

using information from the Enron case summary and the movie, The Smartest Guys in the Room, explain the reason for each element of Sarbanes-Oxley.

Sarbanes-Oxley Act (2002)

SEC established oversight board

- CEO/CFO required to certify reports

- Accounting firms cannot provide non-auditing/consulting services

- Auditors keep documents/work papers for 5 years

- Prison sentences up to 20 years for document destruction

- Change auditing firm every 5 years

- Protection of whistle-blowers