Cloud Audit Support Tools and Financial Controls
How Risk Management Cloud Services Work Together

Advanced Access Controls
- Manage User Access
- Find users who have access to sensitive data, and users with separation of duties (SoD) conflicts
  - Eg. 6390: Create Suppliers and Create Payables Invoices

Advanced Financial Controls
- Identify transactions that violate compliance
- Find transactions generated by users with excessive access, and transaction that could indicate cash leaks, inefficiencies
  - Eg. 40001: Users who can create Suppliers and Payables Invoices

Financial Reporting Compliance
- Document and manage compliance requirements
- Incorporate those analyses into your Financial Reporting Compliance documentation
  - Eg. 2.1- Ensure separation of duties between master data management and transactions in P2P processes
Built-in Risk Management for ERP & HCM Cloud

- Financials
- Procurement
- Risk Management
- Human Capital Management
- Project Portfolio Management

Continuous security, transaction & configuration analysis • Audit & compliance workflows

- Common User Experience & Interface
- Common User Security, Data Model, Application Administration, Updates & Patches
- Common Extensibility Tools – Page Composer & Flex Fields
Standard + Advanced Controls

**Standard Controls**
- Role based access
- Audit Sample transactions
- 3-Way Match

**Advanced Controls**
- Cluster Analysis
- Anomaly Detection
- Split Purchase Orders
- Unusual Manual JEs
- Audit 100% of transactions
- Fuzzy Logic, ‘similar values’

- Setup Changes
- Fine-grained User Access
- Audit Trail Analysis
- Benford Analysis
Examples of the capability: Streamline Source-to-Pay

Control spend and simplify supplier payments

- Monitor for duplicate Suppliers
- Check for split POs
- Monitor for purchases with non-preferred Suppliers
- Check for discrepancies in freight charges
- Investigate when person making payment created/modified the Supplier
- Check for inappropriate associations between a vendor and an employee
- Review unauthorized changes to Supplier information
- Check for duplicate POs
- Investigate POs created on the day goods arrived
- Review payment term changes before payment.
- Source Purchases
- Maintain Suppliers
- Create Requisitions
- Process Purchase Orders
- Receive Goods
- Process Invoices
- Pay Suppliers
- Audit & Pay Expense Reports
Advanced Financial Controls

3 Key Ways for Continuous Controls Monitoring... to Deliver VALUE & ROI

Reduce Errors & Leakage
- Prevent overpayments/duplicate payments in procure-to-pay process
- Improve use of cash and supplier satisfaction through optimized payment timing and discounts
- Indentify missed billings errors to reduce days sales outstanding

Minimize Fraud & Abuse
- Detect and respond to procurement, payroll, and expense violations in real time
- Deter fraudsters by increasing the likelihood of getting caught
- Identify fictitious and overstated bookings to reduce revenue recognition risk

Improve Audit Efficiency
- Expand audit coverage, confidence, and reporting
- Maximize ROI of transaction monitoring and audit/investigative resources
Comprehensive Transaction Monitors

Detect patterns of heightened risk in business activity

- **Test against Material Thresholds**
  - Journal Entry > $ threshold
  - Employee Checks (individual & sum) > $ threshold

- **Search for Anomalies**
  - PO terms differ from vendor
  - Sales orders > acceptable $ range

- **Test Segregation of Duties at Transaction Level**
  - Find invoices and POs entered by same user
  - Find Invoices entered & approved by same user

- **Sampling of Transactions**
  - 4th quarter invoices
  - Days sales outstanding balances

- **Detect Fraudulent Behavior**
  - PO changes after approval
  - Duplicate suppliers with same address

- **Stop Cash Leakage**
  - Find duplicate payments
  - Payments against cancelled Invoices

- **Embed Contextual / Automated Compensating Controls**
  - Alert on customer transactions over $ threshold
  - Prevent journals from being entered and posted by same individual

- **Change Tracking – Audit Objects**
Summary

• Top priority for CFOs and CIOs
• Risk is an integrated ERP module
• Built using data science and AI
• Accelerates ERP implementations
• Secures Financials/SCM/HCM Cloud

Complete Compliance Solution

Document, Monitor, and Enforce your Internal Controls