



GRC Management with  
ARIS Audit Manager

## Infineon Ensures SOX Compliance with IDS Scheer AG

### Infineon Technologies AG

Infineon Technologies AG, Munich, Germany, offers semiconductor and system solutions that address three central challenges facing modern society: energy efficiency, connectivity, and security. In fiscal 2006 (ending September), the company had some 42,000 employees worldwide (including approximately 12,000 Qimonda employees) and posted revenues of EUR 7.9 billion (including Qimonda sales of EUR 3.8 billion). Infineon has a global presence, thanks to subsidiaries in the USA (Milpitas, California), in the Asia-Pacific region (Singapore), and in Japan (Tokyo). Infineon is listed on both the Frankfurt Stock Exchange and the New York Stock Exchange (ticker symbol: IFX).

▶ [www.infineon.com](http://www.infineon.com)

Infineon began to analyze the requirements of the Sarbanes-Oxley Act as early as 2004. The first full management assessment was carried out in fiscal 04/05 and checked by the company's external auditor. The SOX requirements were met, but a considerable amount of work was involved. The introduction of the ARIS Solution for GRC Management from IDS Scheer AG from April 1, 2006 onward, which builds on the core product, ARIS Audit Manager, greatly reduced the burden. The SOX compliance process is now firmly embedded within the organization.

### Business Challenges

Infineon found that the internal SOX project and ensuring timely compliance with SOX involved a huge effort, triggering the decision to deploy an enterprise-wide IT application. A process-based approach was chosen, with the aim of leveraging the synergies between process management and compliance management.

### Solution

- ▶ Deployment of ARIS Solution for GRC Management
- ▶ Implementation of ARIS Release Cycle Management
- ▶ Central ARIS database for process documentation

### Customer Benefit

- ▶ SOX compliance
- ▶ Optimized test quality and simplified workflow
- ▶ Administration overhead reduced

### ARIS Platform Products

ARIS Solution for Governance, Risk and Compliance Management

- ▶ ARIS Audit Manager 3.0
- ▶ ARIS Business Architect
- ▶ ARIS Release Cycle Management with ARIS Business Publisher



*"The chosen compliance tool, ARIS Audit Manager, enabled successful execution of peer testing and reliable tracking of all controls and test cases worldwide."*

K. Weber, Head of AR SOX

## Business Challenges

After taking initial steps in 2004, in early 2005 Infineon started to conduct the first management assessment under Section 404 of the Sarbanes-Oxley Act. This involved 120 employees, who carried out more than 1,000 controls at 22 legal entities across the Asia-Pacific region, North America, and Europe. The effort involved was clearly far too high for an annual assessment. In addition, the project needed to be properly integrated into the organization. The proposed central department for coordinating SOX activities, with its staff of just four, needed IT support. Since business process management (BPM) is an established activity at Infineon, the evaluation of available products focused on those that leverage synergies between process management and compliance management. IDS Scheer AG was selected as the supplier at the end of 2005.

## Solution

The objective of the project was to support internal management assessments for SOX purposes by way of an automated workflow. The system had to be deployed by April 1, 2006 in order to support assessment for fiscal 05/06. In addition, the company wanted to reduce personnel utilization for the SOX process, in particular the administrative effort involved in coordination, project management, and monitoring. The activities of around 400 testers needed to be coordinated worldwide. The introduction of the system was also intended to provide the basis for a centralized business process database at Infineon, with the existing business process framework and its core business processes being modeled in this database. Another parallel aim was to improve process quality and achieve greater harmonization, with SOX as the driver. The key objective was to ensure SOX compliance at Infineon by the end of fiscal 2005/2006.

The first joint workshops were held at the end of December 2005. The official start of the ASAP project (ARIS for SOX and Process Management) was in January 2006, with project completion at the end of June 2006. The key milestone was reached when the SOX test system was up and running on April 1, 2006. The project plan combined the ARIS Value Engineering (AVE) for GRC method with Infineon's IT project standards. The ARIS Audit Manager workflow and the ARIS Release Cycle Management solution were adapted to meet the requirements of the test cycle and Infineon's specific needs. The project managers (on both the business and IT sides) and their teams were all highly motivated, based on personal objectives linked to project success and the satisfaction of the internal customer, Infineon's central SOX department.

## ARIS Platform Products

The ASAP project saw the "ARIS Platform" products ARIS Business Server, ARIS Business Designer, ARIS Business Architect, and ARIS Business Publisher being used to model the processes, document the compliance master data, and make the captured data available to all employees. ARIS Audit Manager 3.0 was deployed as the product at the heart of the ARIS Solution for GRC Management. This tool supports efficient structuring of tests, tracking of measures to eliminate deficiencies, reporting of compliance progress, and documentation. An ARIS Release Cycle Management (RCM) solution was additionally implemented. The existing business process framework was transferred to the central ARIS repository. In addition to creating transparency, bringing together all process documentation and visualizing all processes using a single tool provides a solid basis for process harmonization and standardization. Lastly, a file server was used for linked process documents (pdf, doc, etc.) and linked test evidence.

## Customer Benefit

The adopted solution enabled administration of 1,347 SOX controls involving 5,765 individual test cases in 22 legal entities carried out by around 300 testers to be handled by a small team using a simplified workflow. In the place of a 120-strong project team, a four-person coordination team was sufficient, significantly reducing the human resources needed for SOX compliance. Strict adherence to the defined workflow also improved the quality of test results. The introduction of the ARIS Release Cycle Management solution stabilized process changes, thus streamlining testing and repeat tests. Since the tracking functionality of ARIS Audit Manager was accepted by the external auditors, there was no additional effort required to demonstrate the existence of a dependable audit chain. The process documentation is all held in a central ARIS database. Visualization of all processes in a single tool provides a solid basis for successful process harmonization and standardization. SOX compliance was duly achieved with the aid of the adopted solution at the end of fiscal 2005/2006, verified by the external auditor, and notified to the US Securities Exchange Commission (S.E.C.) in a 20-F report.

The experience of the first "SOX year" has shown Infineon that IT is vital to reducing the future cost of compliance. In the second year, a coordination team of just four is benefiting from the synergies between BPM and compliance.