

SOX 404 PROGRAM FOR EMERGING GROWTH COMPANIES

A PHASED APPROACH TO
COMPLIANCE



Contents

- SOX 404 Compliance Emerging Growth Companies (EGC's) 3
- Advaion's Risk Based Approach 4
- Phased Approach 5

SOX 404 Compliance- EGC's

Management's Assessment- SOX 404A

The Principal Executive Officer and Principal Financial Officer for publicly traded companies must provide their assessment of internal controls over financial reporting as a part of their 2nd 10K filing. This assessment is typically governed by the criteria set forth in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

External Audit- SOX 404B

Management's internal control over financial reporting must be audited by the Company's external auditor. The external audit requirement is only necessary upon meeting certain criteria such as, a five year time period subsequent to an Initial Public Offering for companies with a public float in excess of \$75 million but below \$700 million, attaining \$700 million in public float or annual revenues of more than \$1 billion.

Advaion's Approach

Risk Based

What is Advaion's risk based approach?

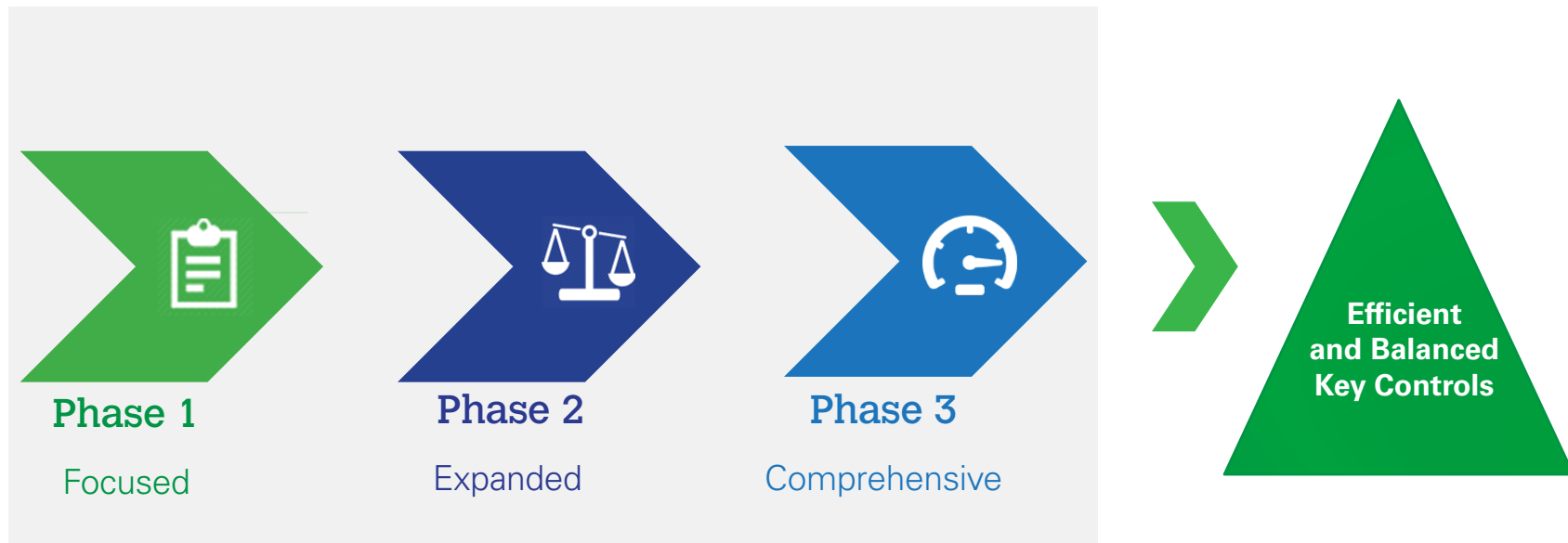
Advaion's risk based approach is a top-down, risk-based approach to implement a lean and balanced control program along with the most effective and efficient controls to address financial reporting risks.

An effective risk based process includes the following activities:

- A **top-down, risk-based** scoping approach as a foundational first step toward control optimization.
- An informed understanding of the organization's **financial reporting risks** in order to drive control optimization efforts.

Advaion's Approach

Phased Approach



Contact us for further details on how to greatly enhance the SOX compliance process through our phased in approach!



Advaion

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