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FOR IMMEDIATE RELEASE

**IMA Submits Testimony as Requested to U.S. Congress Regarding
Sarbanes-Oxley Guidance Proposals**

-- Guidance as Reported Remains Sub-Optimal, Says IMA --

Montvale, N.J., June 8, 2007 – The Institute of Management Accountants (IMA[®]), the world's leading association representing the management accounting profession, this week submitted testimony to U.S. Congress regarding new guidance to support small business implementation of the Sarbanes-Oxley Act (SOX). IMA's testimony was provided by request of the House Small Business Committee, chaired by Congresswoman Nydia M. Velázquez, in response to new guidance proposals reported to date by the Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB). The testimony was prepared and submitted by Paul A. Sharman, IMA president and CEO; Jeffrey C. Thomson, IMA vice president of research, and Mark Boyland, IMA vice president and general counsel.

"IMA's conclusion, based on a careful analysis of the new guidance reported to date, is that the guidance remains severely sub-optimal," said Mr. Sharman. "It is our opinion that full implementation of the costly and error-prone control assessment methods proposed in the revised regulations will negatively impact the growth, success, and global competitiveness of the more than 12,000 U.S. listed non-accelerated filers."

According to IMA's testimony, which supports a call for an additional implementation delay, there are major areas of deficiency in the current regulatory guidance that require immediate attention. These include: perpetuation of high compliance cost drivers, including retaining an audit opinion on controls effectiveness which was not the original intent of Congress in passing SOX in 2002, the alarmingly high control effectiveness prediction error rate, the lack of flexibility to allow small businesses to rely on their external auditors for assistance on complex accounting matters, the costly standard requiring registrants to produce draft financial statements free of material errors, and the increased litigation impact on management and auditors.

In line with its response to the SEC and PCAOB December 2006 exposure drafts, IMA expressed these concerns in a May 2 comment letter to the SEC. IMA urged the SEC to postpone issue of its interpretative guidance and release a revised exposure draft. IMA recommended a delay in compliance for non-accelerated filers, while allowing accelerated filers the benefits of a revised audit standard immediately. Experiences from larger accelerated files will also provide valuable implementation insights for smaller publicly traded companies.

“To date, the SEC and PCAOB have, despite extensive feedback from a variety of stakeholders including IMA, elected to make little change to their December exposure drafts. Given this resistance, we see the need for U.S. lawmakers to redirect the SOX regulatory regime down a path that will be cost effective and practical for smaller public companies and companies of all sizes,” said Mr. Sharman. “Starting last year, IMA expressed grave concern that not only are the regulators taking small, incremental steps to improve the guidance, they have no analysis that suggests that their new guidance really “gets it right” and no plan to measure progress. This point was highlighted by Congresswoman Velázquez at Tuesday’s hearing,” Mr. Sharman concluded.

To view IMA’s testimony, please visit the Professional Advocacy section of IMA’s website at http://www.imanet.org/relations_advocacy.asp. IMA also discussed specific issues surrounding SOX guidance at its June 6 *Inside Talk* webinar, “SOX 404 Breaking News: Are We There Yet?”. An archived recording will become available on IMA’s website at http://www.imanet.org/development_webinar_library.asp.

About IMA

With a worldwide network of nearly 65,000 professionals, IMA is the world’s leading organization dedicated to empowering accounting and finance professionals to drive business performance. IMA provides a dynamic forum for professionals to advance their careers through Certified Management Accountant (CMA[®]) certification, research, professional education, networking and advocacy of the highest ethical and professional standards. For more information about IMA, please visit www.imanet.org.

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