

# AUTOMATE SOX COMPLIANCE WITH PATHLOCK

## Eliminate unnecessary risk while reducing manual audit costs

Since the passing of the SOX Act of 2002, compliance has become a number one priority for finance leaders in every publicly traded company in the US. On average, publicly traded companies spend millions a year on SOX compliance. These costs have continually increased over the years, as the complexity in staying compliant has increased dramatically, for a number of reasons:

- Growing number of financially relevant applications, with most enterprises relying on 10 or more financially relevant applications to support their day-to-day processes. Enterprises are struggling with a landscape of best-of-breed applications.
- Accelerating adoption of cloud-based business applications, fueled by remote work and pressure for digital transformation. Organizations are trying to determine how to secure these new technologies, to ensure that the visibility and protection required to stay compliant with SOX mandates is maintained.
- Explosion in insider threat and fraud, accelerated by evolving threat vectors such as phishing, credential stuffing, and hijacking of service accounts. Finance teams need to be more diligent than ever to reduce the risk of fraud and insider threat.

Finance teams can reduce risk and eliminate costs, while improving compliance rates by adopting a next generation, automated solution to SOX compliance. See how today's best companies are making compliance a breeze with Pathlock.

## Manage Compliance by Exception with 100% Monitoring of Transactions

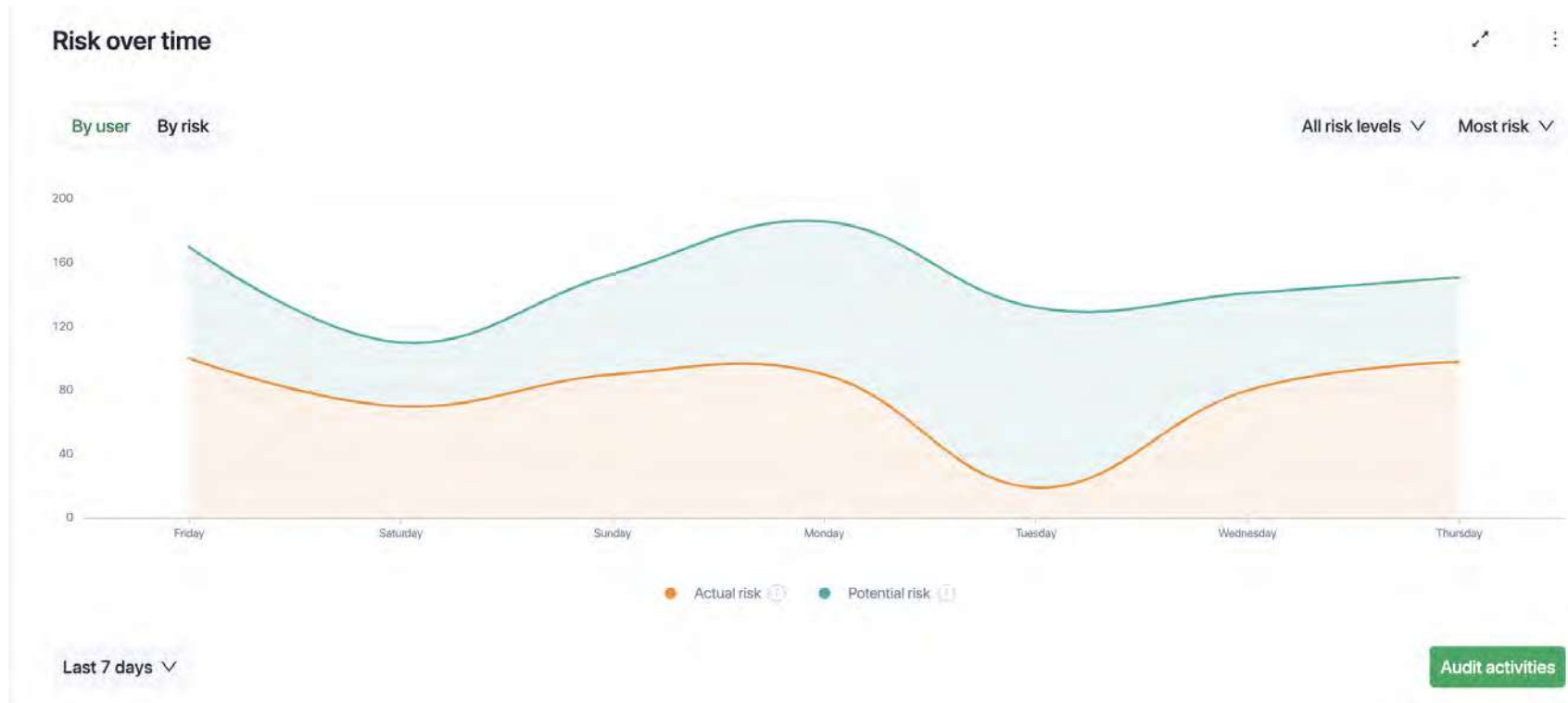
**Problem:** Traditional access risk analysis techniques overstate risk, highlighting all potential risk that users could execute on, overlooking any connection to what users actually do with their entitlements. Companies focus intense effort on reporting and tracking all segregation of duties violations, regardless of if they materialize into a violation that presents actual, realized risk. Audit teams often overlook the actual risk residing in the transaction themselves, which are only sampled at a 3% rate, overlooking 97% of risky behaviors. These manual, outdated strategies inflate audit costs dramatically, while still leaving companies exposed to potential fraud, material misstatement of revenues, or lost cash hidden in the business.

**Solution:** With Pathlock, organizations can get 360-degree visibility to all financial transactions, across all financially relevant applications. Pathlock goes beyond potential risks to interrogate 100% of financial transactions in relevant applications, to surface a complete view of all activity within an application. Pathlock's rich catalog of 500+ pre-built financial controls can detect out-of-policy behavior and elevate those exceptions for review and remediation. Furthermore, Pathlock provides expansive automation capabilities to prevent the riskiest behaviors before they happen, terminating sessions and blocking transactions in real-time.

**Benefits:** By monitoring 100% of transactions, Pathlock's continuous controls monitoring can reduce risk and manual costs associated with SOX compliance:

- Decreased risk – by monitoring 100% of transactions, alerting and responding in real-time to remediate any out-of-policy activities, rather than point in time 3% sample audits
- Decreased personnel costs – through centralized, automated exception reporting generated by Pathlock's comprehensive control catalog, eliminating traditional manual report review by expensive audit resources
- Decrease lost cash – reclaim lost cash through enforcement of financial processes, and reduction in internal fraud





Surface actual violations of degregation of duties risk, with full quantification of dollar value of risk

## Automate SOX Reporting with Real-Time SOD Conflict Management

**Problem:** SOX compliance reporting is a painstaking, manual process. Internal audit teams and third party auditors spend thousands of hours a year and millions of dollars compiling and reviewing entitlements and activities manually. These manual audits only take a snapshot of SOD conflicts at a point in time once a year, and don’t provide a real time view of risk as it occurs. As the number of financially relevant systems in a company grows, not only do the manual audit costs increase, but the amount of unmitigated risk compounds exponentially. Audit teams are fighting to keep their heads above water, as the amount of risk and subsequent audit costs explode.

**Solution:** With Pathlock, organizations can completely automate the process of SOX compliance, with out-of-the-box reports and comprehensive pre-built rulesets to provide real-time view into SOD conflicts. Pathlock integrates to 140+ applications, to centralize entitlement, roles, and activities across all of your financially relevant applications. Pathlock’s intelligent platform prioritizes the most risky behaviors, and automates the mundane tasks that make audits time consuming and painful.

**Benefits:** By automating SOX compliance, finance teams can reduce costs and risk while improving visibility across financially relevant applications:

- Decreased manual effort - 95% reduction in manual effort related to non-value added audit report activities, such as SOD conflict reporting, by automating key reports
- Decreased risk exposure – resolve SOD conflicts in real time, at the time that entitlements are added, removed, or roles are edited to reduce amount and length of risk exposure
- Decreased audit costs and fees – reduce spend on SOD conflicts by third party audit firms by 95%, avoiding millions of dollars in potential audit fees

▼ Impact of proposed changes

▲1943

The proposed changes would introduce a **single risk** of a **medium criticality**, shared by **20** other users, which would result in Esther's risk score increasing from **24** to **43**

Name	Description	Risk	Users	Avg conflicts per user	Transactions	Users (% of can-do)	Exceptions (% of transactions)	Dollar value
P001	Create or maintain suppliers and process supplier invoices	High	208	11	114,962	4 (2%)	1,040 (1%)	\$5,149,290
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Simulate the risk of any access changes in real-time, with intelligent risk scoring of users, roles, and applications

## Why Finance and Compliance Teams Love Pathlock

Pathlock protects digital enterprises from the inside out. Our unified access orchestration solution supports companies on their journey to Zero Trust by surfacing violations and taking action to prevent loss. Enterprises can manage all aspects of access governance in a single platform, including user provisioning and temporary elevation, ongoing User Access Reviews, control testing, transaction monitoring, and audit preparation. Today, many of the world's most respected, global 2000 companies rely on Pathlock to protect their critical digital assets from financial, operational, regulatory and security threats, ensure corporate compliance and improve performance. Our customers have saved millions in employee productivity, labor costs, audit fees and data loss prevention.