# Oracle Fusion Governance, Risk, and Compliance

## *Driving Operational Excellence through Process Controls*

Oracle Fusion GRC Applications for Operational Excellence provide robust automated controls, continuous transaction surveillance, and advanced forensic analysis to enable the timely identification of vulnerabilities and violations – helping you minimize risk and inefficiency across critical business processes.

Every organization relies on a set of key business processes to ensure smooth day-to-day operations. But these processes are often vulnerable to inefficiencies, errors and abuse that impede productivity and damage profitability. In the midst of the recession and as regulators and shareholders call for increasing accountability, organizations are looking to better manage and protect themselves from process risks and occupational fraud. Additionally, the rampant growth in transaction volumes, technical complexity of systems and variety of deployment options all play a part in leaving organizations open to business risk, non-compliance, and error. Many organisations are now looking to enhance their operational planning by driving vulnerabilities out of daily operations. Oracle Fusion Governance, Risk, and Compliance can help improve operational effectiveness by:

- **Detecting Fraud and Errors:** Automated controls, forensic audit techniques and advanced analytics detect incidents and violations, help prevent escalations, and minimize losses.
- **Embedding Preventive Controls**: Preventive controls embedded within core applications granularly enforce business policies for greater security and reduced processing times.
- **Continuously Auditing and Monitoring Processes**: Continuous monitoring of transactions and controls automatically tracks and audits system configuration changes, segregation of duties conflicts, and management overrides across key processes and systems.

### Improve Integrity in Procure-to-Pay Processes and Transactions

"45% of Oracle Applications users believe business process inefficiencies and threats of internal fraud and abuse are a significant risk."

— Strategies for Managing Risky Business Processes, 2011 OAUG Governance, Risk and Compliance Survey, **Unisphere Research**

In uncertain times, organizations do their utmost to cut costs and streamline operations. Nowhere are these strategies more important than in the procure-to-pay area. Procurement and accounts payable activities give an immediate view into organizations' spend, cash flow and economic health. Achieving visibility and control over buying and paying goods is therefore critical to managing company finances.

- **Combat Errors and Fraud over Payment Terms:** Changing payment terms on a vendor or invoice exposes the organization, supplier and invoice to significant risks of delays, rework, and negative supplier relationships. Oracle delivers continuous monitors with dashboard analytics to identify changes to payment terms and route them for approval so they are addressed promptly.
- **Prevent Matching Exceptions**: Pre-built controls in financial applications prevent POs from being processed when matching exceptions occur. The PO is suspended until the exception is corrected, leading to missed early payment discounts and delivery delays. Oracle Fusion GRC works proactively and invokes matching rules prior to transactions being committed, thus avoiding exceptions and PO suspensions from even occurring.

**Automation Strengthens Control**

"Error rates in accounts payable and receivable processes are around 70% lower in the organizations with higher levels of key control automation."

— Drifting or Driving? Finance Effectiveness Benchmark Study 2011, **PricewaterhouseCoopers LLP**

- **Reduce Cash Drain from Duplicate Payment and Billing**: Duplicate payment and billing errors consume significant amounts of working capital. Continuously monitoring invoices from receipt through payment helps optimize cash accounts by balancing payment timing, potential vendor discounts, and late payment penalties to reduce transaction costs.

## Detect Order-to-Cash Process Breakdowns and Respond Faster

From sales order processing to product delivery and revenue recognition, the order-to cash process represents a ripe area for fraud and abuse. Order-to-cash users are often dispersed throughout the organization, making end-to-end monitoring difficult. With Oracle Fusion GRC, organizations can:

- **Deter Rogue Sales Practices:** The order-to-cash cycle is exposed to a high degree of risk, stemming from rogue sales practices that may involve excessive discounts, unapproved credit extensions or mismanagement of credit memos. Continuous monitoring can identify sources of revenue leakage, suspicious activities, and inefficient processes, ultimately increasing cash flow.
- **Validate Orders:** With incomplete or inaccurate data, outdated customer payment terms, or unauthorized price changes, the order entry activity requires testing and validation. Oracle Fusion GRC monitors business activity and identifies risk exposures before they materialize.
- **Reduce Revenue Recognition Risk:** Automated alerts and controls embedded directly in transactional applications flag unusual revenue recognition details that could signal abuse, such as shipments processed against invalid sales orders or cross-period bookings and returns.

## Avoid Chronic Remediation of Financial Close Issues

An inherently complex process involving multiple handoffs and a myriad of regulatory requirements, the financial close can be subject to error, fraud and delays. Oracle Fusion GRC helps:

- **Deliver Speed, Quality, Integrity:** Confidence in the financial close is achievable when risks and issues are exposed and prioritized. Advanced analytics and context-sensitive controls monitor 100% of transactions and ensure only high risks are flagged for remediation.
- **Ensure Financial Reporting Compliance:** With a single system of record to track the compliance activities underlying the execution of your financial close, Oracle Fusion GRC helps you enforce all regulatory mandates and corporate policies and exposes the entire chain of custody for your close.
- **Expand Audit Efficiency:** By providing a unified view of financial close policies and associated controls and preventing fraud and errors upfront, Oracle Fusion GRC ensures a compliant close at a fraction of the time and cost. Internal audit teams attain greater levels of assurance and efficiency. Organizations rely less on costly external audit work and third-party investigations.

**Additional Business Value for Your Existing Applications**

Oracle Fusion GRC Applications are designed to work with Oracle E-Business Suite, Oracle's PeopleSoft, and Oracle's JD Edwards applications, as well as non-Oracle business applications. The adoption of Oracle Fusion GRC applications will help you reduce the cost of compliance and improve business processes and overall performance.

## Oracle Fusion Governance, Risk, and Compliance

Part of Oracle Fusion Applications, Oracle Fusion GRC Applications Suite is a 100% open, standards-based platform for enterprise risk management, multi-regulatory compliance, and controls enforcement. This unique combination of tools and capabilities gives you: ***The Power to Discover, the Power to Manage, and the Power to Enforce.***

## CONTACT US

For more information, contact your Oracle sales representative or visit oracle.com/grc.