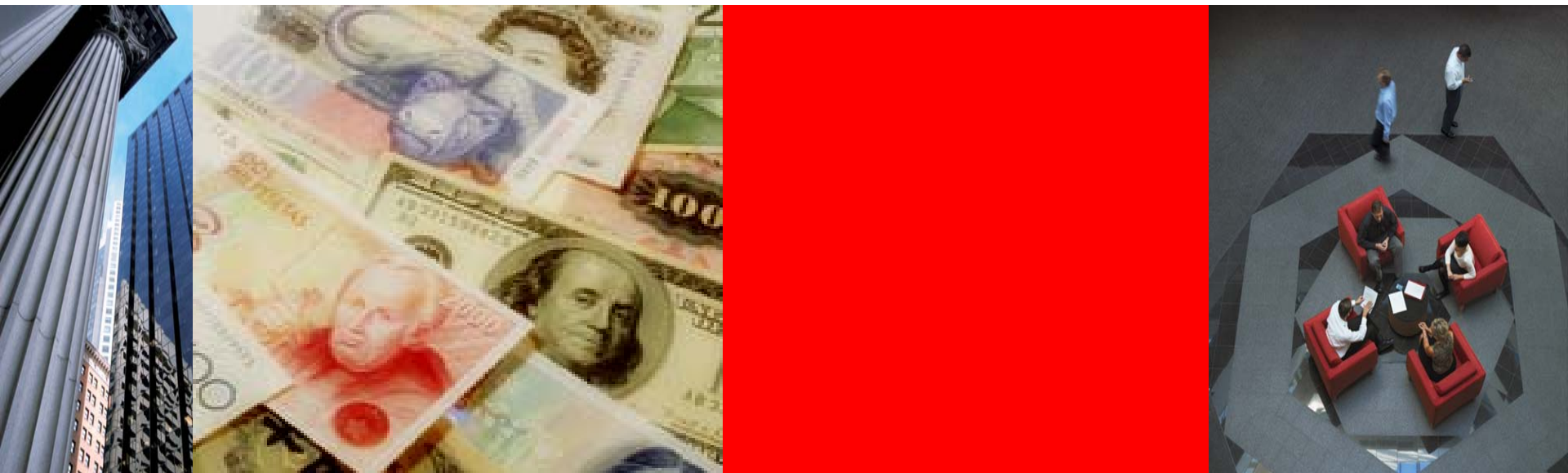




Governance, Risk, and Compliance

Karen dela Torre

Senior Director, Product Marketing

Safe Harbor Statement

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decision. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

Agenda

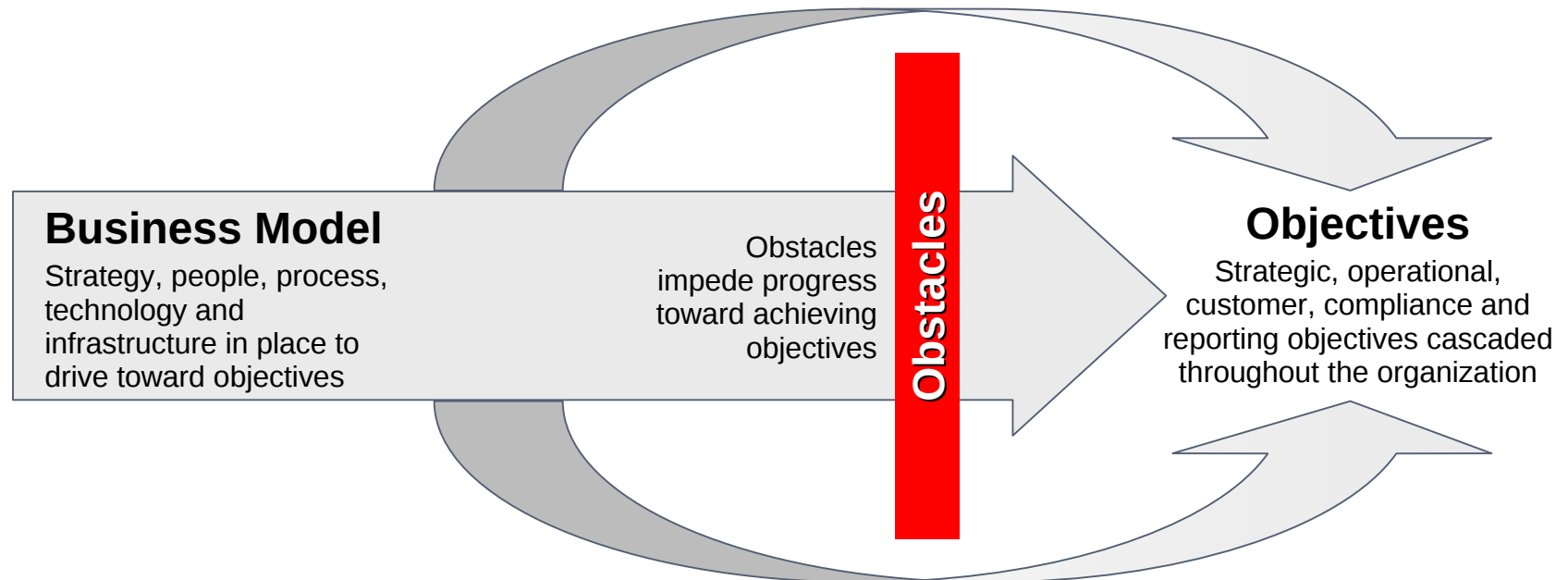


- Business Challenges
- Oracle's Leadership in GRC
- Oracle GRC Applications
- Q & A

The Big Picture

Voluntary Boundary

Boundary defined by management including public commitments, organizational values, contractual obligations, and other voluntary policies



Mandated Boundary

Boundary established by external forces including laws, government regulation and other mandates.

© OCEG

Market Need

Forrester Research Briefing

“GRC Software Platform Revenues Will Rise To \$1.3 Billion In 2011” ... “We estimate that the market is currently \$36 billion, and we expect it to grow to \$50 billion over the next three years”

AMR Research Briefing

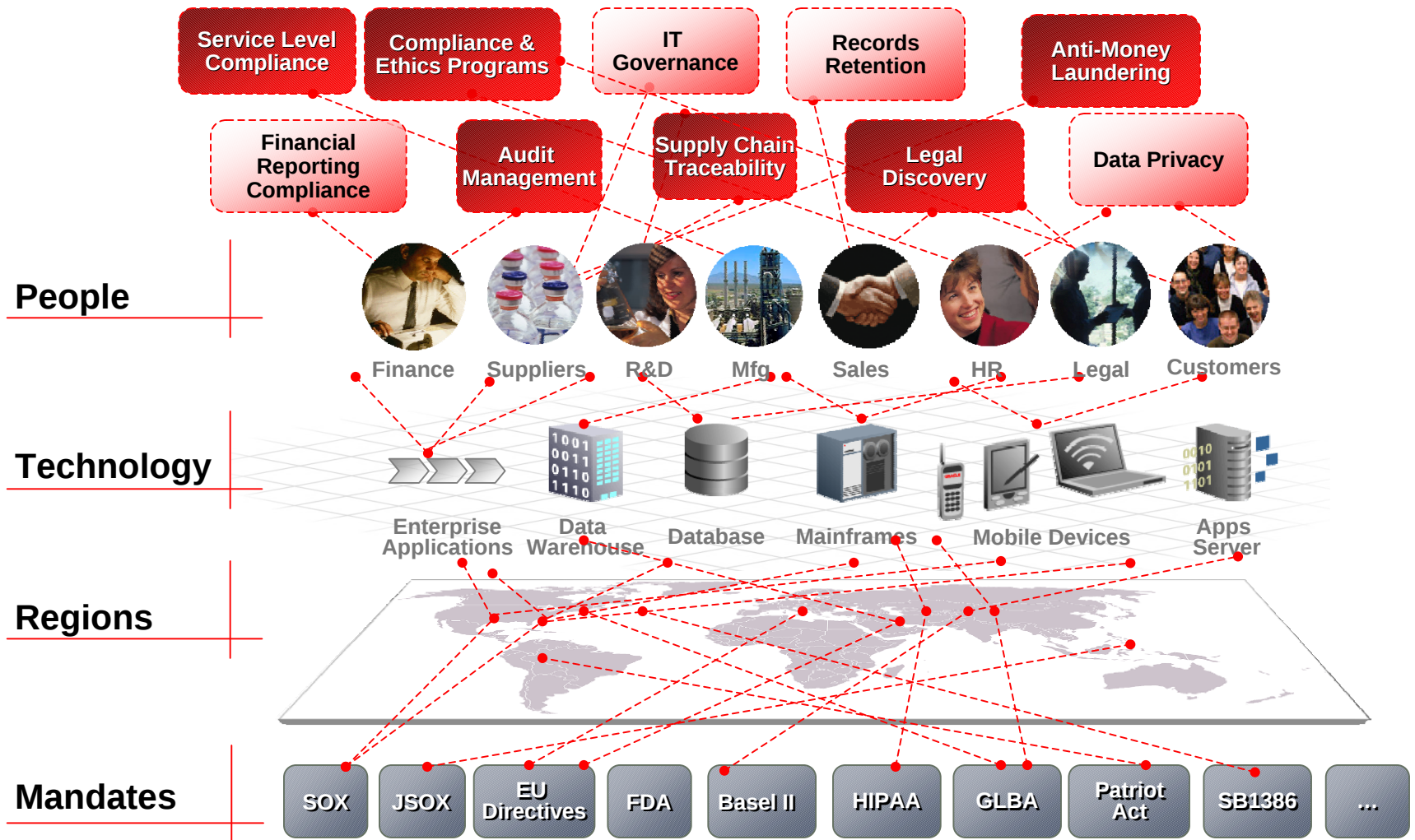
“2007 GRC spending will hit \$29.9B, growing 8.5% from last year; companies now expect to spend an additional 3.6%, or \$31B, in 2008.”

Gartner Research Briefing

“By 2009, the annual worldwide total software spending for GRC will be about \$14 billion.”

GRC is the “New Normal”

Requirements Increase in Number and Complexity



Information Risk Continues Unabated

Information Security Becomes Part of Overarching GRC Strategy

The New York Times

LINK BY LINK; An Ominous Milestone: 10

December 18, 2006, Monday

By TOM ZELLER JR. (NYT): Business/Financial Desk

DISPLAYING ABSTRACT Recent announcements of data b

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CIO INSIGHT

TREND

19

Security Morphs into Risk Management

Seeing risks as a whole is making IT security stronger. In the 2006 Top Trends issue, we predicted that companies would more tightly integrate IT security with an enterprise risk-management approach that includes compliance, legal and other risks. That prediction has come true: In 2006, 73 percent of companies have integrated IT security with an overall risk strategy, compared with 66 percent in 2005. And these companies are reaping the benefits, with more effective security policies. Expect to see this trend continue, at least for now, since it is undoubtedly helping many executives feel more confident in their security.

50% of 1,000 executives polled said information technology is the most challenging area in achieving Sarbanes-Oxley 404 compliance

Source: KPMG 404 Institute, 2006

FT.com

FINANCIAL TIMES

THE AMERICAS: Fidelity laptop stolen with data on 196,000 clients

By: By Rebecca Knight in Boston, Financial Times

Published: Mar 24, 2006

ents containing personal data stolen last week, the

ual fund company, said the mer Hewlett-Packard benefit and defined-contribution

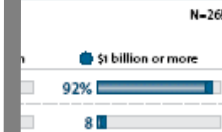
birth dates, compensation and y it had alerted those affected monitoring services.

companies as the portable, ough to run large amounts of

t people rely on their laptop as sitive [data] on it, and yet they ch, chief technical counsel for Omaha.

d the company had been far had seen no evidence of s running on a software d a little more than a day after t to interpret," she said.

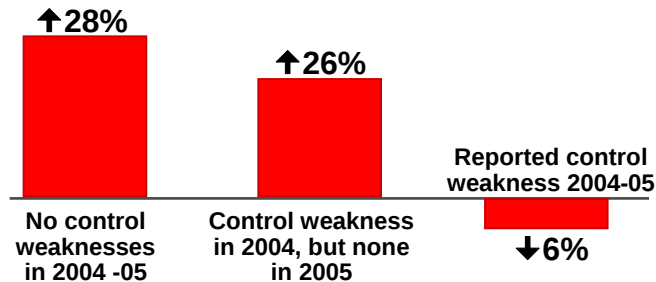
ere to conclude an unauthorised transaction had ed as a result of the theft, it would reimburse participants for associated losses.



Good GRC is Good Business

Executives Seek Returns from GRC Investment

Share-price performance of companies complying with SOX rules



Source: Lord & Benoit, 2006

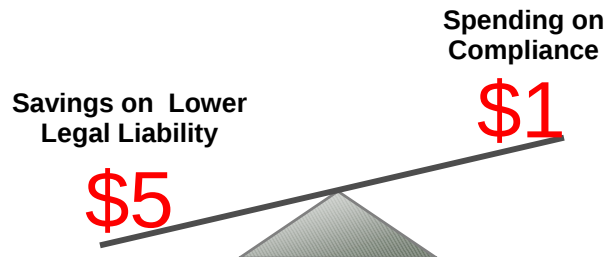
Price of control deficiency for \$1 billion company



\$10 million in higher cost of equity capital

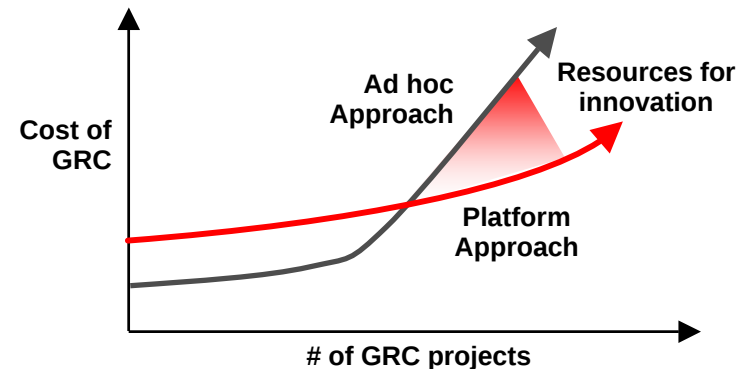
Source: University of Wisconsin, 2006

Savings on legal liability avoidance from GRC investment



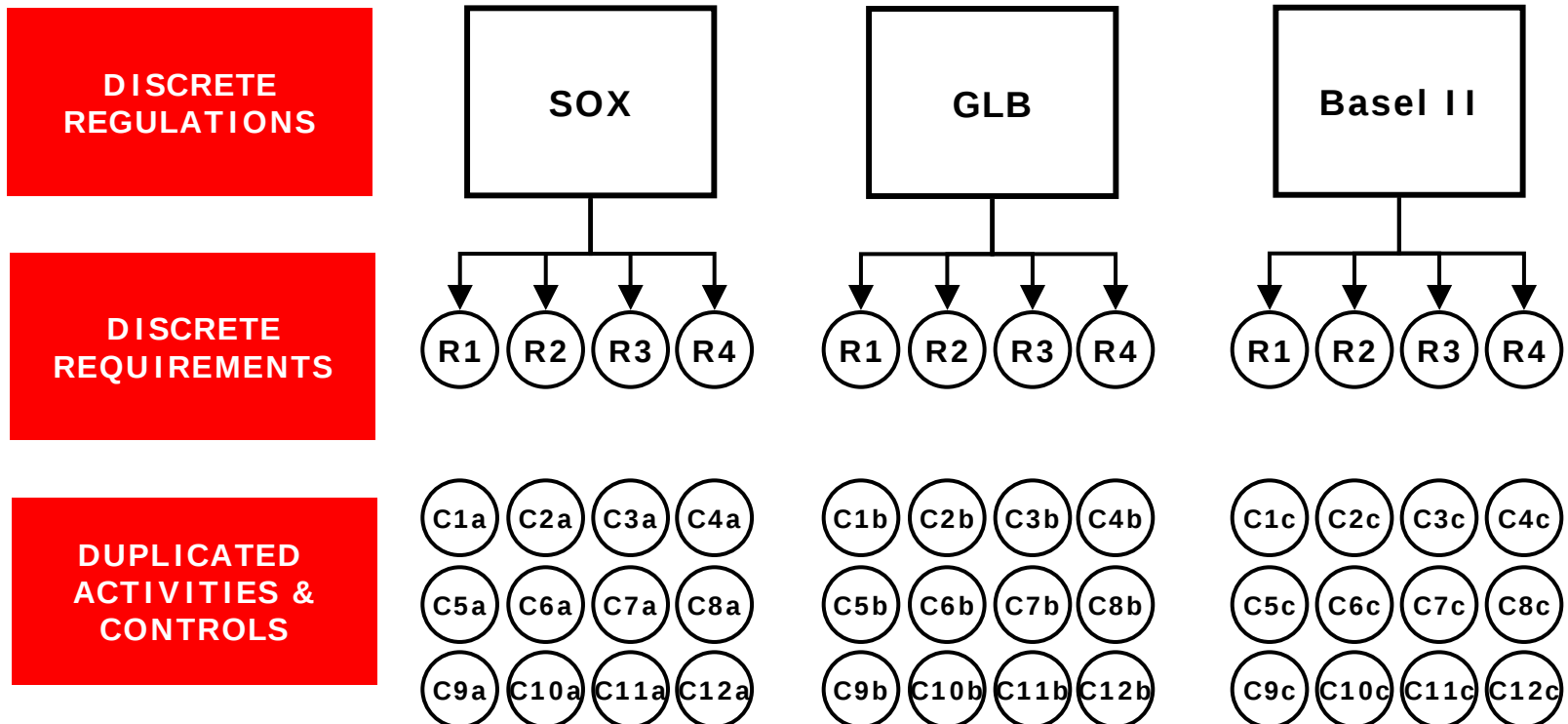
Source: General Counsel Roundtable, 2006

Opportunity cost of siloed GRC



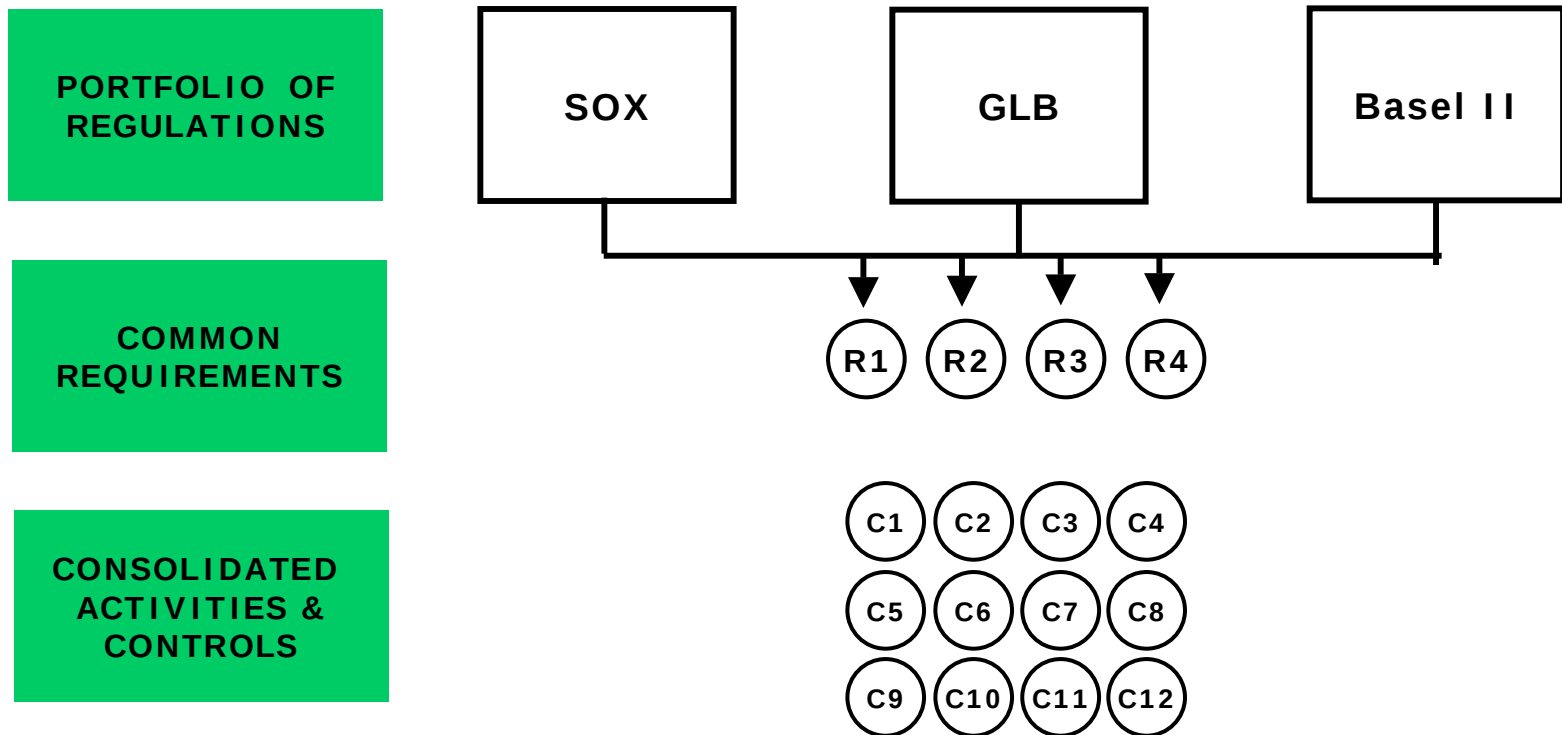
“One-Off” Approach to Compliance

Discrete regulations have many common requirements, but continuing to address compliance with one-off approaches is resulting in redundant activities – and inefficient use of resources



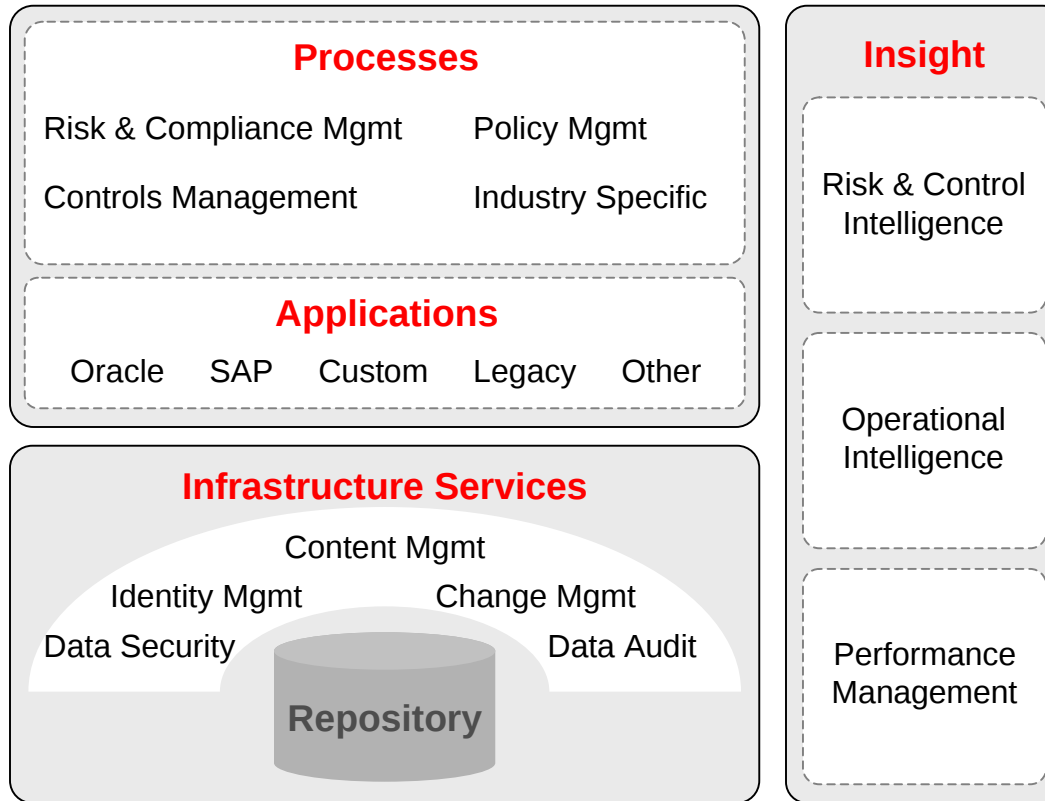
An Enterprise Approach to Compliance

Developing an integrated, enterprise approach to compliance – **common requirements**, **common controls** – reduces complexity, duplicate controls, redundant efforts and costs



Once redundant controls are consolidated, the business case for **automating controls** and compliance activities becomes more favorable

Enterprise-Wide GRC with Oracle



**Only Oracle Delivers
a Comprehensive
Platform for
Governance, Risk,
and Compliance
Management**

Agenda



- Business Challenges
- Oracle's Leadership in GRC
- Oracle GRC Applications
- Q & A

Why Choose Oracle GRC?

Only Oracle...



Provides End-to-End Support for GRC Processes

- End-to-end GRC processes for cross-industry & industry specific needs
- Pre-delivered best practice templates and compliance frameworks
- Integrated documentation, process automation, and controls monitoring



Secures Critical Information Assets at All Levels

- Market-leading solutions for data protection and identity management
- Complete lifecycle management for electronic data & corporate records
- Segregation of duties from business process to infrastructure



Delivers GRC Insight for Better Business Performance

- Real-time visibility to all GRC activities across the enterprise
- Pre-delivered auditor-ready reports and dashboards
- Integrated GRC and corporate performance (CPM) solutions

Why Choose Oracle GRC?

So You Can...



Simplify GRC and Reduce Costs

Safeguard Brand and Reputation

Run Your Business Better and Prove It

What Customers Are Saying

“

Using the Oracle system has helped us focus on significant risks and true key controls. This has improved our ability to resolve compliance issues in a timely fashion.”

-- Danny Waxenberg, AVP Internal Controls

“

Using LogicalApps software to secure sensitive data across our trading partners, we're seeing much more efficient operations. Things that used to take 3 or 4 days are now taking place in 10 minutes.”

-- Claude Zamboni, Director of IT, Powerwave

“

We've reduced the time it takes to complete routine audits from two months to two days.”

-- Darlene Mac Cormack, VP of Procurement, BMO Financial Group

What Industry Analysts Are Saying

The input from Oracle's customer council has driven the launch of a next-generation Oracle GRC platform that has a strong core of content management and analytics, and the acquisition of Stellent considerably beefs up this platform.

Kathleen Wilhide, IDC 2007

Oracle is also well positioned to be the core of GRC in a heterogeneous business application and technology environment.

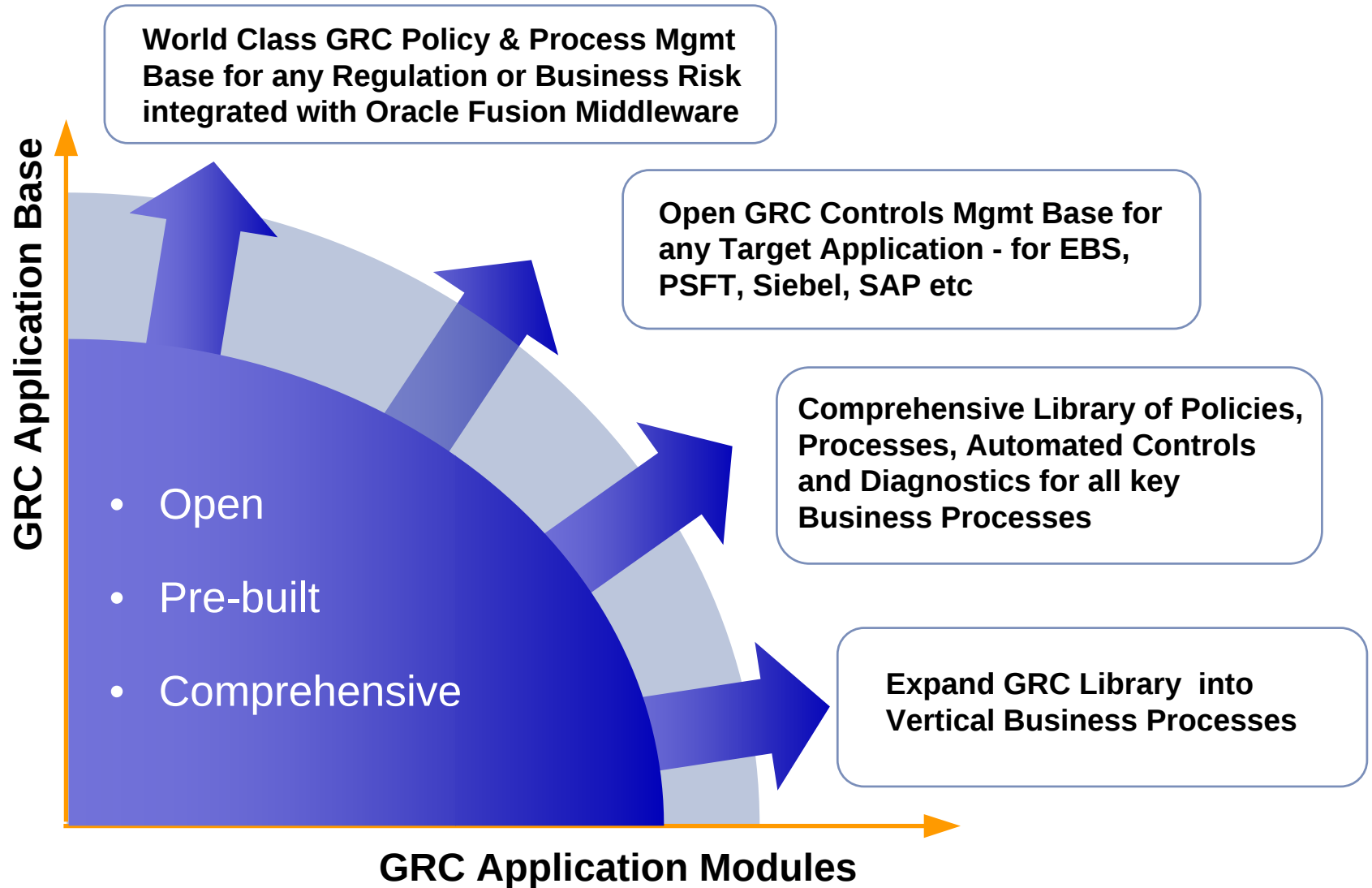
Michael Rasmussen, Forrester 2007

Agenda

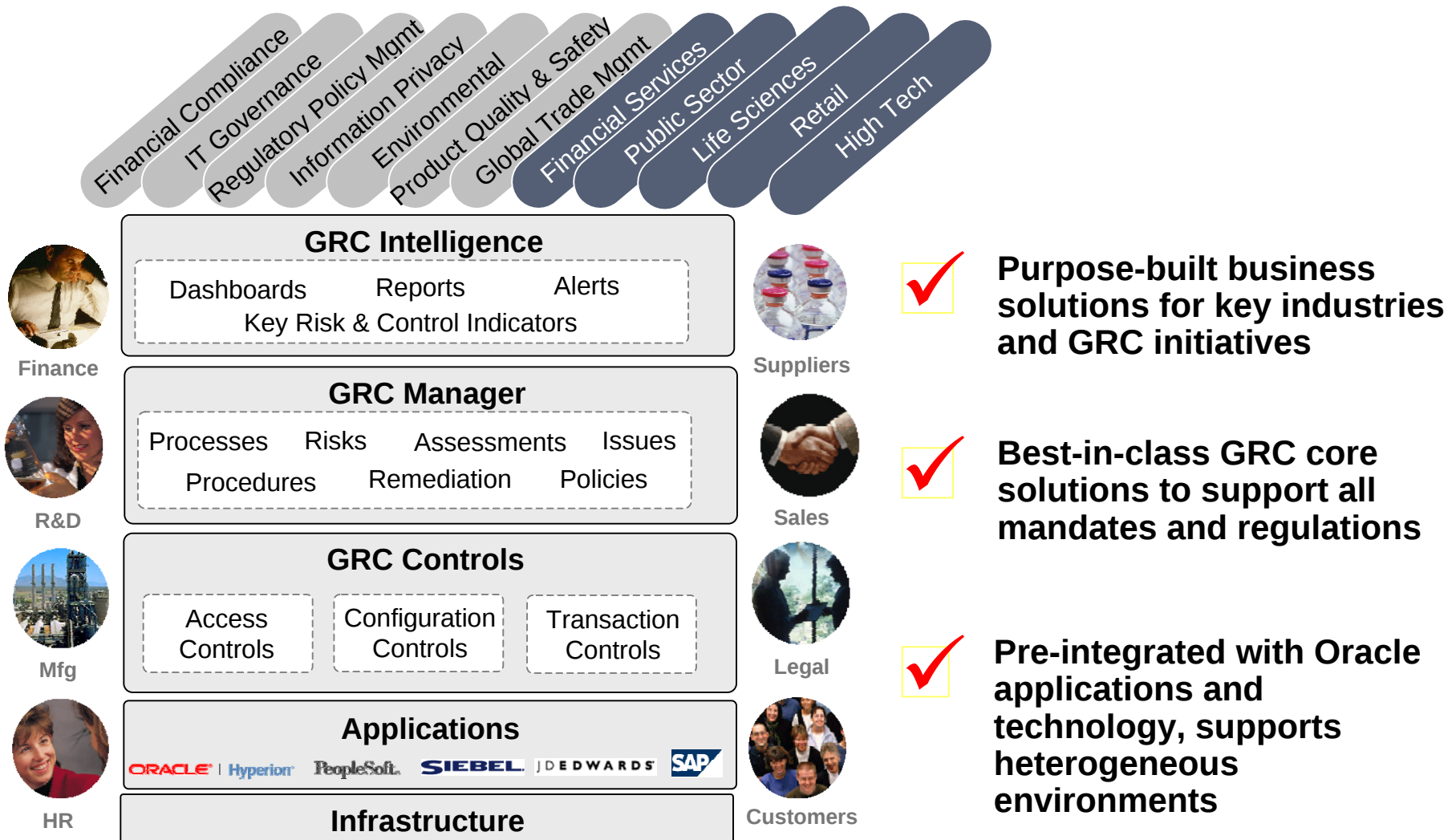


- Business Challenges
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Oracle GRC Applications - Overall Direction



Oracle GRC Applications Suite



Oracle GRC Applications Suite

Financial Compliance
IT Governance
Regulatory Policy Mgmt
Information Privacy
Environmental
Product Quality & Safety
Global Trade Mgmt
Financial Services
Public Sector
Life Sciences
Retail
High Tech



Finance



R&D



Mfg



HR

GRC Intelligence

Dashboards Reports Alerts
Key Risk & Control Indicators

GRC Manager

Processes Risks Assessments Issues
Procedures Remediation Policies

GRC Controls

Access Controls Configuration Controls Transaction Controls

Applications

ORACLE | Hyperion | PeopleSoft | SIEBEL | J D EDWARDS | SAP

Infrastructure



Suppliers



Sales



Legal



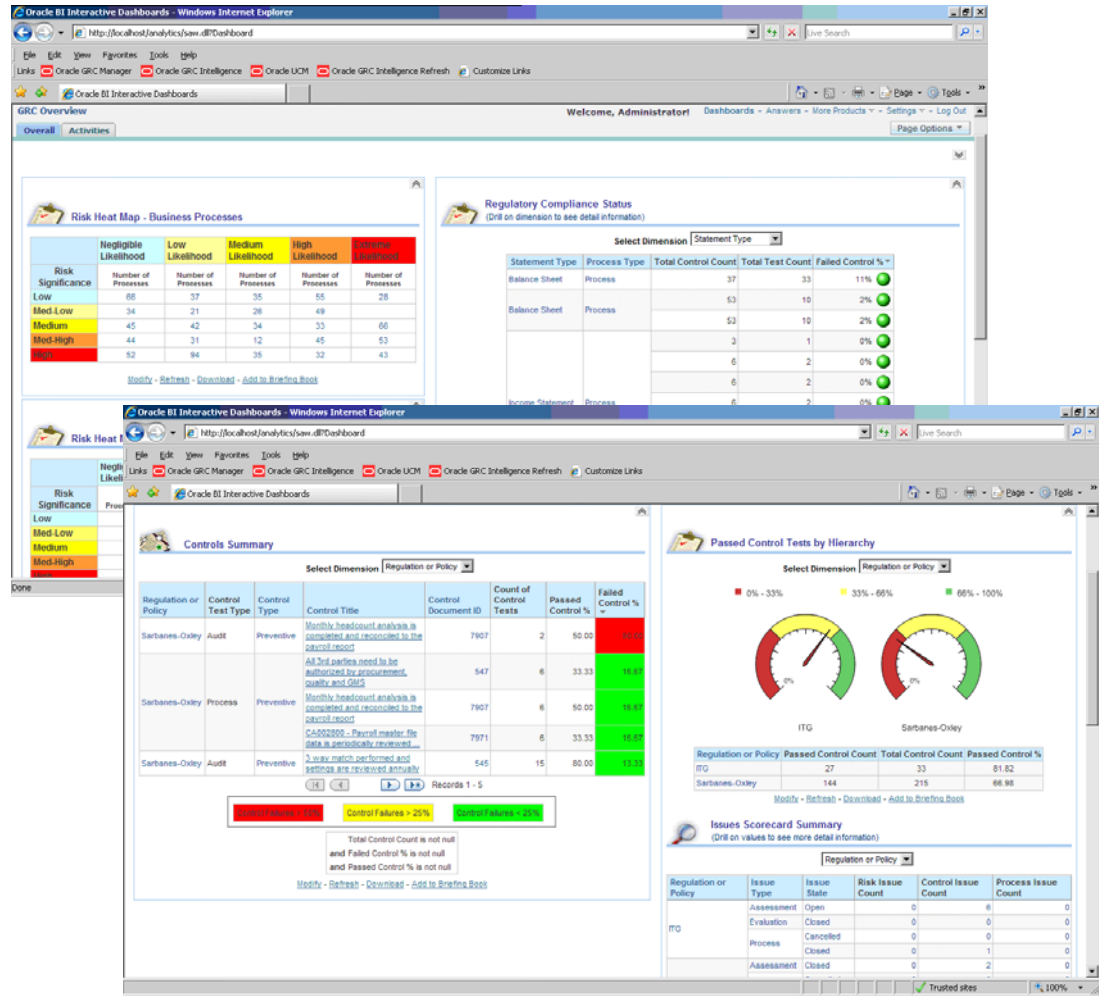
Customers

- ✓ Visibility to enterprise GRC status
- ✓ Role-tailored analysis
- ✓ Flexible ad-hoc reporting

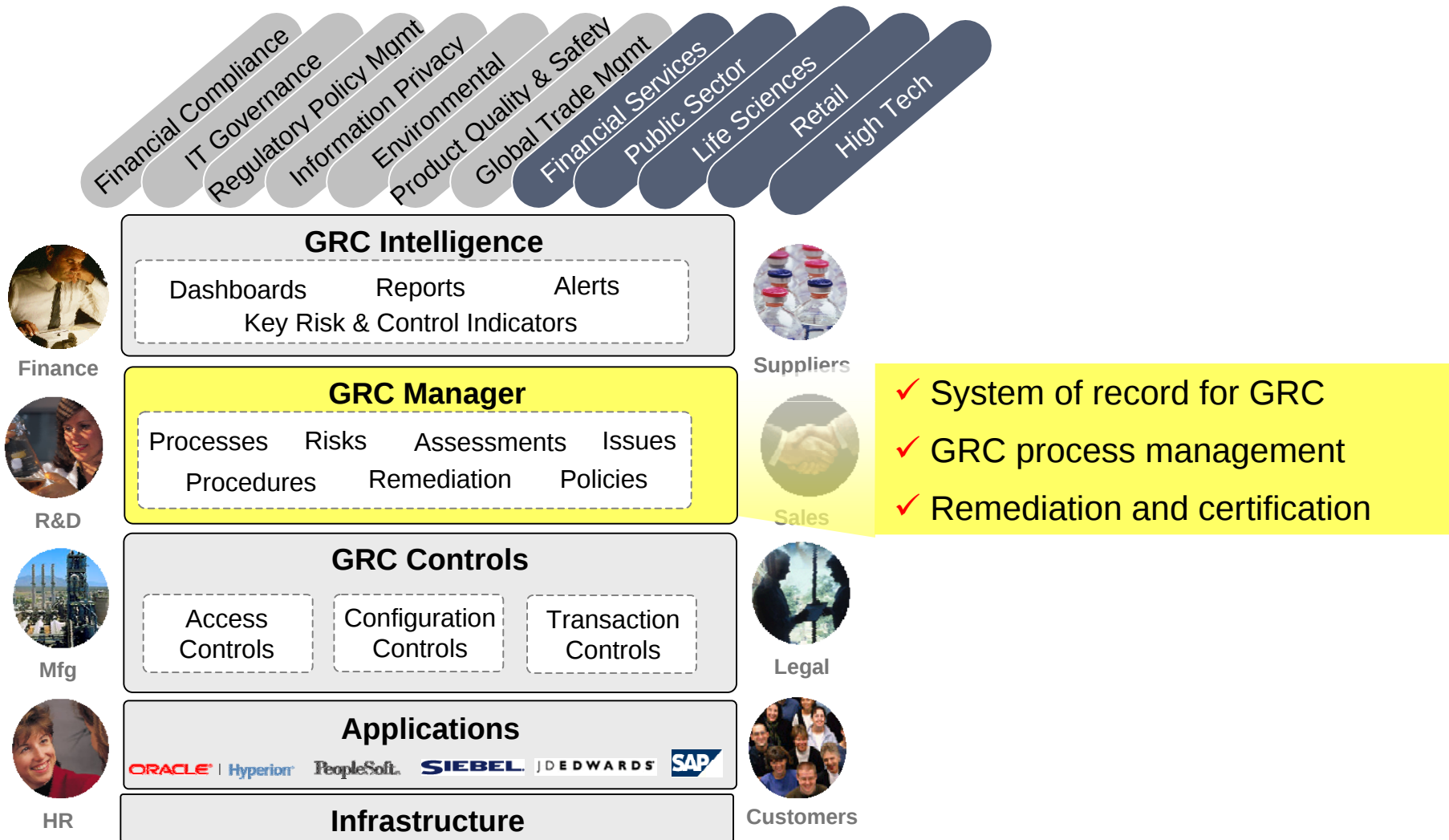
Oracle GRC Intelligence

Better decisions, more timely access to information

- Pre-built dashboards aggregate information from all sources
- Combine performance & GRC information
- Respond to KRI and issues
- Produce attestations and disclosures
- Configure to meet your specific needs

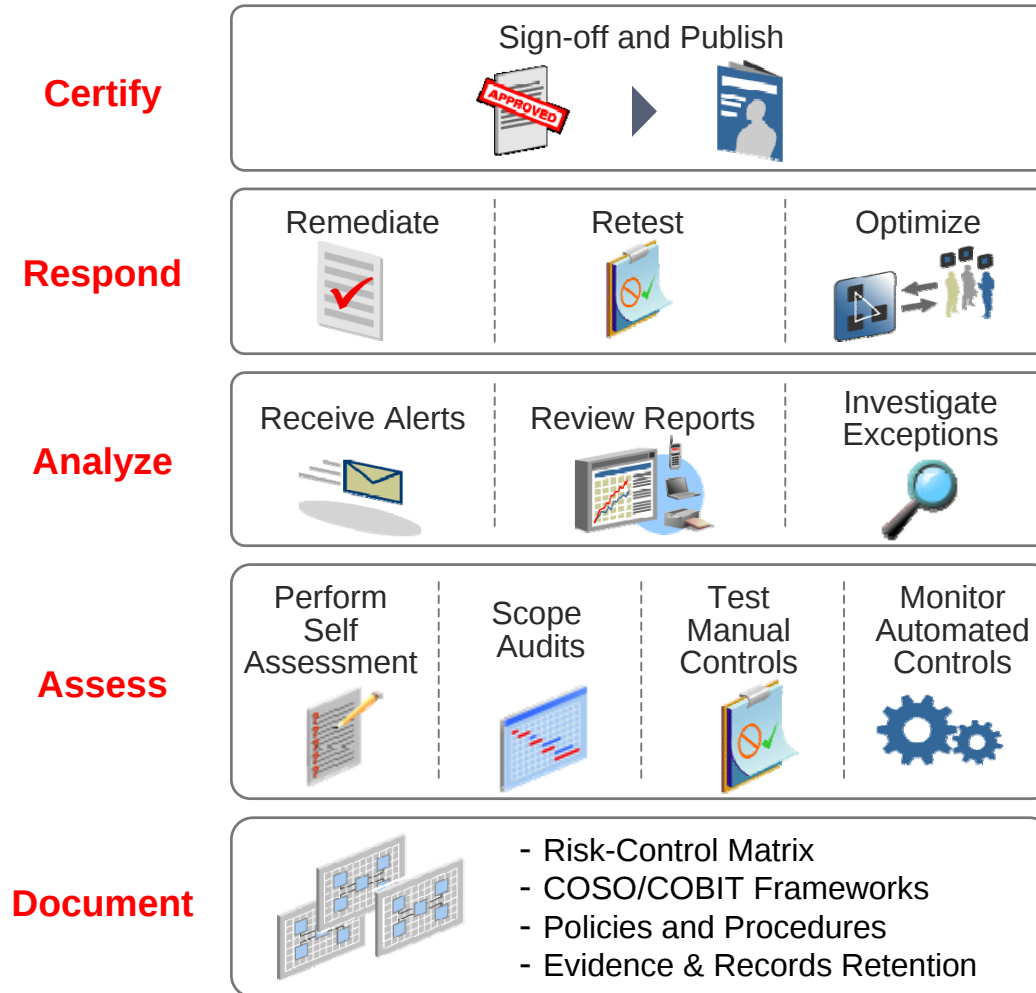


Oracle GRC Applications Suite



Oracle GRC Manager

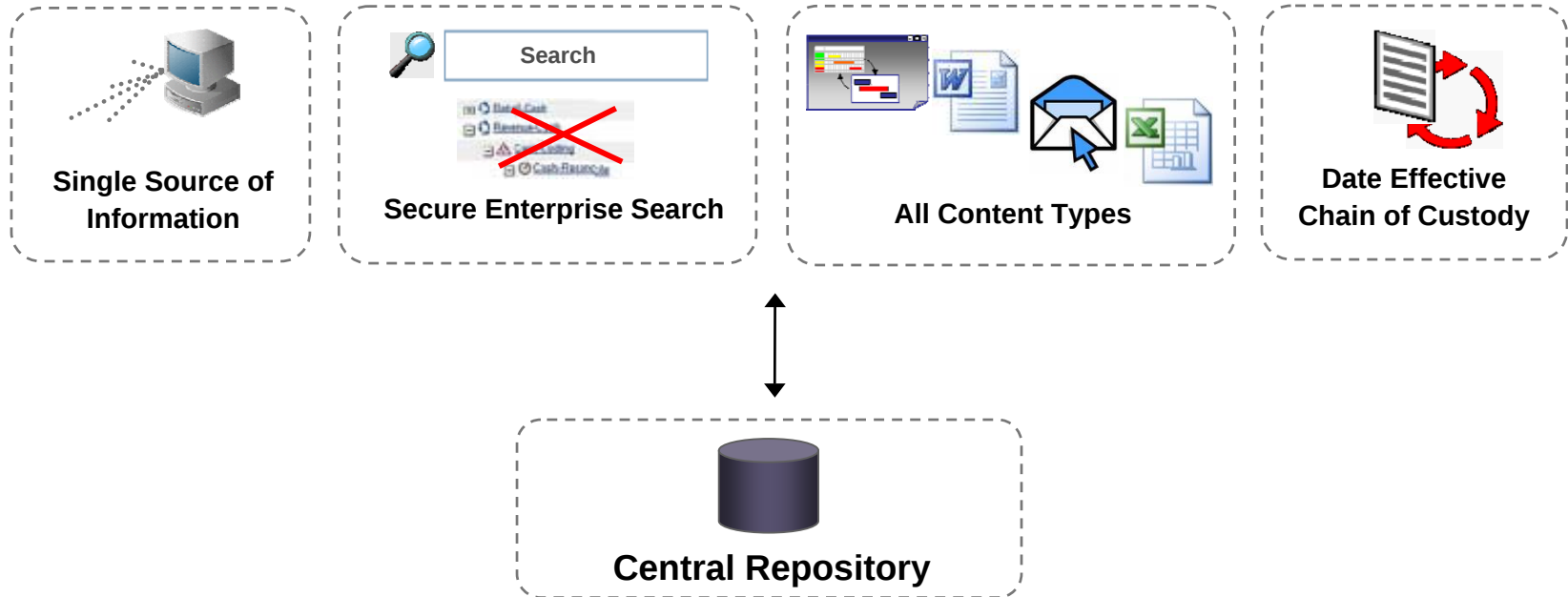
Unify risk and compliance documentation and orchestrate processes



- GRC System of Record
- End-to-End GRC Process Management
- Platform Independent
- Integrated Control Management
- Closed-loop Issue Remediation

Content Management is the Cornerstone

Single system of record for compliance information



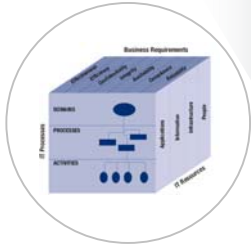
- ➔ Link policies and procedures to laws, regulations, and standards as evidence of compliance
- ➔ Apply and track permission-based access to policy and procedure documents
- ➔ Leverage advanced search function with familiar look and feel

Manage Policies and Procedures

Align policies to best-practice frameworks



Master Libraries of Policies & Controls



Embedded Frameworks (COSO, COBIT, ITIL)

Linked Control: CA002798 - Security personnel monitor all incoming and outgoing...

[Master](#)

Organization: Corporate/Finance ID:
Release Date:
Process: End of Month Close
Title: CA002798 - Security personnel monitor all incoming and outgoing...
State: Released

Basics Description Test Instructions Attachments History

COSO

Component: Control Environment
Category: Reliability of Financial Reporting

General

Class: Primary Assertions: Existence
Subclass: --Empty--
Type: Detective
Method: Manual

Technology: COBIT-A12-Acquire and Maintain Application Software

Organization: Corporate/Americas/North America/Boston ID: 000052
Title: COBIT-A12-Acquire and Maintain Application Software Release Date:
State: Edit Version: 9

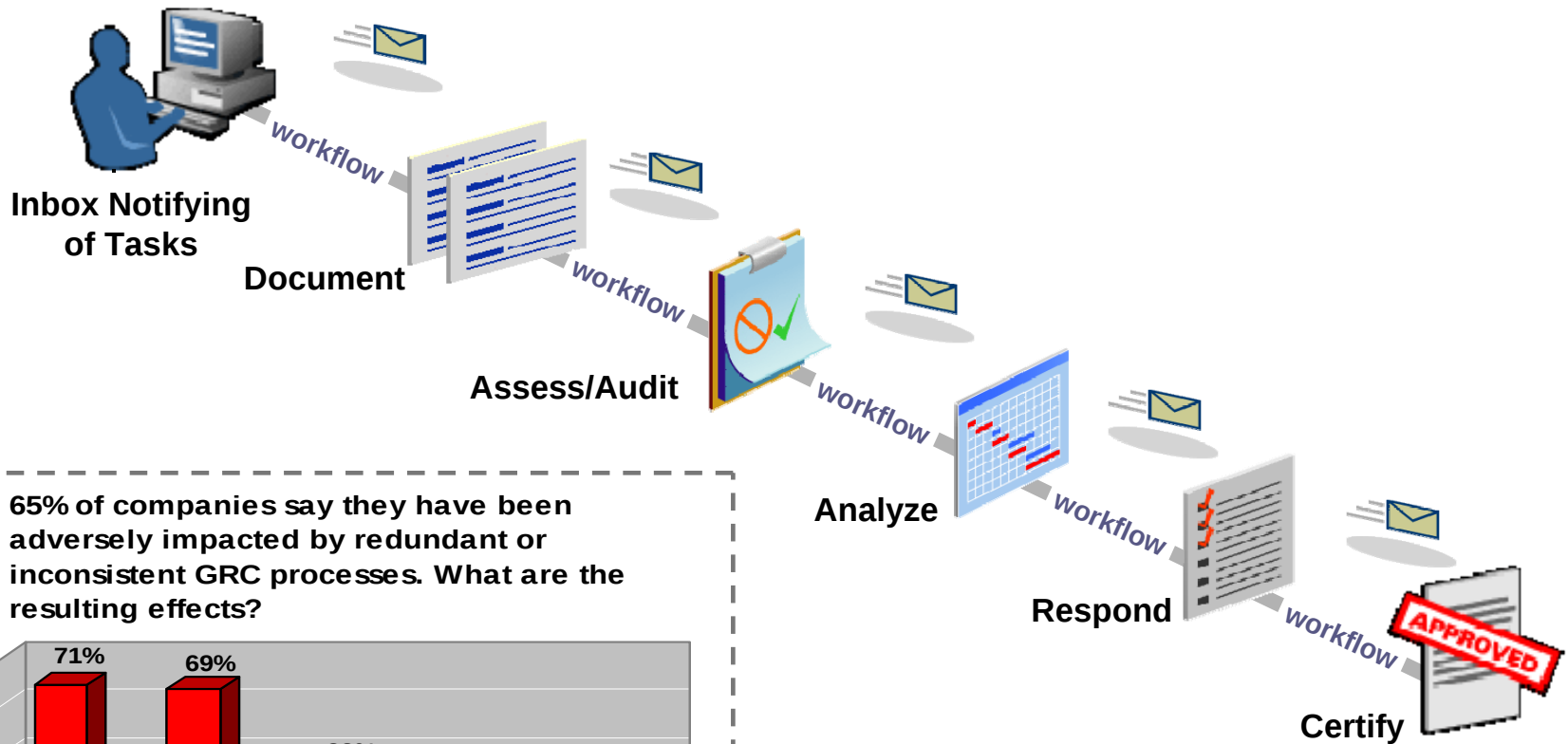
Basics Objectives Risks Controls Matrix Action Items Attachments Issues History

Title	Doc ID	Revision	State	Type	Release Date
A12-R01 Request for work not formally documented and/or tracked	000053	1	Released	SOA_RSK	6/19/2007
A12-R02 Project misdiagnosed and/or unauthorized	000056	1	Released	SOA_RSK	6/19/2007
A12-R03 Project Development is incomplete and/or does not meet business requirements	000063	1	Released	SOA_RSK	6/19/2007
A12-R04 Unauthorized or incomplete code	000069	1	Released	SOA_RSK	6/19/2007
A12-R05 Developed Code fails to meet business requirements	000071	1	Released	SOA_RSK	6/19/2007
A12-R06 Code fails to meet defined production requirements	000076	1	Released	SOA_RSK	6/19/2007
A12-R07 New System in Production without appropriate testing and/or supporting documentation	000079	1	Released	SOA_RSK	6/19/2007
A12-R08 Post Implementation Review is not performed or is incomplete	000082	1	Released	SOA_RSK	6/19/2007
A12-R09 SOX 404 Assessment is not done	000084	1	Released	SOA_RSK	6/19/2007

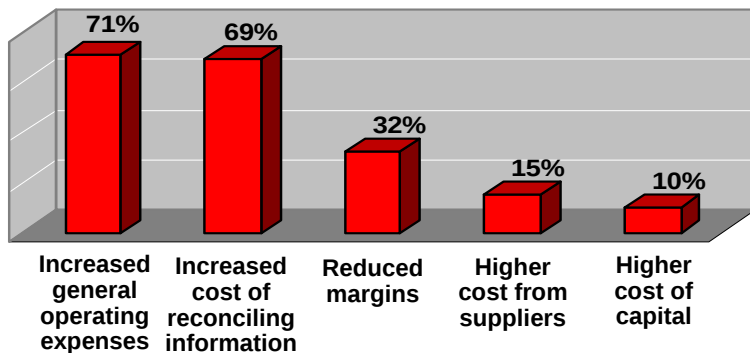
- ➔ Frameworks align corporate policies and associated controls to standards
- ➔ Link shared policies and controls in master libraries for easy maintenance

Manage Financial Compliance Process

Automate and streamline compliance process

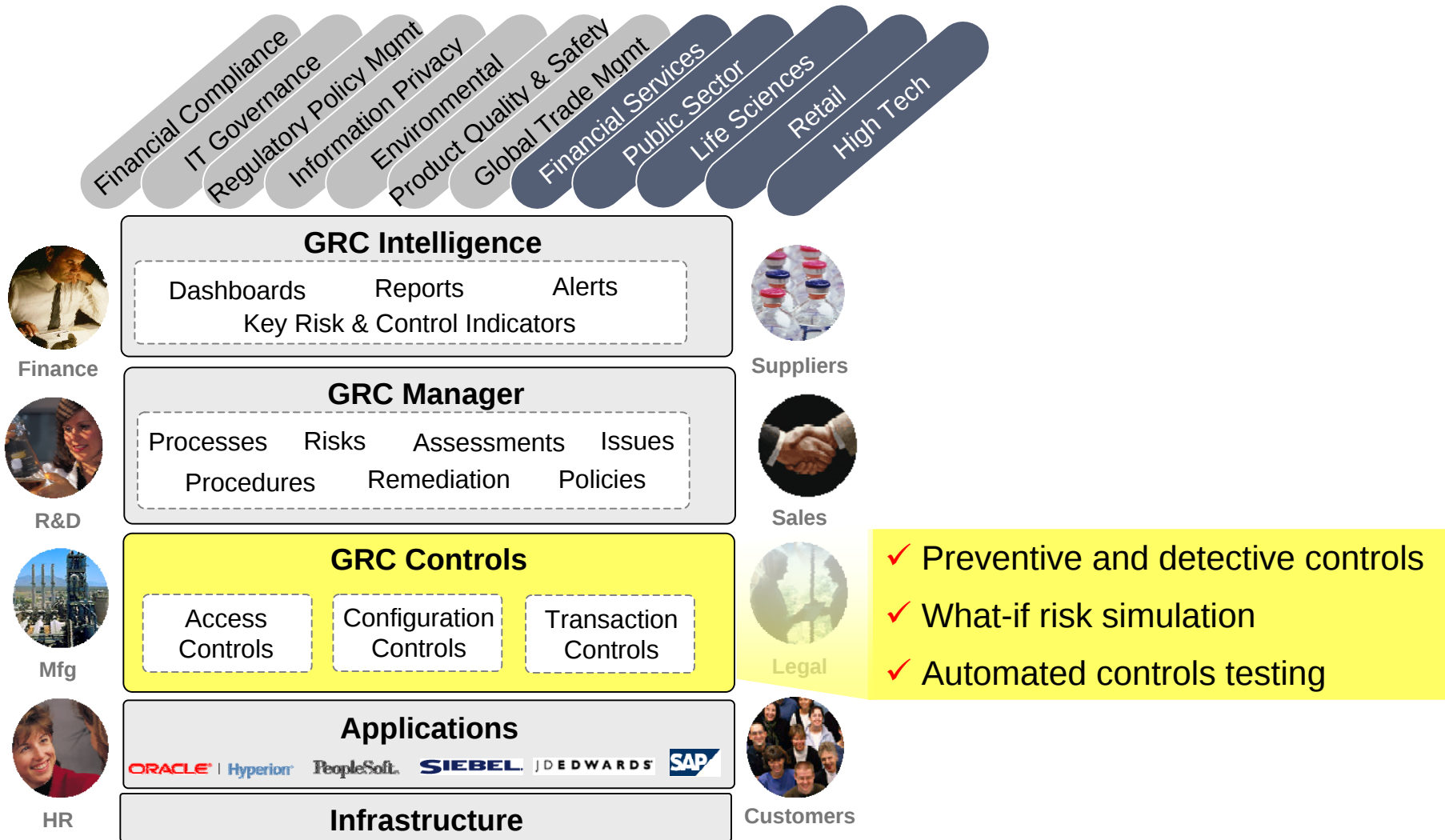


65% of companies say they have been adversely impacted by redundant or inconsistent GRC processes. What are the resulting effects?

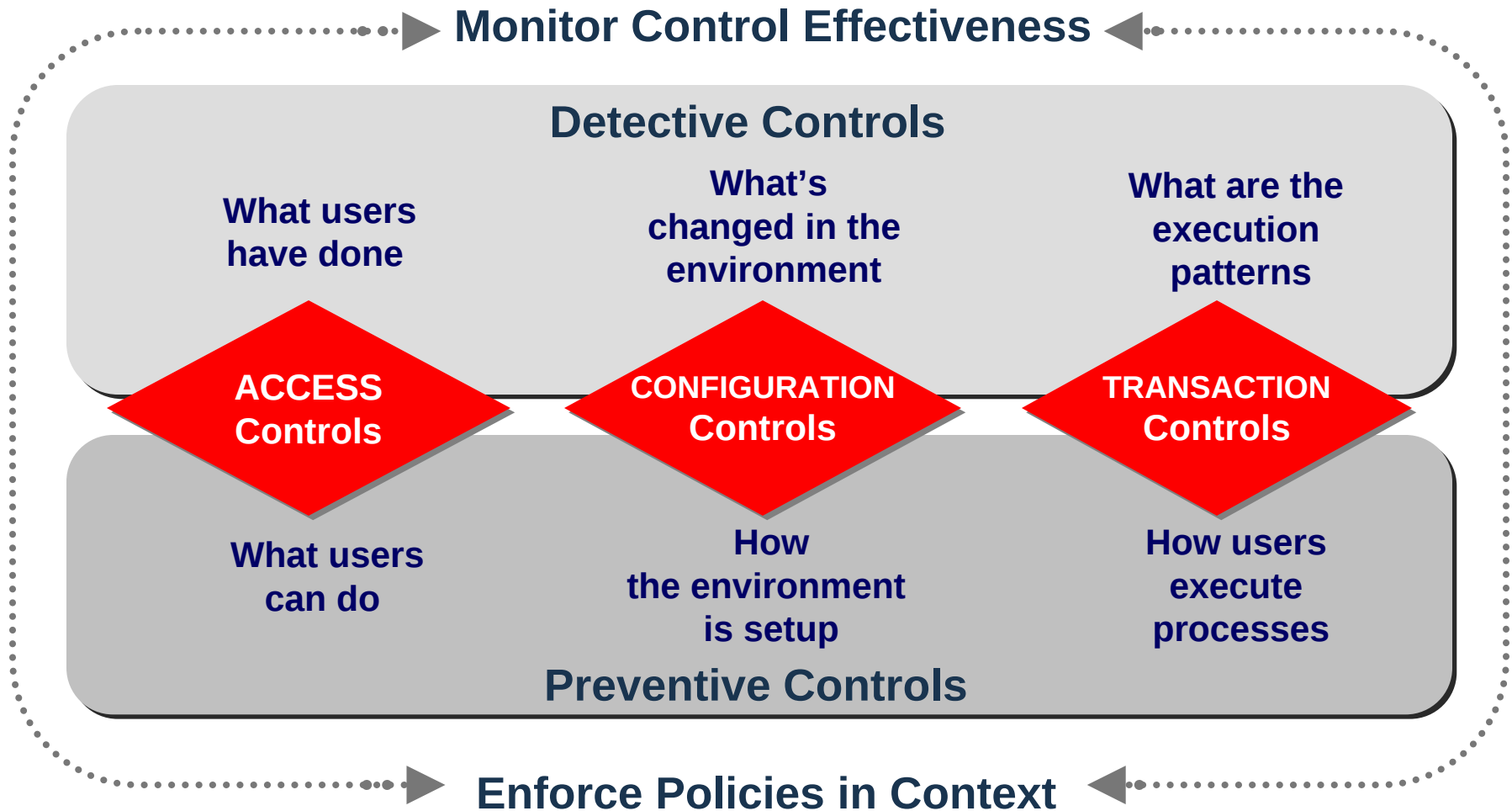


Source: 2007 OCEG Benchmark Series

Oracle GRC Applications Suite



Oracle GRC Controls



Access Controls Governor

Provide fine grained access control and segregation of duties



Companies need to know who has access to do what and ensure that someone isn't given inappropriate privileges – *this is fundamental*

Detective

- Analyze user roles and responsibilities for SOD violations
- Identify and remediate SOD violations
- Monitor activities of users granted access to sensitive areas

Preventive

- Provide compliant user provisioning
- Enforce compensating controls
- What-if SOD risk simulation

Configuration Controls Governor

Enforce best-practice setups and reduce configuration drift



Ensure that critical setups conform to best practices and follow robust change management procedures

Detective

- Detect and record changes to sensitive setup data
- Compare before and after values for changes
- Monitor for setup inconsistencies across multiple instances

Preventive

- Validate that setups and data updates conform to valid values
- Require conditional approval cycles (e.g., exceed threshold)
- Enforce data consistency; (e.g. force data to upper case)

Transaction Controls Governor

Detect and prevent erroneous and fraudulent transactions



Monitor transactions to detect activities that violate business policies or represent unacceptable risks or inefficiency

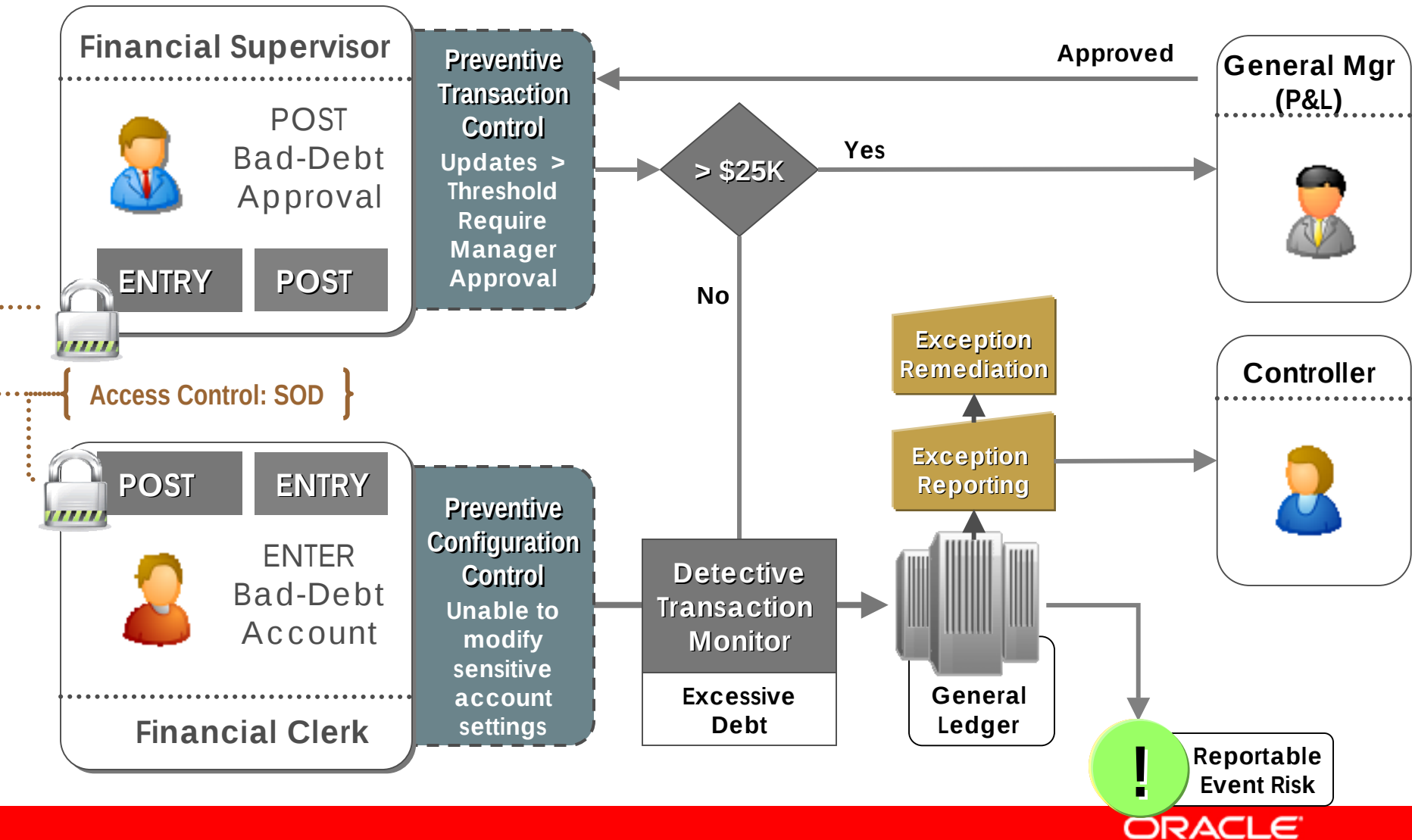
Detective

- Identify transactions that violate policy (e.g. un-approved vendor)
- Detect patterns representing aggregate risk (e.g. micro-payments)
- Detect correlation risk (e.g. same user creates and pays vendor)

Preventive

- Validation of transaction data (e.g. valid product code)
- Approvals based on transaction data thresholds
- Initiate review / approval cycle based on automated policies

Example: Bad Debt Management



Oracle GRC Solution Summary

Comprehensive Applications Control Costs and Risks

- Standardize on best-practices to meet evolving GRC demands
- Automate key GRC processes for risk assessment, control design, policy creation, hotline intake, control monitoring and case management
- Streamline specialized GRC processes for highly-regulated and risk-sensitive industries

Best-in-class Infrastructure Automates Enforcement

- Ensure information reliability with content security, records retention, and identity management
- Protect information assets across the entire technology stack
- Enforce best-practice segregation of duties, IT configuration and change management procedures

Integrated Business Insight Ensures Accountability

- Improve governance with timely compliance, risk, and performance management information
- Provide evidence of IT and business process control with auditor-ready reporting
- Optimize performance through risk-aware strategic planning

Centro Properties Distributes Compliance Duties and Improves Productivity



COMPANY OVERVIEW

- Real Estate Investment Trust
- Employees: 400+
- Revenue: US\$ 500M
- Owns and manages some 460 retail properties in some 40 states

CHALLENGES/OPPORTUNITIES

- Y1 was manual with home-grown database
- Solution was cumbersome, didn't scale, required far too much interaction with understaffed internal audit team
- Lack of version control
- In-house system didn't store docs
- Document review was done manually
- Opportunity to store policies and procedures so employees can have a single place/library to learn about procedures.
- Opportunity to manage multiple libraries of controls, risks, assertions and attachments for centralized maintenance of shared components

SOLUTIONS

- Oracle GRC Manager
- Oracle Universal Content Management

CUSTOMER PERSPECTIVE

"We recently rolled out GRC Manager, which will allow us to more cost-effectively and efficiently meet the intense requirements of this financial compliance mandate in 2007 and beyond. The Stellent system continually proves its value and is now key to the future success of our company."

Robert Lieberman, Senior Vice President and CIO

RESULTS

- Benefit from one central repository with version control
- GRC Manager allows them to take a top down approach and distribute the compliance process out
- Productivity gains

Unum Gains Efficiencies & Recognizes a Compliance ROI



COMPANY OVERVIEW

- Insurance Industry
- Employees: 10,000+
- Revenue: Over US\$ 10.5B
- Has subsidiaries in Canada and the UK

CHALLENGES/OPPORTUNITIES

- Risk/Control matrices and process narratives were maintained in Word documents
- Ownership issues
- Lack of version control and security
- Redundancy in documentation
- Inadequate gap analysis
- Poor exception reporting
- Lack of visibility into the progress of compliance activities

SOLUTIONS

- GRC Manager
- Oracle Universal Content Management

CUSTOMER PERSPECTIVE

“Using the Oracle system has helped us focus on significant risks and true key controls. This has improved our ability to resolve compliance issues in a timely fashion .”

Danny Waxenberg, AVP Internal Controls

RESULTS

- Reduced number of SOX-related docs stored by eliminating redundant data
- Better assignment of responsibilities and sharing of efficiencies in the context of a global roll out
- Single repository with linkage of common controls and processes
- Stronger focus on significant risks and true key controls
- Culture for compliance with senior buy in, training on the tool, and greater control awareness





COMPANY OVERVIEW

- Technology leader in communications, electronics, life sciences and chemical analysis
- Revenue > \$5 Billion
- 20,000 employees

CHALLENGES / OPPORTUNITIES

- Identify and eliminate Segregation of Duties (SOD) conflicts for 90 operating units
- World's largest single Oracle EBS instance
- 20,000 Active users
- 50,000 Oracle responsibilities

SOLUTIONS

- GRC Controls (LogicalApps)
- Oracle GRC Manager

CUSTOMER PERSPECTIVE

"It would have taken more than 6 months of application customization and easily cost a couple of million dollars to create the 200 controls we implemented in only 8 weeks."

Ravi Mahajani, ERP Solution Expert, Agilent

RESULTS

- Implemented 200 controls in 8 weeks
- Eliminated SOD conflicts to meet SOX compliance requirements on time
- Avoided 6-month customization effort, millions of dollars



COMPANY OVERVIEW

- Established in 1817
- Total assets of \$312 Billion
- 35,000 employees
- Retail banking, wealth management, and investment banking

CHALLENGES / OPPORTUNITIES

- User access was too broad; corporate assets not protected effectively
- No way to track changes to ERP application data, including who, what, when and why changes were made
- Segregation of Duties (SOD) analysis process was expensive and distracting from the core business.

SOLUTIONS

- GRC Controls (LogicalApps)

CUSTOMER PERSPECTIVE

"We've reduced the time it takes to complete routine audits from **two months to two days.**"

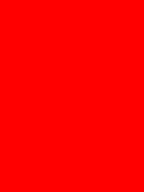
Darlene Mac Cormac, VP of Procurement & Strategic Sourcing, Harris Bank

RESULTS

- Cut SOD review time from 2 months to 2 days
- Eliminated all known SOD conflicts
- Created detailed access rules protecting corporate assets
- Created comprehensive audit trails

For more information

- **Jan 30, LogicalApps Town Hall Meeting with Charles Phillips**
http://www.oracle.com/dm/08q3field/11087_ev_or_logicalapps_iseminar_jan08.html
- **Feb 11, Oracle GRC Controls iSeminar**
http://www.oracle.com/dm/08q3field/10802_ev_grc_isem_feb08.html
- **March 3-5, Gartner Risk and Compliance Summit**
<http://www.gartner.com/it/summits/risk2/index.jsp>
- **April 13-17, Collaborate 2008**
<http://www.collaborate08.com/collaborate08/>



Q & A



ORACLE®