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**Answer**

**Main Governance Aspect of the Sarbanes Oxley Act of 2002.**

1. **Corporate and Criminal Fraud Accountability**: Altering, destroying, concealing or falsifying records or documents with the intent to influence a federal investigation or bankruptcy case is subject to fines and up to 20 years’ imprisonment. New audit work papers must be retained for five years. Any person who knowingly defrauds shareholders of publicly traded companies is subject to fines or imprisonment. A provision within the Sarbanes-Oxley Act of 2002 that provides for criminal penalties for securities fraud and protects employees of publicly traded companies from punitive actions from their employers for reporting Securities & Exchange Commission (SEC) violations and/or shareholder fraud. Title VIII consists of seven sections and is also referred to as the "Corporate and Criminal Fraud Accountability Act of 2002". It describes specific criminal penalties for manipulation, destruction or alteration of financial records or other interference with investigations, while providing certain protections for whistle-blowers.

**2**. **White Collar Crime Penalty Enhancement:** Title IX consists of six sections. This section is also called the "White Collar Crime Penalty Enhancement Act of 2002". This section increases the criminal penalties associated with white-collar crimes and conspiracies. It recommends stronger sentencing guidelines and specifically adds failure to certify corporate financial reports as a criminal offense.

3. **Commission Resources and Authority:** Title VI consists of four sections and defines practices to restore investor confidence in securities analysts. It also defines the SEC's authority to censure or bar securities professionals from practice and defines conditions under which a person can be barred from practicing as a broker, advisor, or dealer.

4. **Studies and Reports:** Title VII consists of five sections and requires the Comptroller General and the SEC to perform various studies and report their findings. Studies and reports include the effects of consolidation of public accounting firms, the role of credit rating agencies in the operation of securities markets, securities violations, and enforcement actions, and whether investment banks assisted Enron, Global Crossing, and others to manipulate earnings and obfuscate true financial conditions.

5. **Attorneys' Responsibilities:** There are now minimum standards of professional conduct for attorneys representing public companies before the SEC. These include a rule requiring an attorney to report securities violations to the CEO. Securities laws like Sarbanes-Oxley are complicated and confusing. But failing to follow the Act's new restrictions and procedures can result in severe penalties. For a copy of the Act and for more information on the SEC.

6. **Public Company Accounting Oversight Board(PCAOB):** The public company oversight Board was created to oversee the audit of public companies. This board sets standards and rules for audit reports. All accounting firms that audit public companies must register with the Oversight Board. It also inspects, investigates, and enforces compliance from these registered firms. Title I consists of nine sections and establishes the Public Company Accounting Oversight Board, to provide independent oversight of public accounting firms providing audit services ("auditors").

7. **Auditors Independence:** refers to the independence of the internal auditor or of the external auditor from parties that may have a financial interest in the business being audited. Independence requires integrity and an objective approach to the audit process. The concept requires the auditor to carry out his or her work freely and in an objective manner. Auditors now have a list of non-audit services they can't perform during an audit. The Act also imposes a one-year waiting period for audit firm employees who leave an accounting firm to become an executive for a former client. In addition, the former firm must wait one year before performing any audit services for the new employer. Title II consists of 9 sections and establishes standards for external auditor independence, to limit conflicts of interest. It also addresses new auditor approval requirements, audit partner rotation, and auditor reporting requirements. It restricts auditing companies from providing non-audit services (e.g., consulting) for the same clients.

8**. Analyst Conflicts of Interest:** Title V consists of only one section, which includes measures designed to help restore investor confidence in the reporting of securities analysts. It defines the codes of conduct for securities analysts and requires disclosure of knowable conflicts of interest.

9. **Enhanced Financial Disclosures:** Title IV consists of nine sections. It describes enhanced reporting requirements for financial transactions, including off-balance-sheet transactions, pro-forma figures and stock transactions of corporate officers. It requires internal controls for assuring the accuracy of financial reports and disclosures, and mandates both audits and reports on those controls. It also requires timely reporting of material changes in financial condition and specific enhanced reviews by the SEC or its agents of corporate reports.

10. **Corporate Responsibility:** Title III consists of eight sections and mandates that senior executives take individual responsibility for the accuracy and completeness of corporate financial reports. It defines the interaction of external auditors and corporate audit committees, and specifies the responsibility of corporate officers for the accuracy and validity of corporate financial reports. It enumerates specific limits on the behaviors of corporate officers and describes specific forfeitures of benefits and civil penalties for non-compliance. For example, Section 302 requires that the company's "principal officers" (typically the Chief Executive Officer and Chief Financial Officer) certify and approve the integrity of their company financial reports quarterly.

**Reference**

-https://en.wikipedia.org/wiki/Sarbanes%E2%80%93Oxley\_Act