INDUSTRY BRIEF · FINANCE & GOVERNANCE

Migrating away from compliance quicksand

Ensuring Sarbanes-Oxley (SOX) compliance through agentic AI modernization

Executive summary

After the corporate scandals at the turn of the century, U.S. lawmakers enacted the Sarbanes-Oxley Act (SOX) in 2002, forcing corporations to certify their financial information. Most organizations achieved compliance — but often by deploying an unprecedented amount of resources on exhausting auditing processes.

Today most corporations depend on mission-critical, often customized software to track their finances. Many of these systems are patched-up, aging legacy platforms at imminent risk of running unsupported. GAPVelocity AI provides a definitive, deterministic path out of this compliance quicksand — transforming unsupported legacy software into secure, cloud-native applications on the **Microsoft stack** so organizations can achieve true IT governance, automate audit trails and drastically reduce compliance liability.

The compliance headache continues

Even when federal regulators ease restrictions, audit consultants note these guidelines are meant to facilitate the external auditor's job — not the corporation's. The burden on IT departments remains heavy whenever the infrastructure hasn't adapted to the Sarbanes lifecycle.

The older the technology, the higher the risk of system failure, IT crashes and security violations. Companies running critical finance applications on exposed platforms get bogged down in the compliance process and struggle to achieve full SOX certification.

Why Sarbanes-Oxley strains IT

SOX focuses on financial reporting rather than specific technologies — but IT controls have a massive direct and indirect impact on that reporting.

- **Section 404 mandates:** executives and auditors must confirm the effectiveness of internal controls for financial reporting, which implies all financial software must be comprehensive, secure, clearly defined and well maintained.
- **Executive liability:** C-level executives must guarantee IT systems operate exactly as intended. As Peter H. Knutson of the Wharton School notes, CFOs face criminal charges if their numbers are wrong — and must rely heavily on the IT systems that produce those numbers.
- **Budgetary strain:** in an AMR Research study, **26%** of IT and business executives identified compliance as the primary driver of IT spending — ahead of business-IT alignment and customer relationships.

The danger of running unsupported legacy systems

Because aging systems still satisfy basic business needs, executives frequently postpone upgrades. Delay carries a devastating price.

- **Legal negligence:** the Institute of Internal Auditors recommends keeping software current with security patches and vendor support. Continued use of unsupported software — or failure to patch promptly — can be viewed by courts as negligence.
- **Operating deficiencies:** an unsupported environment can easily generate an operating deficiency, where an internal control fails to operate as it should.

THE STAKES FOR THE C-SUITE

A failure in an unsupported environment can lead to serious SOX violations. Consequences range from **hefty monetary fines and devastating reputational loss** to **actual prison time for high-level executives**.

Migrating to solid ground: streamlining the audit trail

Corporations relying on disparate, patched-up legacy technologies stand on a slippery slope. A comprehensive, modern IT infrastructure protects business logic and immensely simplifies auditing.

Automating controls and security

- **Addressing audit exceptions:** an Ernst & Young study found the two biggest sources of audit exceptions are inefficient segregation-of-duty controls and improper user access to data. Modern platforms automate processes that prevent both.
- **Defending financial data:** defenses must protect internet access points, applications and servers that process financial data. Modernization establishes secure coding techniques and adapts IT controls transparently to remove vulnerabilities.
- **Continuous monitoring:** under SOX, the IT system must provide continuous, reliable monitoring of financial information so executives can take an accurate snapshot on demand.

Ensuring Section 802 compliance

Section 802 imposes a strict **five-year record-retention requirement**. Legacy databases risk data degradation on obsolete systems, and many compliance tools lack proper document repositories with distributed access control. Migrating to a modern ecosystem ensures proper retention — avoiding fines and legal repercussions.

The GAPVelocity AI solution: fast, predictable, secure

Unifying a company's IT infrastructure on a modern platform ensures transparent, cost-effective financial processes, proper authorization of transactions and the safeguarding of assets. GAPVelocity AI makes the transition seamless through a proven toolkit and methodology.

1. Identify risk with ByteInsight

Before transforming your systems, you must understand your exposure. **ByteInsight** is our free static code-analysis platform that safely builds a complete architectural inventory of your legacy codebase. Its precise analysis of effective lines of code (ELOC) and technical debt gives you the visibility to scope compliance risk and modernization effort.

2. Transform with VELO and the VB6 AI Migrator

If you rely on unsupported Visual Basic 6 applications, the **VB6 AI Migrator** delivers deterministic, highly automated transformation to modern, secure .NET (C# or Blazor). By generating 100% native code with no proprietary runtimes, it ensures your financial-reporting software is fully vendor-supported and patching-compliant.

For broader legacy estates, **VELO**, our agentic AI platform built on Microsoft Foundry, orchestrates the entire migration lifecycle:

- **Scout Agent:** uncovers hidden dependencies in your financial logic.
- **Architect Agent:** designs a compliant, cloud-native Azure deployment strategy.
- **Translation & Quality Agents:** convert business logic accurately while generating the automated unit tests needed to prove financial calculations remain 100% functionally equivalent.

With modernization, sustainable and effective corporate IT governance becomes a reality. Stop risking executive liability on obsolete systems — leverage GAPVelocity AI to secure your compliance future.