

Bsafe/Global Security and The Sarbanes-Oxley Act of 2002



The Sarbanes-Oxley act of 2002 was passed following the spate of cases involving misleading representation of corporate financial status and manipulation of company books, which came to light over the previous two to three years. The most notable cases were the Enron crisis, WorldCom and Tyco.

The primary aim of the bill was to protect investors through improving the accuracy and reliability of corporate disclosures and placing accountability for this on the organization's executives. Formulated in United States federal law, the bill has spurred similar initiatives in Europe and at this time (mid 2004) the European Union and a number of European countries are working towards similar legislation.

The act, known also as SOX, implements tight controls in corporate financial and accounting processes, considerably affecting how companies go about their business.

The Sarbanes-Oxley act obligates eleven broad areas of responsibility as follows:

- I. Public Company Accounting Oversight Board
- II. Auditor Independence
- III. Corporate Responsibility
- IV. Enhanced Financial Disclosures
- V. Analyst Conflict of Interest
- VI. Commission Resources and Authority
- VII. Studies and Reports
- VIII. Corporate and Criminal Fraud Accountability
- IX. White-collar Crime Penalty Enhancements
- X. Corporate Tax Returns
- XI. Corporate Fraud and Accountability

Most of these areas define controls and practices to be followed by senior management, financial officers and accountants. The controls and practices are varied and cover such areas as penalties, fraudulent activity, improper influencing, conflict of interests, qualifications of personnel and more.

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While many of these have nothing to do with information technology or computer security, some of them have a direct connection to the organization's information systems and so there is an important part to be played by the company IT department. The main categories of concern to the Information Technology Manager and Security Administrator are:

III – Corporate responsibility

Specifically, Section 302 - Corporate responsibility for financial reports.

IV – Enhanced Financial Disclosures

Specifically, Section 404 - Management assessment of internal controls.

XI – Corporate Fraud and Accountability.

Specifically, Section 1102 – Tampering with a record or otherwise impeding an official proceeding.

Additionally there is some significance for IT departments in category **I - Public Company Accounting Oversight Board** and category **VIII – Corporate and Criminal Fraud Accountability** which details the punishment in law for the changing and deleting of records.

After making a detailed study of these sections, the bottom line for the IT manager and security administrator in an organization using IBM iSeries or AS/400 computers may be summarized quite simply. They must do everything in their power to ensure the following two conditions are met:

1. Data must be protected against unlawful change or removal.
2. Changes in data must be logged and available for auditing to a reasonable degree.

Bsafe/Global Security for iSeries includes powerful auditing and access control features which make a significant contribution towards meeting these conditions and so achieving Sarbanes-Oxley conformity. The list on the following page outlines the relevant Bsafe/Global Security features which, together, constitute the answer to this conformity requirement.

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Function of Bsafe/Global Security Covering the Act

How this Function Contributes Towards Sarbanes-Oxley Conformity

The **IPS** (intrusion protection system) also known as the Bsafe secure gateway

Restricts access to the iSeries through the network for each user according to definitions given by the security administrator. Anyone not granted specific permissions has no access whatsoever.

The **Bsafe Log** (Bsafe Audit)

Makes a detailed log of network events including detailed of user, time and type of access, SQL statement and advanced filtering capability to narrow down and identify specific events.

The **Bsafe Analyzer and Network Log Reports**

A set of graphs and reports of the network events recorded in the Bsafe log. By identifying exceptions in network activity their use can pinpoint attempted breaches.

The **IDS** (intrusion detection system).

Sends instant alerts of breaches from outside or internal unauthorized activity

Advanced System Journal Manager

Simplified but powerful management of the iSeries system journal including audit policy definition, ready-defined reports, system audit report generator and management of receivers. The system journal display allows filtering by many different criteria facilitating the investigation of security breach attempts and simplifying an otherwise complex and time-consuming task.

Dataflow Data Integrity

Monitors and records changes in the iSeries database at user, application and even database field-level.

Internal OS/400 Security Manager

Allows operation of OS/400 internal security functions through an easy-to-use GUI. It includes user profile management, OS400 object authority management and port restrictions.

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