

President's Corner



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Eveline Gaede

For this month's President's Corner, I have decided to write about something I know absolutely nothing about – Sarbanes-Oxley. (Some may argue that this is no different than any other month). So why would I want to talk about that particular topic? Because the 5:00pm session at our March MoM deals with this topic and if you are like I was, you may be asking yourself, “**What the heck is Sarbanes-Oxley and how does it affect me?**” It sounds like a very strong, very caffeinated coffee that's going to keep me awake all night.” Well, Sarbanes-Oxley (also called “SOX” and “SARBOX”) is not a coffee, but it could very likely end up keeping you up all night.

Last MoM

At the January MoM, Paul Conti talked about Change Management and how important it is for IT Managers to “Control Risk”. Controlling risk applies not only to change management, but also to so many things in our day-to-day life. Paul used an example of missing an off-ramp on the 401, slamming on your brakes and then backing up to get on the ramp. By doing this, you risk the possibility of causing a 10 car pileup and perhaps your own life for a gain of about 5 or 10 minutes. “Controlling Risk” in the Change Management arena means ensuring you have controls in place to manage the risk of unpredictable outcomes to your software projects. And “Controlling Risk” is also a large component of what the Sarbanes-Oxley Act is all about.

In a nutshell, the Sarbanes-Oxley Act of 2002 is about “ensuring that internal controls or rules are in place to govern the creation and documentation of information in financial statements”. There are a couple of misconceptions surrounding how (and if) this act affects us in the IT industry:

Misconception 1: “The rules apply only to publicly traded companies.” Although private companies are not governed by these rules, it is recommended that they adopt them as best practices.

Misconception 2: “The Sarbanes-Oxley Act is only a financial issue affecting only CFO's and not a systems issue.” This act affects information technology, human resources, compensation and environmental compliance – the reason being that these areas all affect company financials. As well, a private company will become subject to the Sarbanes-Oxley Act upon filing a registration statement with the SEC in anticipation of an IPO.

IT's role is far reaching – IT must build the controls that will ensure that financial data stands up to audit scrutiny. We understand how the information is stored and changed in systems, so we need to ensure the controls are in place. As you can see, it is critical that we all attend this session to get a good understanding of not only what the act is but how it could affect the way we store data and how we manage future changes to our systems.

Salary Survey

On another note, at the beginning of the year we sent out the annual salary survey to the primary contact at every TUG member company in the GTA. Unfortunately, the response has been very disappointing and at this time, there are not enough replies to produce an accurate statistical representation of our industry.

Although the TUG Board is discussing various options for next year, we are still faced with what to do with this most recent survey which covers the calendar year of 2003. The deadline for returns was originally Feb 29, 2004 and we will extend it until March 15th. However, if we do not get sufficient replies by then, the results can not be distributed as they will virtually be meaningless. With today's cutbacks on resources and spending, we realize that time is at a premium. However, the survey can be a valuable resource for your IT planning for the upcoming year – but only if you take to the time to participate! If you have not yet filled it out, please do so by March 15, 2004. 

