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**COURSE: ACC 205**

**DEPARTMENT: ACCOUNTING**

**MATRIC NO: 17/SMS02/007**

**ASSIGNMENT:** what are the main governance aspect of the Sarbanes-oxley act. Give a summary.

The Sarbanes-Oxley Act of 2002 enacted July30, 2002 also known as the public company accounting reform and investor protection act in the state and corporate and auditing accountability, responsibility and transparency act in the house and commonly called Sarbanes-Oxley, sarbox or SOX is a united states federal law that set new or expanded requirements for all U.S public company boards, management and public accounting firms. The Sarbanes-Oxley also establishes stricter criminal penalties for securities fraud and changes how public accounting firms operate.

This act was passed by congress in 2002 after spectacular failure of the highly respected companies Enron and WorldCom. SOX is basic change in law and a regulation mode which introduces a vast array of corporate governance. SOX mandates that the 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 behaviour of corporate officers and describes specific forfeitures of benefits and civil penalties for noncompliance.

Sox also describes specific criminal penalties for manipulation, destruction or alteration of financial records or other interference with investigation while providing certain protections for whistle blowers.