



**ORACLE®**

# Rebuilding Corporate Trust: GRC and IT Governance

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# Oracle At-a-Glance



Founded in 1977. Headquarters in Redwood Shores, CA with operations in 145 countries.

- 300,000 total customers
- 280,000 database customers
- 43,000 applications customers
- 80,000 FMW customers
- 20,000 partners
- 84,000 employees
- 20,000 developers
- 7,500 support staff

## *Globally... #1*

- Database
- Database Share on Linux
- Embedded Database
- Middleware
- CRM
- Retail
- Communications
- Human Capital Management
- Financial Services
- Banking
- Public Sector
- Professional Services
- Enterprise Performance Management
- Data Warehousing

# Agenda



- Business Challenges
- Oracle's Leadership in IT Governance
- Solution Overview

# Rebuilding Corporate Trust

*Shareholders and consumers demand more transparency, less risk*

What they want...

## CONSUMERS & EMPLOYEES

- *Protect personal information*
- *Less risk around products and services*
- *Social and environmental responsibility*

*Source: Mckinsey, 2007*

## SHAREHOLDERS

- *Increasing levels of shareholder activism*
- *Seeking advisory vote on executive pay and selection of board of directors*
- *Growing power of individual investors and hedge funds*

*Source: Economist, 2007*

## BOARD OF DIRECTORS

- *Highlight enterprise risk as area where more visibility is needed*

*Source: Mckinsey, 2006*

A survey of global consumers shows that **public trust in business leaders fell to 28% in 2006**, down from 36% at the peak of corporate scandals in 2002.

*Source: Mckinsey, 2007*



# Risky Business:

## Retail

- **TJ Maxx**

8 class-action lawsuits filed as of March 23; a Massachusetts-led investigation by attorneys general from 30 states; a pretax charge of **\$25 million** spent to date.

*Source: 2006 Annual Report, March 2007*

- **Chipotle**

Fast food chain stored full range of customer data from credit card accounts. Roughly 2,000 fraudulent charges against Chipotle customers totalled **\$1.3M**, additional fines from Visa and Mastercard amounted to **\$1.7M**, and legal fees racked up another **\$1.3M**.

*Source: Computerworld, December 2005*

- **Dollar Tree**

Customers of the discount store have reported money stolen from their bank accounts due to unauthorized ATM withdrawals. Cyber-thieves have stolen as much as **\$700,000** from personal accounts during the last two months.

*Source: Eweek, August 2006*

- **Life is Good**

Boston-based retailer today disclosed a security breach in which hackers accessed a database containing **9,250 customers'** credit card numbers.

*Source: Boston.com, Sept. 2006*





# Risky Business:

## Financial Services

- **Bank of America, Wachovia**

Customer account information was illegally sold by bank employees to a business posing as a collection agency. More than **670,000 customer accounts** may have been breached.

*Source: CNNMoney, May 2005*

- **Citibank**

Mass theft of debit card PINS results in several hundred fraudulent cash withdrawals in Canada, Russia, and the U.K. This follows the loss of unencrypted tapes containing information on **3.9M customers**.

*Source: InformationWeek, March 2006*

- **Nationwide Building Society**

The U.K.'s largest building society was fined **£980,000** for failing to have effective systems and controls in place to manage its information security risk.

*Source: OpRisk & Compliance, March 2007*

- **Capita Financial Administrators**

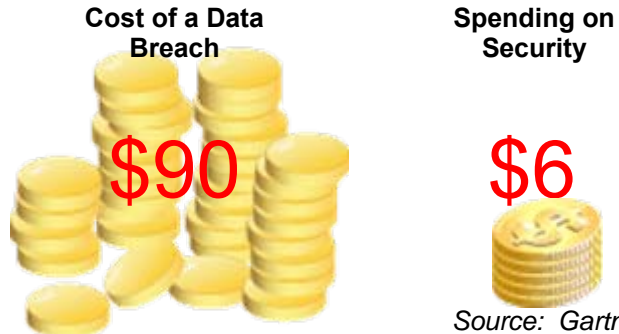
Third-party administrator of collective investment schemes was fined **£300,000** for poor anti-fraud controls over client identities and accounts. The firm discovered that client names and addresses had been changed, and sale of units processed without orders from the client.

*Source: OpRisk & Compliance, April 2006*

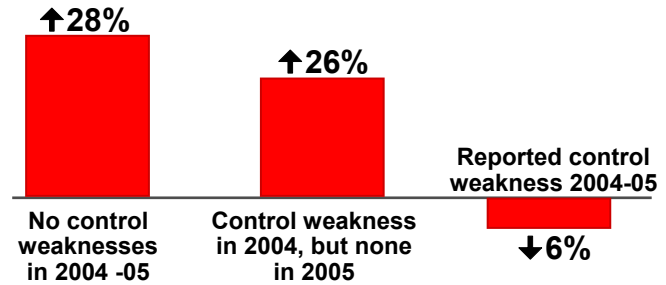


# Ounce of Prevention Worth a Pound of Cure

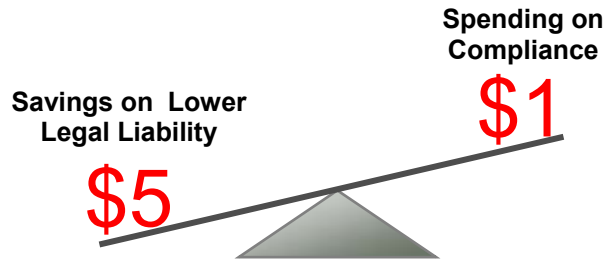
## Information protection less costly than breaches



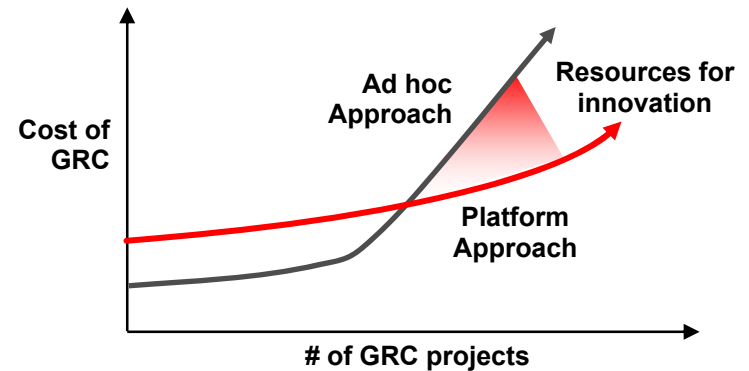
## Share-price performance of companies complying with SOX rules



## Savings on legal liability avoidance from GRC investment



## Opportunity cost of siloed GRC





# IT's Role in Rebuilding Corporate Trust

## The need for IT Governance

### Strategy

Majority of 400 directors surveyed recognize that the right IT strategy is very important for

**69%** Compliance

**66%** Customer Satisfaction

**57%** Managing Risk

Source: Corporate Board Member/ Deloitte Consulting, March 2007

### Security

The Ponemon Institute finds that

**70%** of all reported security breaches were due to insiders

When a company announces a security breach, its stock price can drop by **2%**

Source: Ponemon Institute, 2005

### Control

Gartner warns that

“More than 80 per cent of IT groups may be incapable of satisfying many of the laws and regulations, such as HIPAA and 21 CFR Part 11, that require change-related audit trails and accountability over material configuration items.”

Source: Gartner, 2005



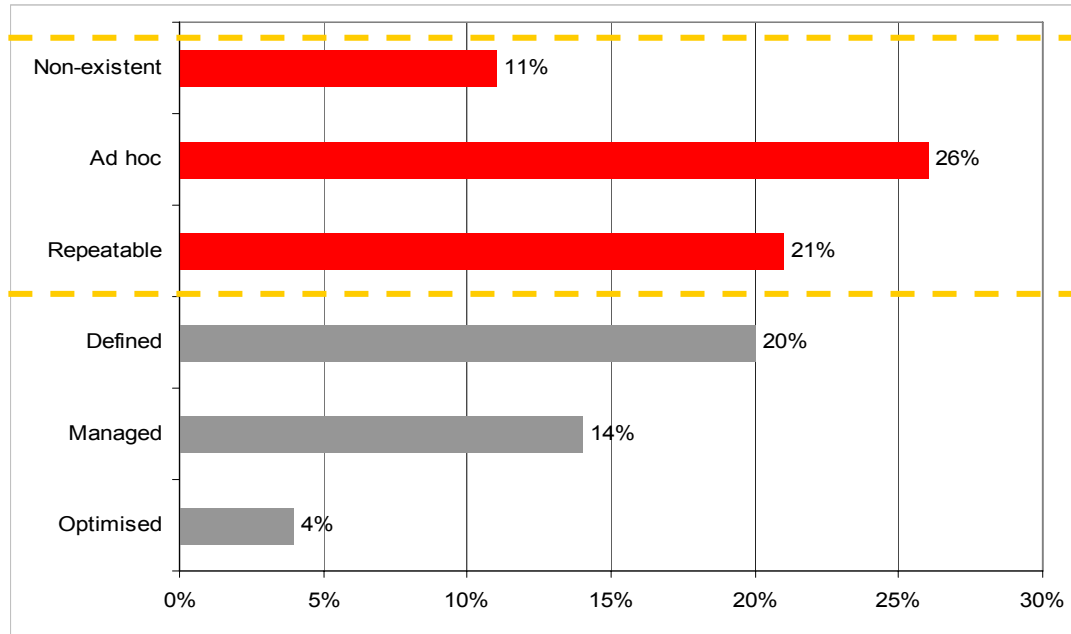
# What is IT Governance?

- IT Governance Institute

**“Effective IT governance helps ensure that IT supports business goals, optimizes business investment in IT, and appropriately manages IT-related risk and opportunities.”**

# IT Governance is Still Maturing

*IT governance discipline is in its adolescence*



“IT Governance is still very much associated with fulfilling control or compliance requirements.”

“CEO and CIO respondents in general reported a relatively low maturity level in comprehending IT governance in its totality.”

Source: PWC, IT Governance Institute 2006

# IT Governance in Practice

*Firms emphasize control and compliance*

42% of IT practitioners believe that their companies lack the necessary security tools or internal controls to prevent, detect, and correct data security breaches.

*Source: Ponemon Institute, 2007*

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*

Information  
Protection &  
Privacy

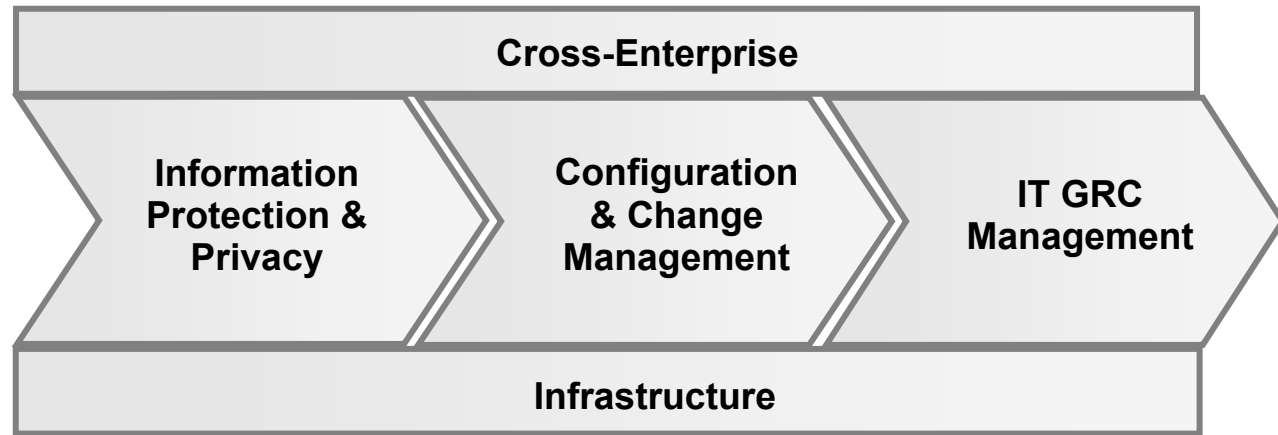
Configuration  
& Change  
Management

IT GRC  
Management

'Lack of proper oversight for making application changes' and 'Lack of understanding of key system configurations' is among the top five IT weaknesses cited.

*Source: IT Service Management Forum, 2005*

# Oracle IT Governance Solution



**Information Protection & Privacy Secures Information From the Inside Out**



**Enterprise Configuration & Change Management Reduces IT System Risk**



**IT GRC Management Empowers IT to Deliver Greater Business Value**

# Agenda



- Business Challenges
- Oracle's Leadership in IT Governance
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# Why Choose Oracle IT Governance?

## Only Oracle...



### Secures data and privacy information from the inside out

- Restricts even privileged users from accessing sensitive information
- Prevents manipulation and corruption of data and applications
- Centrally deploys best-practice security for applications, IT services, and infrastructure



### Reduces IT systems risk with configuration and change management

- Backs out changes and easily restore systems when necessary
- Identifies and correct deviations from best-practice configuration policies
- Simplifies system audits by limiting substantive testing with sound change management procedures



### Integrates GRC management to optimize the value of IT

- Aligns resource skills and synchronize availability across GRC project requirements
- Applies service quality and performance metrics to GRC project management
- Implements comprehensive information management policy on a centralized platform

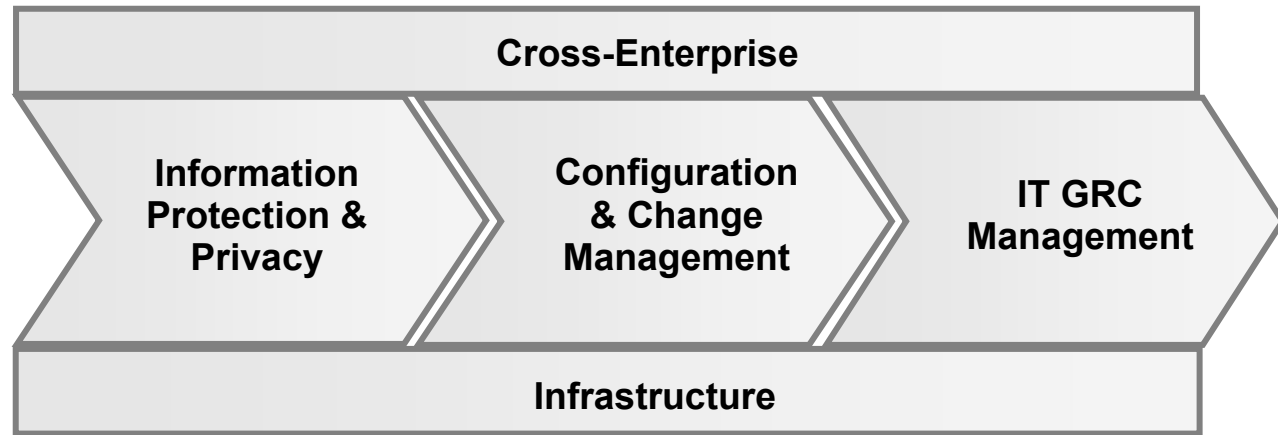


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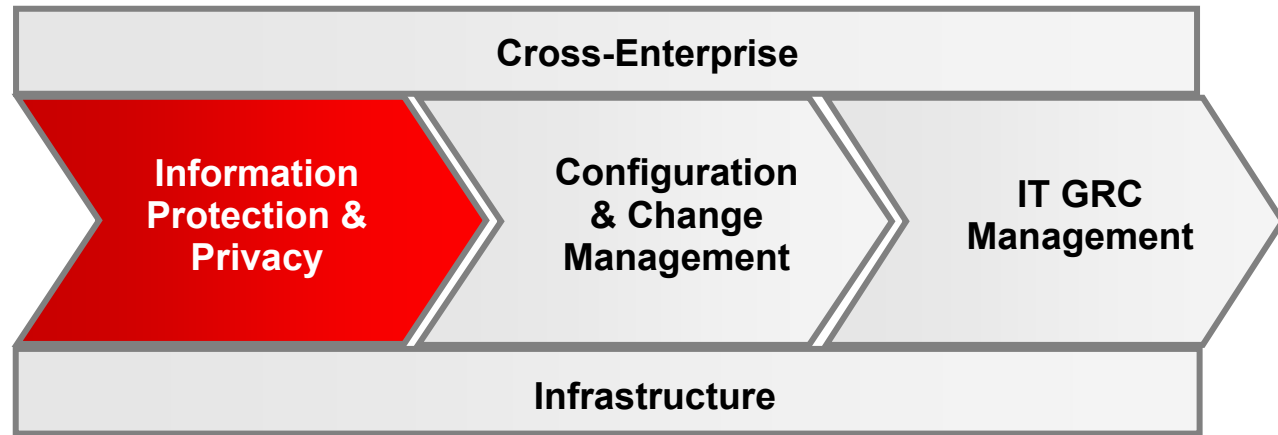


**Enterprise Configuration & Change Management Reduces IT System Risk**



**IT GRC Management Empowers IT to Deliver Greater Business Value**

# Oracle IT Governance Solution



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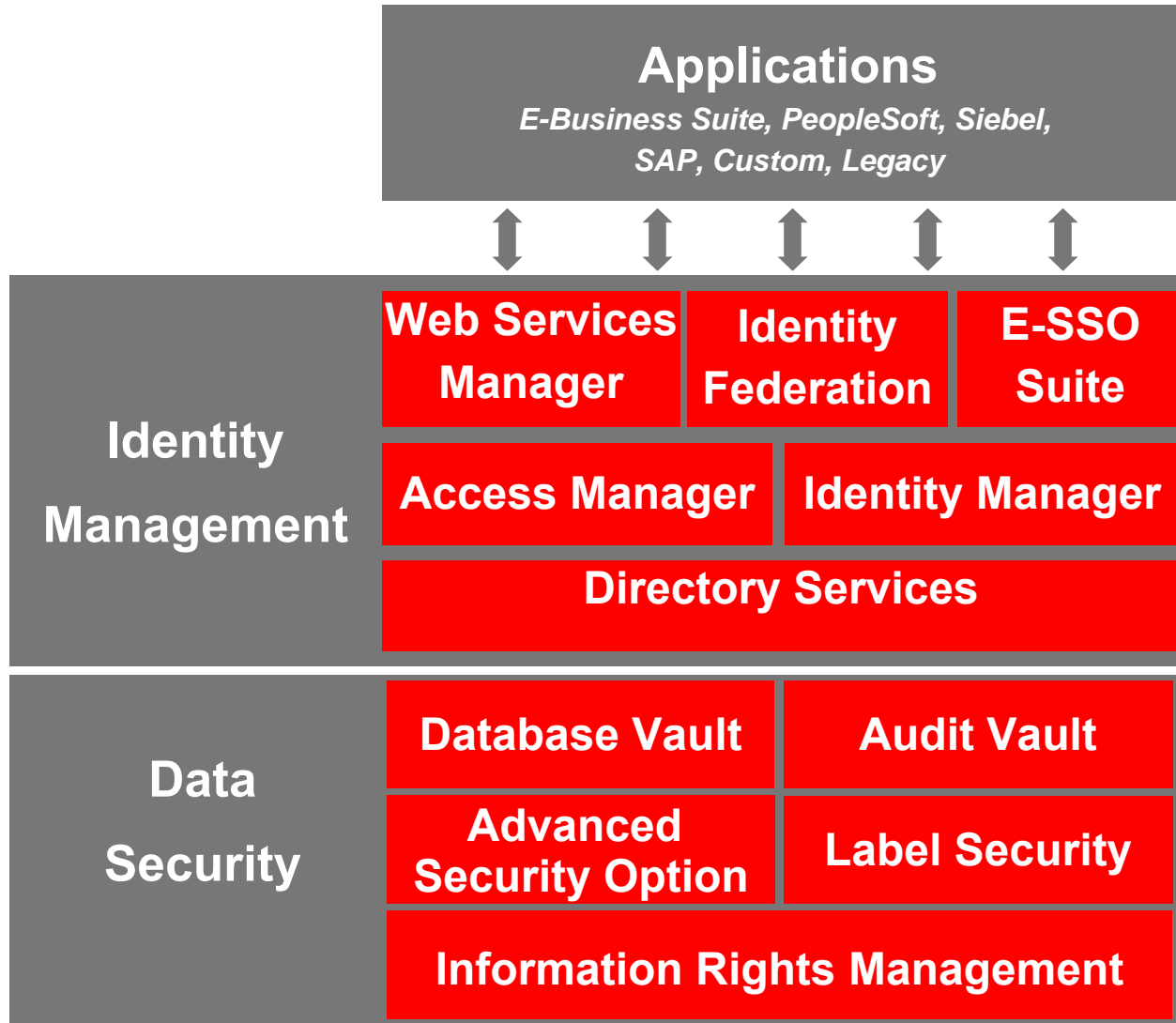


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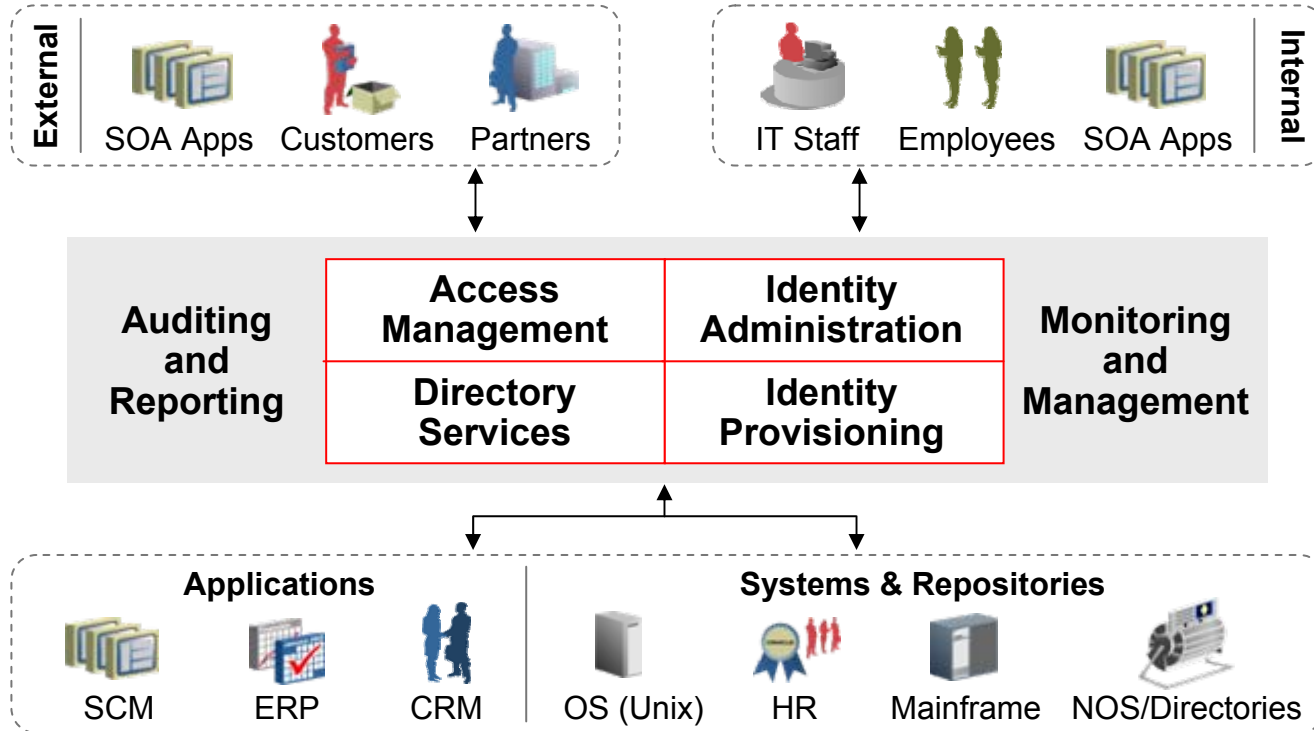
**IT GRC Management Empowers IT to Deliver Greater Business Value**

# Oracle Information Protection & Privacy



# Control User Access and Authorization

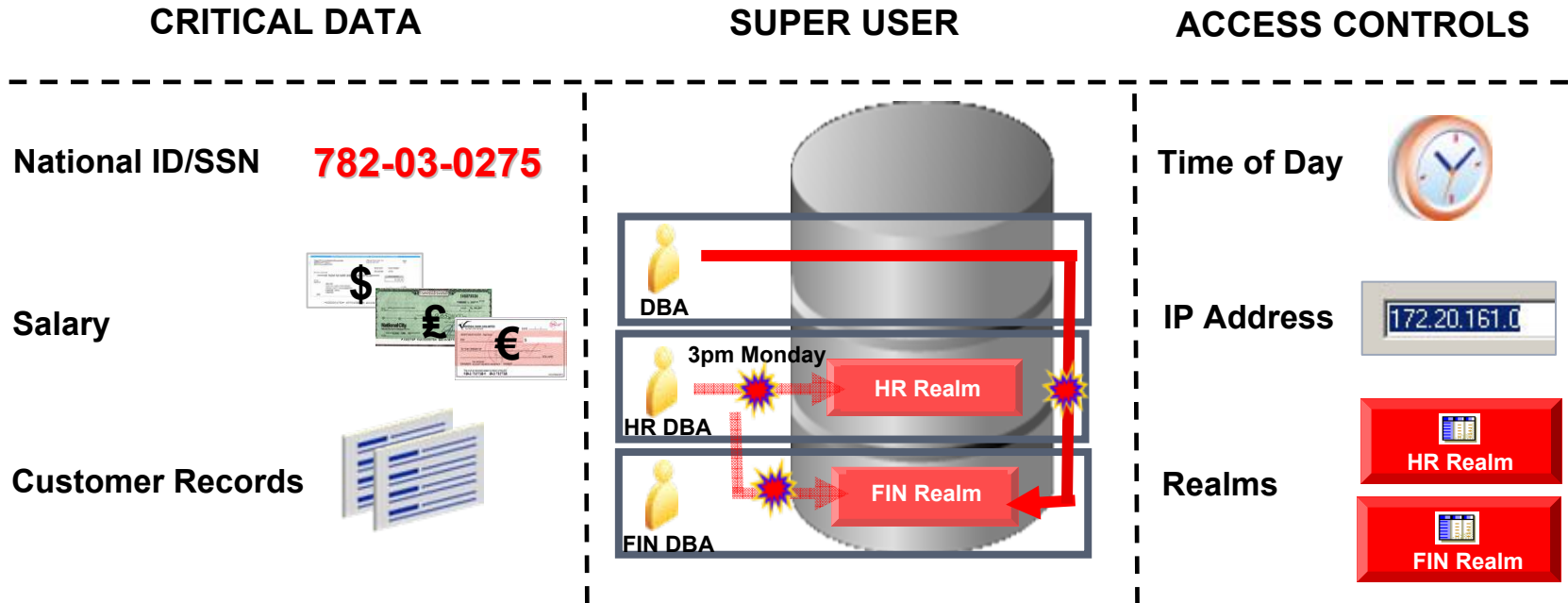
## *Enforce Segregation of Duties*



- Restrict access to applications based on business policy
- Certify who had access to what via automated attestation
- Automate compliance auditing with out of the box reports

# Secure Privileged User Access

## Oracle Database Vault

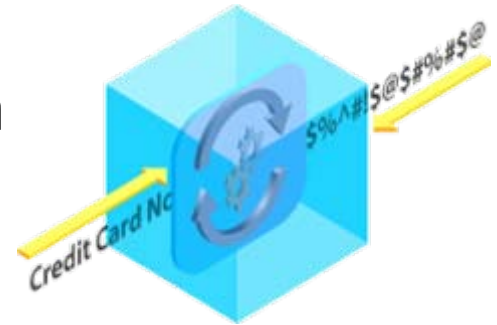


- Realms and command rules enable customers to easily restrict access to application data from the DBA and other powerful users
- Multi-factor authorization significantly increases security

# Enforce Data Privacy

## *Oracle Advanced Security Option*

- **Oracle Transparent Data Encryption**
  - Easily encrypt sensitive data by columns
  - Requires no changes to applications
- **Network Encryption**
  - Protect sensitive data as travels across network
  - Leverage industry leading encryption algorithms
- **Data Integrity**
  - Safeguard data from unauthorized modification
- **Strong authentication**
  - ‘Two Factor’ authorization
  - Password PLUS Key/Dongle/Smart Card (4 standards)

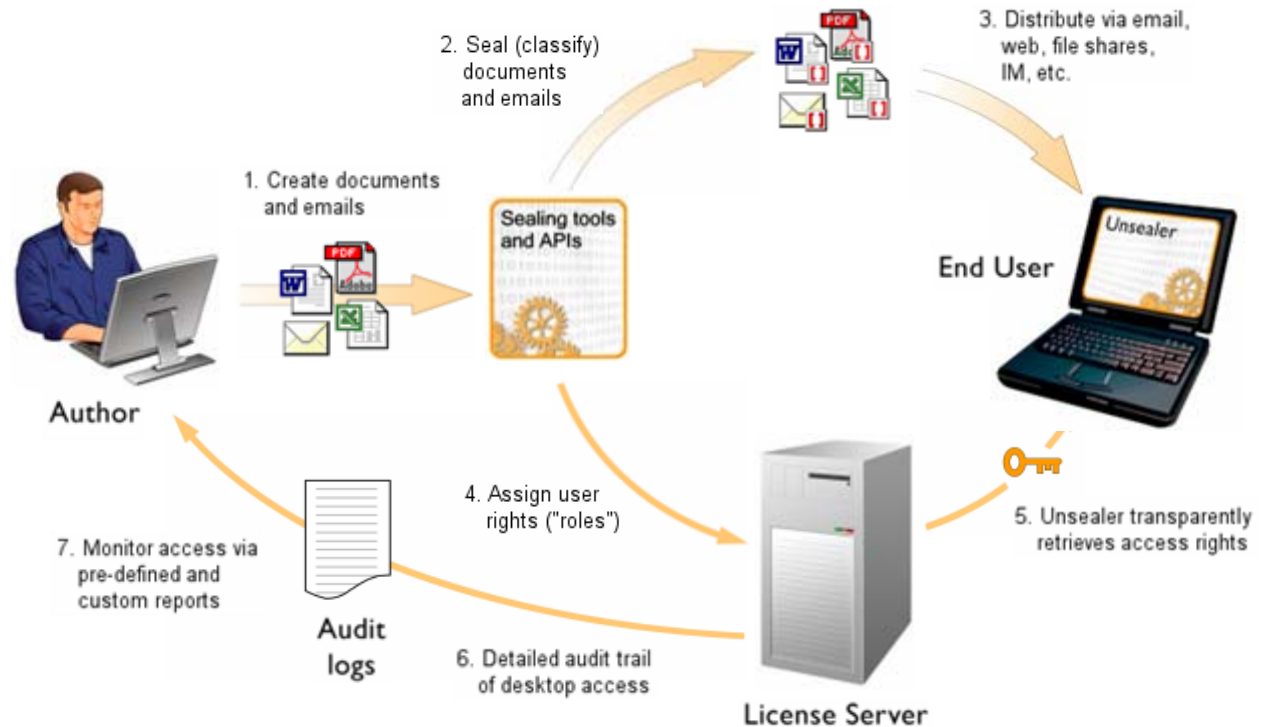




# Access Control for Distributed Content

## Oracle Information Rights Manager

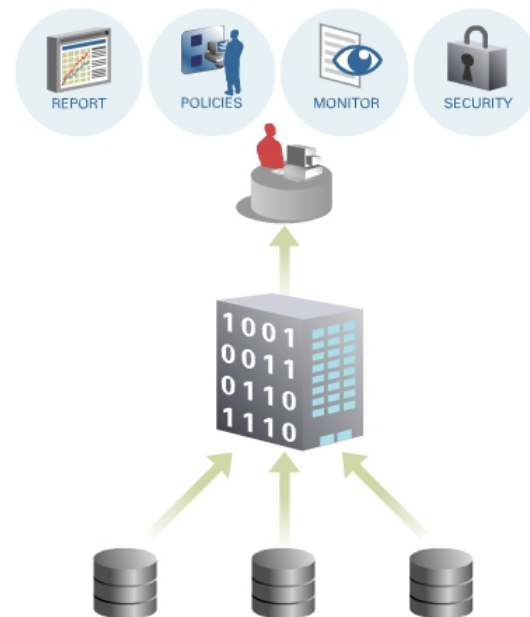
- Patented “distributed” rights management
  - between centralized server and desktop
- Centralized revocation of rights and up-to-date audit trail
- Transparent mobile access to “sealed” information
- Classification-based rights management
- Enterprise-scalable



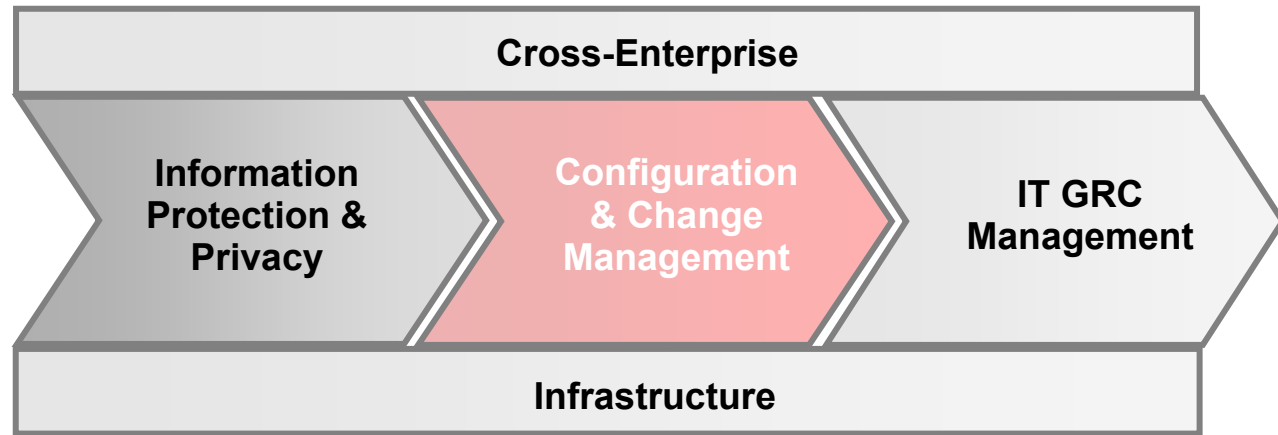
# System Audit Consolidation & Reporting

## *Oracle Audit Vault*

- Lock down audit data in an audit warehouse
- Leverage protected schema to prevent tampering of audit data
- Centralize audit policy management
- Monitor, report, and alert on all audit activity
- Detect suspicious activity and auto-escalate increased auditing



# Oracle IT Governance Solution



**Information Protection & Privacy Secures Information From the Inside Out**



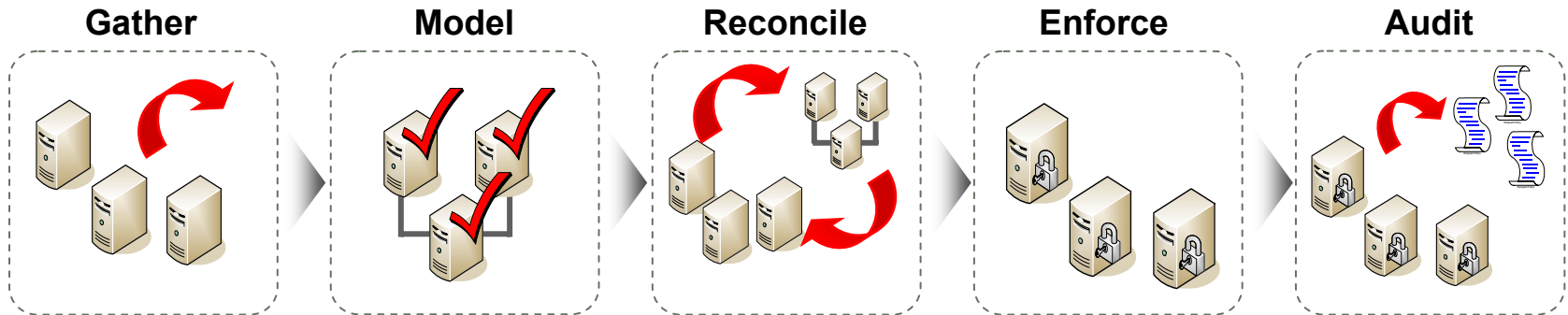
**Enterprise Configuration & Change Management Reduces IT System Risk**



**IT GRC Management Empowers IT to Deliver Greater Business Value**

# Enforce Proper Configurations

*Apply Key IT Controls with Oracle Configuration Management*



- Centrally collect and manage all system configuration information
- Apply database and schema definitions to create baselines
- Evaluate configurations and maintain set-up standards according to policies
- Deploy certified configurations, patches, and images across systems

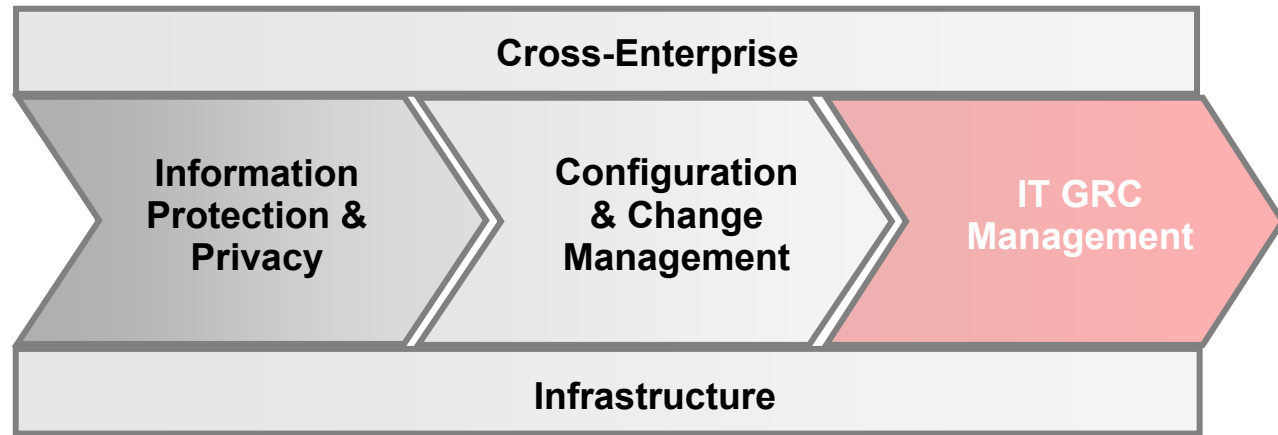
# Maintain Control Over Changes

## *Implement Policy-Based Changes with Oracle Change Management*

- Evaluate, plan for and implement changes for new applications
- Compare baselines with current database settings, databases with databases, and schema with schema
- Synchronize databases and propagate consistent changes across application systems
- Make policy-based changes with embedded Information Technology Infrastructure Library (ITIL) standards



# Oracle IT Governance Solution



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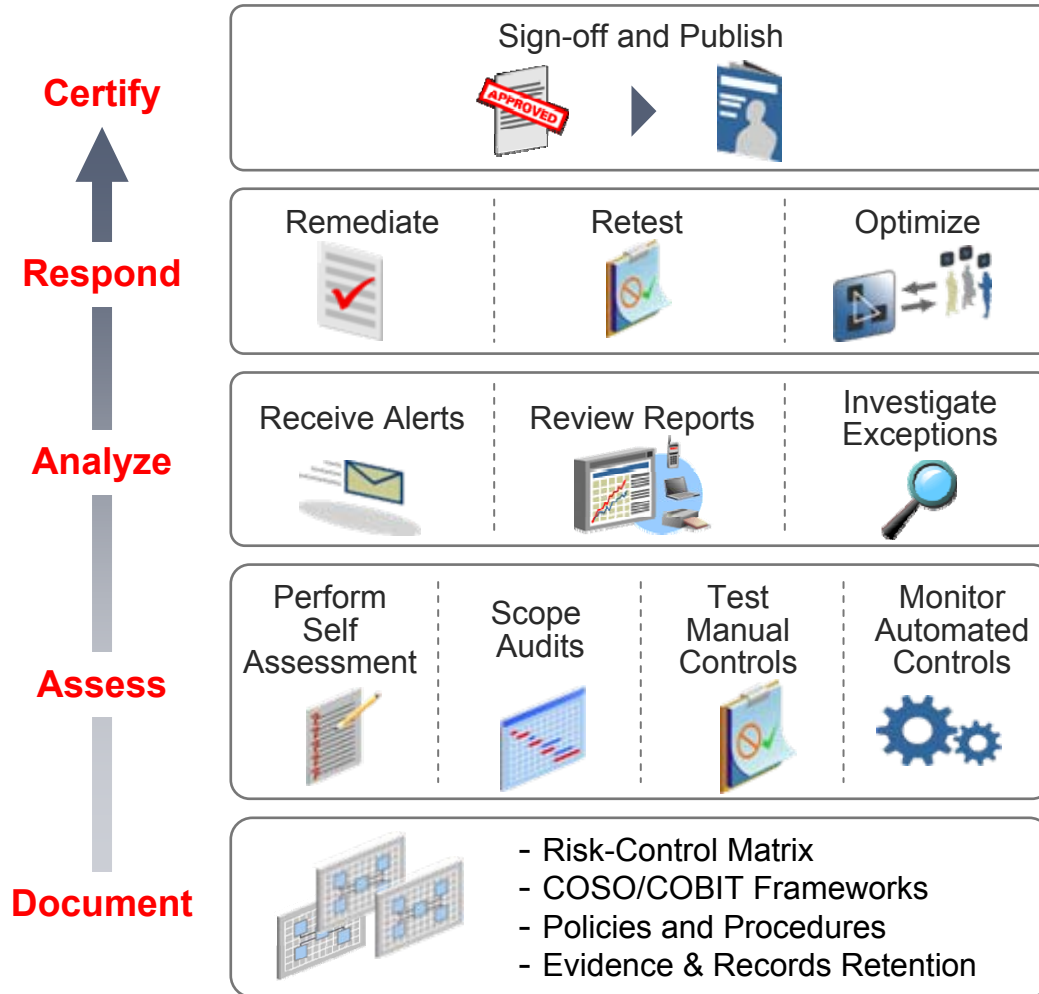
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**IT GRC Management Empowers IT to Deliver Greater Business Value**

# Manage IT GRC Processes and Content

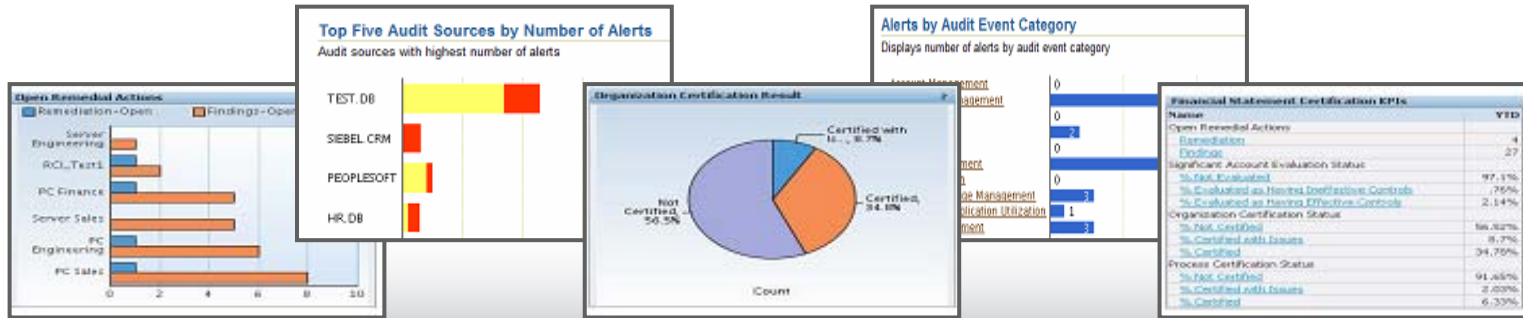
*Reduce Cost and Control Risk with Oracle GRC Manager*



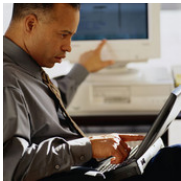
- End-to-End IT Governance Process Management
- Centralized IT Governance Content Management



# Anticipate Auditor Requirements with Evidence of Enforcement



## IT Audit



- Prevent unauthorized system configuration changes with diagnostics
- Identify top audit alerts by application, system, and audit event
- Provide evidence of best-practice periodic attestation

## Financial Audit



- Deliver auditor-ready reports for process certification and remediation analysis
- Identify trends in control performance with snapshot comparisons
- Review complete audit trail for any changes to control elements

# Align IT to the Business

## *Oracle Project Portfolio Management*

- **Application Portfolio Planning**
  - Ensure application lifecycles (upgrades, enhancements, maintenance, sunset) are consistent with the IT Strategy
  - Introduce, reuse and retire Apps according to IT governance policy
- **Infrastructure and Technology Portfolio Planning**
  - Ensure hardware and software agendas are consistent with the Governance Strategy
- **Services Portfolio Planning**
  - Business Services Portfolio
  - Foundational/Technical Services Portfolio



# Oracle IT Governance Solution Summary

**Information protection and privacy secures information from the inside out**

- Restrict even privileged users from accessing sensitive information
- Prevent manipulation and corruption of data and applications
- Centrally deploy best-practice security for applications, IT services, and infrastructure

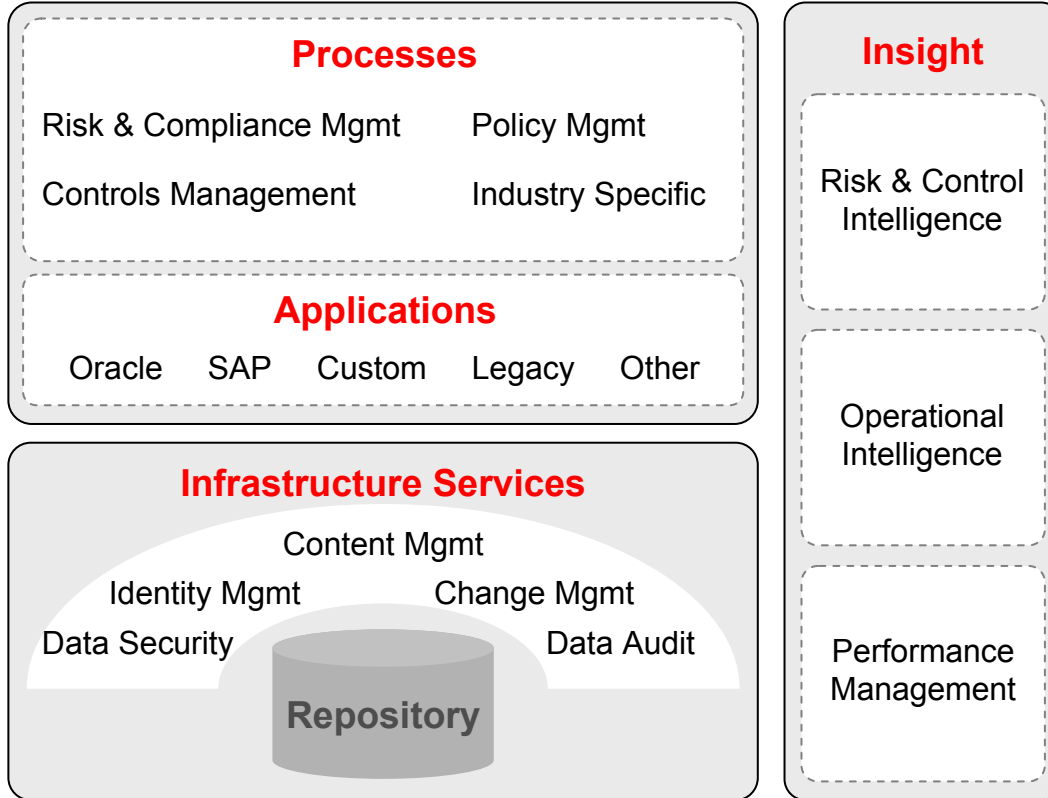
**Enterprise configuration and change management reduces IT systems risk**

- Simplify system audits by limiting substantive testing with sound change management procedures
- Back out changes and easily restore systems when necessary
- Identify and correct deviations from best-practice configuration policies

**Integrated GRC management empowers IT to deliver greater business value**

- Align resource skills and synchronize availability across GRC project requirements
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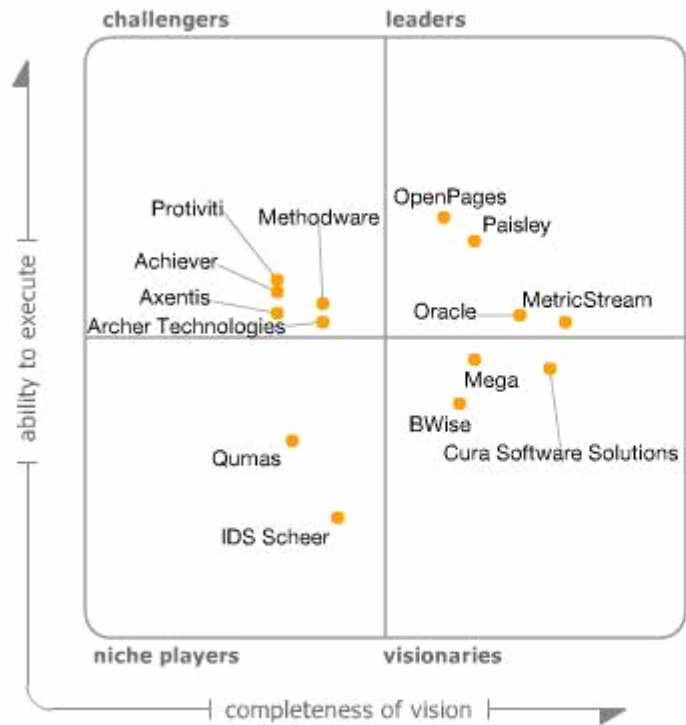
# Oracle Governance, Risk, and Compliance



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

# Magic Quadrant for GRC

Figure 1. Magic Quadrant for Enterprise Governance, Risk and Compliance Platforms



As of June 2008

Source: Gartner (June 2008)

# Oracle Governance, Risk, and Compliance

Simplify GRC and Reduce Costs

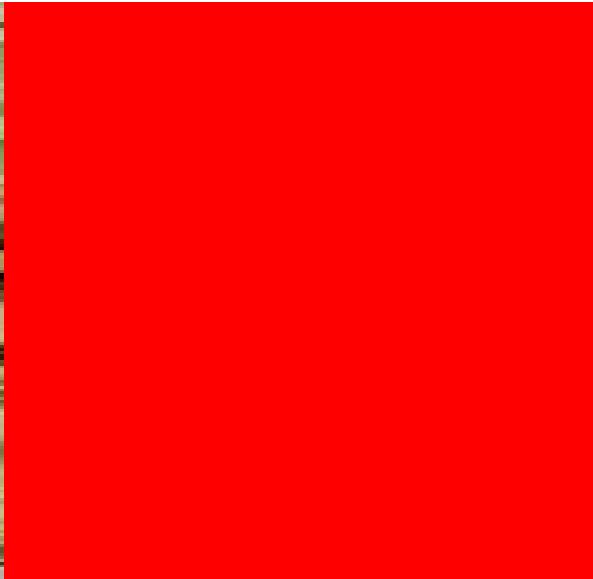
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Safeguard Brand and Reputation

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Run Your Business Better and Prove It

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