliance or ongoing 404(a)	Pre-1st year of SOX compliance
Yes, we use co-source providers	39%	58%	51%	53%	52%
Yes, we outsource our process-related Sarbanes-Oxley activities	7%	23%	31%	35%	22%
No, we do not use outside resources	54%	19%	18%	12%	26%

How does your organization compare?

• • • *Does your organization use outside resources for Sarbanes-Oxley compliance activities related to IT controls?*

Digital maturity	Digital Leaders	All other organizations
Yes, we use co-source providers	49%	42%
Yes, we outsource our process-related Sarbanes-Oxley activities	25%	21%
No, we do not use outside resources	26%	37%

SOX compliance year	Beyond 2nd year of SOX compliance 404(a) and 404(b)	2nd year of SOX compliance 404(a) and 404(b)	1st year of SOX compliance 404(a) and 404(b)	1st year of SOX compliance or ongoing 404(a)	Pre-1st year of SOX compliance
Yes, we use co-source providers	41%	55%	44%	42%	54%
Yes, we outsource our IT-related Sarbanes-Oxley activities	14%	31%	41%	47%	13%
No, we do not use outside resources	45%	14%	15%	11%	33%

How does your organization compare?
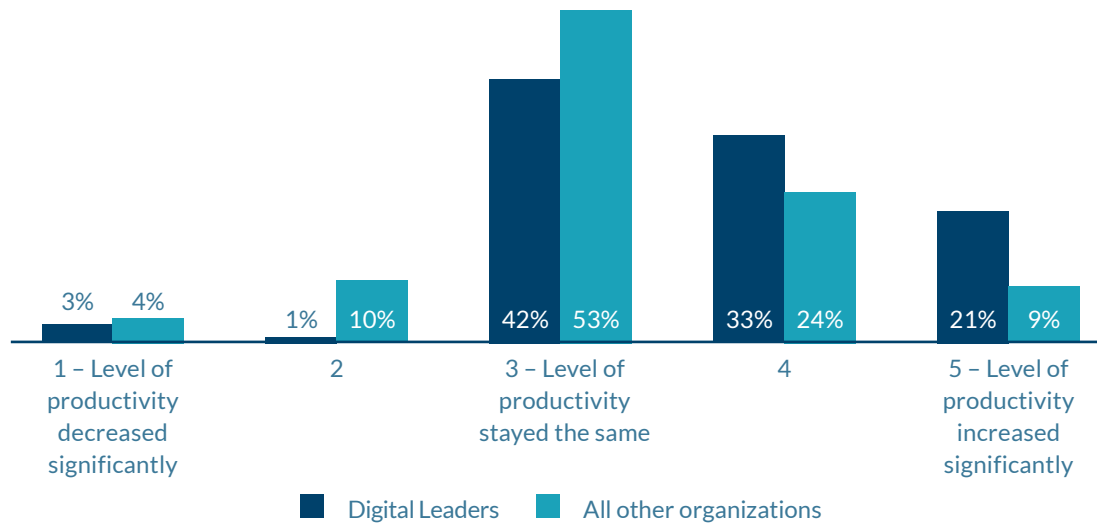
Impact of COVID-19 on SOX compliance activities

How does your organization compare?

• • • *Which of the following, if any, did your SOX team change as a result of the COVID-19 pandemic?*

Timing of work — Digital Leaders: 48%, All other organizations: 44%

Frequency of risk assessment — Digital Leaders: 37%, All other organizations: 26%

Materiality — Digital Leaders: 35%, All other organizations: 26%

Scope — Digital Leaders: 35%, All other organizations: 22%

Procedures (nature/extent) — Digital Leaders: 31%, All other organizations: 31%

Level of reliance on external suppliers — Digital Leaders: 22%, All other organizations: 10%
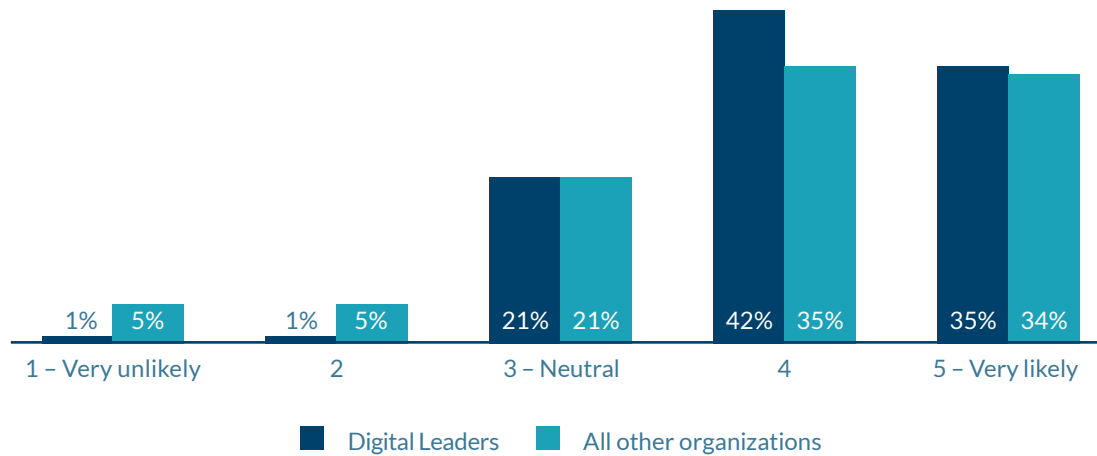
■ Digital Leaders   ■ All other organizations

- - - *How, if at all, has working remotely due to the COVID-19 pandemic impacted the level of productivity of the SOX team?*

Digital maturity

	1 – Level of productivity decreased significantly	2	3 – Level of productivity stayed the same	4	5 – Level of productivity increased significantly
Digital Leaders	3%	1%	42%	33%	21%
All other organizations	4%	10%	53%	24%	9%

■ Digital Leaders ■ All other organizations

- - - *Going forward, what is the likelihood that SOX leaders and staff will work remotely on a more frequent basis than they had pre-pandemic?*

Digital maturity

	1 – Very unlikely	2	3 – Neutral	4	5 – Very likely
Digital Leaders	1%	1%	21%	42%	35%
All other organizations	5%	5%	21%	35%	34%

■ Digital Leaders ■ All other organizations

How does your organization compare?

Methodology and demographics

More than 650 respondents (n=660) participated in Protiviti's 2021 Sarbanes–Oxley Compliance Survey, which was conducted online in March 2021. Survey participants also were asked to provide demographic information about the nature, size and location of their businesses, and their titles or positions. We are very appreciative of and grateful for the time invested in our study by these individuals.

• • • *Position*

Chief Audit Executive (CAE)	12%
Chief Financial Officer (CFO)	13%
Corporate Controller	3%
Audit Director	11%
Finance Director	11%
Corporate Sarbanes-Oxley Leader/PMO Leader	9%
Audit Manager	18%
Finance Manager	7%
Audit Staff	8%
Finance Staff	1%
Risk Management	2%
Other	5%

How does your organization compare?

Financial services — banking	13%
Manufacturing and distribution (other than technology)	10%
Technology (software/high-tech/electronics)	8%
Retail	7%
Power and utilities	7%
Automotive	5%
Insurance (excluding healthcare payer)	4%
Financial services — other	3%
Financial services — asset management	3%
Healthcare provider	3%
Real estate	3%
Consumer packaged goods	3%
Telecommunications	3%
Oil and gas	2%
CPA/public accounting/consulting firm	2%
Pharmaceuticals and life sciences	2%
Transportation and logistics	2%
Hospitality, leisure and travel	2%
Wholesale/distribution	2%
Healthcare payer	2%
Construction	2%
Government/education	2%
Financial services — broker-dealer	1%
Airlines	1%

How does your organization compare?

• • • *Industry*

Higher education	1%
Chemicals	1%
Media	1%
Agriculture, forestry and fishing	1%
Other	4%

• • • *Size of organization (outside of financial services) — by gross annual revenue*

$10 billion or more	19%
$5 billion - $9.99 billion	15%
$1 billion - $4.99 billion	36%
$500 million - $999.99 million	17%
$100 million - $499.99 million	8%
$25 million - $99.99 million	2%
Less than $25 million	3%

• • • *Size of organization (within financial services) — by assets under management*

$50 billion or more	20%
$25 billion - $49.99 billion	17%
$10 billion - $24.99 billion	19%
$5 billion - $9.99 billion	31%
$1 billion - $4.99 billion	8%
$250 million - $999.99 million	5%
Less than $250 million	0%

How does your organization compare?

• • • *Current SOX reporting status*

Beyond 2nd year of SOX compliance 404(a) and 404(b)	61%
2nd year of SOX compliance 404(a) and 404(b)	10%
1st year of SOX compliance 404(a) and 404(b)	11%
1st year of SOX compliance or ongoing 404(a)	9%
Pre-1st year of SOX compliance	9%

• • • *Number of unique locations*

1	14%
2-3	23%
4-6	26%
7-9	11%
10-12	7%
More than 12	19%

• • • *Organization headquarters*

United States	93%
Canada	2%
Japan	1%
Switzerland	1%
United Kingdom	1%
Other	2%

How does your organization compare?

ABOUT PROTIVITI

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and our independent and locally owned Member Firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through our network of more than 85 offices in over 25 countries.

Named to the 2021 Fortune 100 Best Companies to Work For® list, Protiviti has served more than 60 percent of *Fortune* 1000 and 35 percent of *Fortune* Global 500 companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

PROTIVITI INTERNAL AUDIT AND FINANCIAL ADVISORY PRACTICE — CONTACT INFORMATION

Brian Christensen
Executive Vice President,
Global Internal Audit
+1.602.273.8020
brian.christensen@protiviti.com

Andrew Struthers-Kennedy
Managing Director
Global IT Audit Leader
+1.410.454.6879
andrew.struthers-kennedy@protiviti.com

AUSTRALIA
Lauren Brown
+61.03.9948.1200
lauren.brown@protiviti.com.au

BELGIUM
Jaap Gerkes
+31.20.346.0400
jaap.gerkes@protiviti.nl

BRAZIL
Fernando Fleider
+55.11.2198.4200
fernando.fleider@protiviti.com.br

CANADA
Ram Balakrishnan
+1.647.288.8525
ram.balakrishnan@protiviti.com

CHINA (HONG KONG AND MAINLAND CHINA)
David Cheung
+86.21.5153.6900
+852.2238.0499
david.cheung@protiviti.com

FRANCE
Bernard Drui
+33.1.42.96.22.77
b.drui@protiviti.fr

GERMANY
Peter Grasegger
+49.89.552.139.347
peter.grasegger@protiviti.de

INDIA
Sachin Tayal
+91.124.661.8640
sachin.tayal@protivitiglobal.in

ITALY
Alberto Carnevale
+39.02.6550.6301
alberto.carnevale@protiviti.it

JAPAN
Yasumi Taniguchi
+81.3.5219.6600
yasumi.taniguchi@protiviti.jp

MEXICO
Roberto Abad
+52.55.6729.8070
roberto.abad@protivitiglobal.com.mx

MIDDLE EAST
Sanjay Rajagopalan
+965.2295.7772
sanjay.rajagopalan@protivitiglobal.me

THE NETHERLANDS
Jaap Gerkes
+31.20.346.0400
jaap.gerkes@protiviti.nl

SINGAPORE
Ann Koh
+65.6220.6066
annchi.koh@protiviti.com

SWITZERLAND
Milena Danielsen
+41.43.508.97.47
milena.danielsen@protiviti.ch

UNITED KINGDOM
Mark Peters
+44.207.389.0413
mark.peters@protiviti.co.uk

UNITED STATES
Brian Christensen
+1.602.273.8020
brian.christensen@protiviti.com
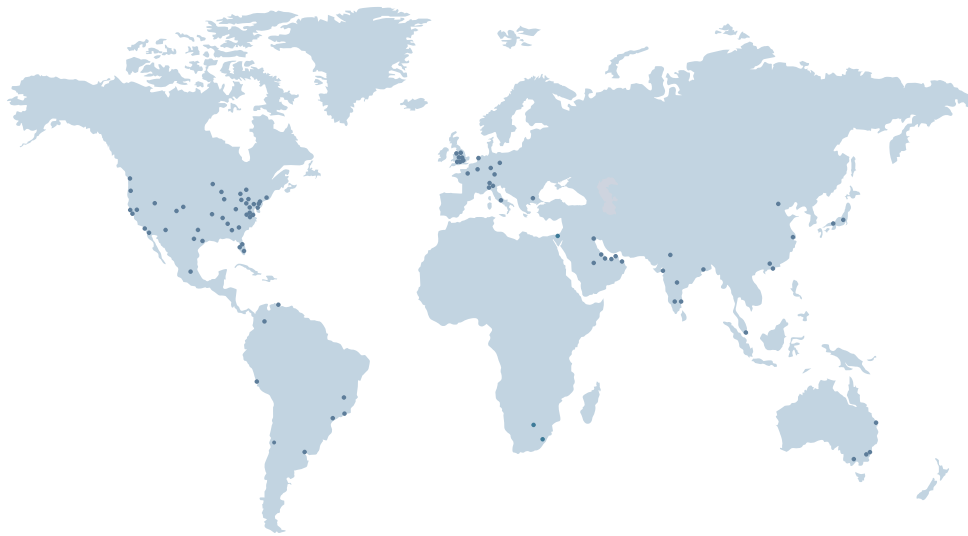
THE AMERICAS

UNITED STATES
Alexandria, VA
Atlanta, GA
Austin, TX
Baltimore, MD
Boston, MA
Charlotte, NC
Chicago, IL
Cincinnati, OH
Cleveland, OH
Columbus, OH
Dallas, TX
Denver, CO

Ft. Lauderdale, FL
Houston, TX
Indianapolis, IN
Irvine, CA
Kansas City, KS
Los Angeles, CA
Milwaukee, WI
Minneapolis, MN
Nashville, TN
New York, NY
Orlando, FL
Philadelphia, PA
Phoenix, AZ

Pittsburgh, PA
Portland, OR
Richmond, VA
Sacramento, CA
Salt Lake City, UT
San Francisco, CA
San Jose, CA
Seattle, WA
Stamford, CT
St. Louis, MO
Tampa, FL
Washington, D.C.
Winchester, VA
Woodbridge, NJ

ARGENTINA*
Buenos Aires

BRAZIL*
Belo Horizonte*
Rio de Janeiro
São Paulo

CANADA
Toronto

CHILE*
Santiago

COLOMBIA*
Bogota

MEXICO*
Mexico City

PERU*
Lima

VENEZUELA*
Caracas

EUROPE, MIDDLE EAST & AFRICA

BULGARIA
Sofia

FRANCE
Paris

GERMANY
Berlin
Dusseldorf
Frankfurt
Munich

ITALY
Milan
Rome
Turin

THE NETHERLANDS
Amsterdam

SWITZERLAND
Zurich

UNITED KINGDOM
Birmingham
Bristol
Leeds
London
Manchester
Milton Keynes
Swindon

BAHRAIN*
Manama

KUWAIT*
Kuwait City

OMAN*
Muscat

QATAR*
Doha

SAUDI ARABIA*
Riyadh

UNITED ARAB EMIRATES*
Abu Dhabi
Dubai

EGYPT*
Cairo

SOUTH AFRICA *
Durban
Johannesburg

ASIA-PACIFIC

AUSTRALIA
Brisbane
Canberra
Melbourne
Sydney

CHINA
Beijing
Hong Kong
Shanghai
Shenzhen

INDIA*
Bengaluru
Chennai
Hyderabad
Kolkata
Mumbai
New Delhi

JAPAN
Osaka
Tokyo

SINGAPORE
Singapore

*MEMBER FIRM

protiviti®