

# **SARBANES-OXLEY & ASSUREON COMPLIANCE BY NEXSAN**

The Sarbanes-Oxley Act of 2002 (SOX) is a complicated piece of legislation that is a direct result of the numerous corporate scandals that have filled our headlines over the past few years. SOX is a reform law that enacts broad changes to current laws and requires many new compliance regulations. Much of SOX's impact will be realized through SEC rules and regulations.

## Who Needs to Comply?

- Tamper proof Records
- Information Integrity Guaranteed with Digital Fingerprint Technology
- Integrated Retention Management System
- Retain all Audit-Work papers for Seven Years
- Compliant Storage Solution Enabling Internal Controls for Record Management

While the initial impact and publicity of SOX has been directed towards accounting practices and financial reporting, the law goes well beyond those areas.



At its core, SOX is an attempt to improve the accountability and transparency of public companies. Accountability and transparency depend upon trustworthy and accurate business records. In essence, business records serve as the bedrock of accounting and financial reporting systems.”

**RANDOLPH KAHN ESQ.**

“SPECIAL REPORT: SARBANES OXLEY”

SOX affects every public company, every company that wants to be public and every international company that is listed on a US Stock Exchange. SOX is also being adopted by many private companies as the guideline for good corporate governance practice. Below are excerpts from the Sarbanes-Oxley Act that refer to requirements that a compliant storage solution should address. Following each excerpt is a brief description of how Nexsan Assureon addresses that particular requirement.

Section 1102: TAMPERING WITH A RECORD “(c) Whoever corruptly- “(1) alters, destroys, mutilates, or conceals a record, document, or other object, or attempts to do so, with the intent to impair the object’s integrity or availability for use in an official proceeding; or...” “(2) otherwise obstructs, influences, or impedes any official proceeding, or at-tempts to do so, shall be fined under this title or imprisoned not more than 20 years, or both.”

## Protect Your Business Records and Meet Sarbanes-Oxley Requirements

Assureon controls access to the managed files and provides audit trails detailing user access and any file changes. Assureon also takes care of creating original and duplicate copies of files when they are modified. Assureon digital finger-print technology provides executives with absolute proof that a company's

(b) Section 802: "(A) (1) Any accountant... shall maintain all audit or review workpapers for a period of 5 years from the end of the fiscal period in which the audit or review was concluded." (A)(2) "... workpapers, documents that form the basis of an audit or review, memoranda, correspondence, communications, other documents, and records (including electronic records) which are created, sent, or received in connection with an audit or review and contain conclusions, opinions, analyses, or financial data relating to such an audit or review."

The quantity of documents that need to be retained was dramatically increased with the passage of SOX. In a later release the SEC (No. 33-180) standardized the length of time for retention to seven years. Best practices indicate that corporations securely store their business records using the same guidelines set for public accountants.

Assureon has an integrated retention management system which allows any company and its auditors to place their retention policies on any document within the organization without the necessity of implementing a third-party document management system. Assureon also supports laptop computers which executives and auditors commonly use.

Section 302:

"(4) the signing officers-

(A) are responsible for establishing and maintaining internal controls; "From the outset, it was recognized that internal control is a broad concept that extends beyond the accounting functions of a company." SEC Release No. 33-8328

Legal experts and analysts all generally agree that the internal controls specified within SOX definitely include the information and record management practices within a company. Assureon is a secure storage software system that manages and enforces retention policies, authenticates digital documents, provides audit trails and disposes of digital documents. It is integrated with storage hardware to provide a compliant storage solution to meet regulatory compliance laws.



## ABOUT NEXSAN

Nexsan® is a leading provider of innovative data storage systems with over 10,000 customers worldwide. Nexsan's pioneering hybrid storage systems combine solid-state technologies, spinning disk storage and advanced software to deliver radical new levels of performance and capacity at lower cost. The company's advanced technologies enable organizations to optimize traditional, virtual and cloud computing environments for increased productivity and business agility. With more than 28,000 systems deployed since 1999, the company delivers its data storage systems through a worldwide network of solution providers, VARs and system integrators. Nexsan is based in Thousand Oaks, Calif. For more information, visit [www.nexsan.com](http://www.nexsan.com).