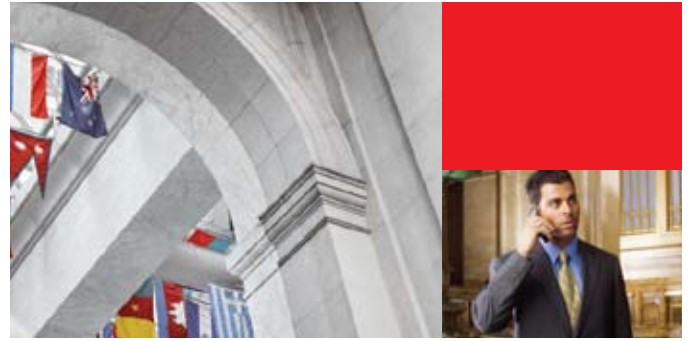


INFORMATION GOVERNS

Achieving Reliability in Financial Reporting



Oracle's financial governance solution unifies financial consolidation, compliance, and close processes to help the office of Finance improve the timeliness and quality of financial management and reporting, extend ERP transactional controls, and enhance financial risk management.

"Financial governance is a new market that will emerge in the next three to five years, combining elements of ERP, finance GRCM and CPM suites. It will build additional process controls around financial consolidation to support financial close processes and the production of periodic financial statements for regulators."

Gartner, Inc.

(John Van Decker and Nigel Rayner)
Financial Governance Will Emerge to Enhance Financial Controls and Regulatory Reporting
October 11, 2007

Today's CFO is challenged with improving enterprise performance while meeting ever-rising shareholder demands. A new standard for operational excellence in finance has emerged, and transformation of the finance function has become central to the success of world-class companies.

As organizations seek better ways to honor their compliance obligations, they also must reconsider how to manage the financial close process to increase overall efficiency. With the advent of the International Financial Reporting Standard (IFRS), which will replace U.S. Generally Accepted Accounting Principles (GAAP), the need to reduce complexity in financial reporting becomes even more critical. As the only recognized leader to offer a complete financial governance solution, Oracle delivers comprehensive applications that

- Focus scarce resources on high-risk areas with integrated insight
- Improve the quality and efficiency of financial reporting with automated close and compliance processes

- Strengthen operational controls with preventive and detective controls monitoring

By unifying the financial consolidation, close, and compliance processes, Oracle's financial governance solution makes it possible for CFOs to oversee financial transactions, attest to financial statements, and measure financial risk—reducing the compliance burden and enhancing the timeliness and quality of financial reporting.

Focus Scarce Resources on High-Risk Areas

Auditing Standard No. 5 (AS5) directs auditors to focus on areas that present the highest risk, such as the financial statement close process and controls designed to prevent fraud by management. However, many companies today lack visibility into risk ratings, financial balances, and the dollar impact of control weaknesses, making it difficult to perform intelligent scoping of controls, adequately prioritize remediation

Fact: "World class companies spend 45% less on their closing and reporting efforts than other companies, which on average saves \$5.5 M per \$1 B in revenue."

(Hackett Group study, "Close Fast, Close Smart," CIO magazine, March 2007)



efforts, or address close and compliance issues in a timely fashion.

Oracle's financial governance solution helps you identify opportunities and assess risk by combining compliance status and financial balances to provide a view into high-value, high-risk accounts as well as the financial impact of deficiencies. You can then assess and scope the amount of control testing required for compliance and have a finance system of record to support strategic and operational management decisions. Oracle Governance, Risk, and Compliance Manager has the extensibility to tie organizational data to consolidated financial statements from Oracle's Hyperion applications to facilitate cross-enterprise risk analysis.

Oracle Fusion Governance, Risk, and Compliance Intelligence enables you to gain insight into critical risk areas with executive dashboards and drill-down reporting, prioritize control activities with quantitative and qualitative assessments, and accelerate risk response with integrated risk reporting and remediation. Oracle's unified view of financial close processes and associated controls enables you to better assess and scope controls, as well as gain a greater level of confidence from auditors.

Improve the Quality and Efficiency of the Financial Reporting Process

In addition to using enterprise resource planning (ERP) and corporate performance management (CPM) applications, enterprises frequently resort to manual procedures to

enforce policies, apply controls, and monitor close activities. As a result, data inconsistencies go undetected until an audit, resulting in escalated compliance costs and risks. Given the dynamic nature of audit practices and regulatory requirements, companies require a unified financial governance solution that can flexibly address the demands of multiple regulations and rationalize the many steps to financial consolidation and reporting.

Oracle Hyperion Financial Data Quality Management ensures data integrity through instant error checking, audit trails, and automatic archival of supporting documentation. With Oracle Hyperion Financial Management, you can streamline your close as well as control your financial consolidation and reporting, thus increasing your confidence in the numbers and reducing the cost of compliance.

Additionally, Oracle's GRC application suite provides the most comprehensive solution for managing GRC processes, integrating robust process management capabilities with automated controls monitoring. As the leading provider of enterprise GRC and financial consolidation platforms, Oracle offers the winning combination for financial reporting and compliance assurance.

Strengthen the Effectiveness of Operational Controls

Failure to oversee the numerous activities performed during the close, including controls testing, account reconciliation, and financial close, causes many organizations to

spend too much time and too many resources on "the last mile of finance." This leads to multiple account discrepancies, increased restatements, and an escalation of audit fees.

With Oracle Governance, Risk, and Compliance Manager, you can automate the management of internal controls and improve the efficiency of your compliance processes. Oracle Governance, Risk, and Compliance Manager monitors business process risk and control performance across the enterprise, automatically highlighting areas of weakness and initiating corrective actions with automated issue management.

By leveraging Oracle Governance, Risk, and Compliance Controls Suite, you can control user access and enforce segregation of duties with business-driven rules, detect control failures by monitoring critical application setups and transactions, and prevent future violations by enforcing automated controls with the proper business context. The net benefits: reduced audit costs, shortened time to close, and enhanced focus on value-added analysis and forecast activities.

CONTACT US

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Outside North America, visit oracle.com/corporate/contact to find the phone number for your local Oracle office.