ACTIVE Governance™

ACTIVE Governance/ Internal Controls Manager Integration Kit

Software Version 7.2

LogicalApps®

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Chapter 1

Integration Overview

Oracle Internal Controls Manager documents, tests, and certifies internal controls, manages audit processes, and monitors ongoing compliance with reporting requirements.

ACTIVE Governance from LogicalApps not only documents internal controls, but also enables users to configure automations for them. Automations may include:

- Control monitors, which use structured query language (SQL) to define actions subject to control, and generate "suspects" — instances of potential control violations.
- Segregation of duties (SOD) rules, which identify responsibilities or functions that should not be assigned simultaneously to individual users. SOD rules can prevent such assignments from occurring, or uncover them so that they can be properly managed.

The ACTIVE Governance/Internal Controls Manager Integration Kit from LogicalApps allows controls created in ICM to display the results of automations configured in ACTIVE Governance. Auditors who complete audit projects in ICM can then review not only controls affiliated with processes, but also the suspects or SOD violations generated by those controls, and use that information as they assess the effectiveness of the controls.

The Integration Kit modifies ICM forms so that as users create controls, they are able to link them to complementary controls created in the ACTIVE Governance Control Library, which in turn have had control monitors or SOD rules attached to them as

automations. It further modifies ICM forms so that they display the results generated by the automations, enabling auditors to review and assess them. The first step in integrating ICM with ACTIVE Governance, therefore, is to install an "plug-in" that effects these modifications.

Chapter 2

Performing the Integration

To integrate ACTIVE Governance with Internal Controls Manager:

- If your Oracle Applications schema and your ACTIVE Governance schema reside in distinct databases, create a dblink between the two databases.
- Download archive files from a site provided to you by LogicalApps Customer Support and extract files from the archives. From those files, run scripts against your Oracle Applications database.
- Use a Mass Associate tool to remove a Segregation of Duties tab from the ICM forms. (Because one purpose of integrating ACTIVE Governance with ICM is to use SOD capability provided by ACTIVE Governance, the SOD capability in ICM is presumed no longer to be needed.)

The Integration Kit works only with ICM at patch level 11i.AMW.D. As a part of the installation, you have the option of running a script that displays your ICM patch level.

Establishing a DB Link

If both your Oracle Applications schema and your ACTIVE Governance schema reside within a single Oracle database, you need not complete this procedure. Skip ahead to the next section, "Installing the ICM Plug-In."

If, however, the two schemas reside in distinct databases, you must establish a link between the two databases. To do so, log on to a SQL tool (such as SQL Plus) con-

nected to your Oracle Applications (ICM) database. You must log on as a user with the CREATE PUBLIC DATABASE LINK system privilege.

Execute the following SQL statement:

```
CREATE PUBLIC DATABASE LINK APPSTOAGS connect to AgUser
identified by AgPassword using '(DESCRIPTION = (ADDRESS_LIST =
(ADDRESS = (PROTOCOL = TCP)(HOST = AgDbHost)(PORT = AgDbPort)))
(CONNECT_DATA = (SERVICE_NAME = AgSid)))'
```

Within this statement:

- The value APPSTOAGS is the name of the dblink. This value is required; you cannot substitute another name for it.
- In place of *AgUser*, substitute the username for your ACTIVE Governance schema. (Conventionally, this is XXLAAPPS_AG.)
- In place of *AgPassword*, substitute the password for your ACTIVE Governance schema/user.
- In place of *AgDbHost*, substitute the host name of the machine on which the ACTIVE Governance database is installed.
- In place of *AgDbPort*, substitute the port number used by the ACTIVE Governance database.
- In place of *AgSid*, substitute the SID for the ACTIVE Governance database.

To validate that the dblink is correctly configured, execute this SQL statement:

```
Select * FROM CM_CONTROLS@APPSTOAGS
```

Successful execution of the statement indicates a successful dblink setup.

Installing the ICM Plug-In

To install the ICM plug-in:

1. Log on to the machine on which you've installed Oracle Applications.
2. Source out the Oracle environment.
3. Download two files to a staging directory, from a site provided by LogicalApps Customer Support. If your Oracle Applications and ACTIVE Governance schemas reside in distinct databases (and so you created a dblink), download this file:

   `ICMOverlay-D-WithDBLinks_7_2_0_bnn.zip`

   If not, download this file instead:

   `ICMOverlay-D-WithoutDBLinks_7_2_0_bnn.zip`

   In either case, download this file as well:

   `icm_tools.zip`

   (In the first two file names, actual build numbers will appear in place of the italicized placeholders, *nn*.)

4. Extract the contents of the two files. The icm_tools file contains scripts you will run, and the ICMOverlay file contains files called by the scripts (but which you will not touch directly).

5. Confirm that you have the required patch level of ICM — 11i.AMW.D. (You can skip this step if you already know that your patch level is correct.)

   a. In a text editor, open the file patchlevel.sh. Its second line reads, "connect apps/apps." Edit that line, replacing the first *apps* with the schema/user name for your Oracle Applications database, and the second *apps* with the password for your Oracle Applications database. Save and close the file.

   b. Run the patchlevel.sh script. As output, it displays your ICM patch level to the console.

6. Assuming that the patch level is correct, run the file called backupscript. This creates a subdirectory of your staging directory called backupAMW, and copies to it a number of ICM files that are to be replaced by LogicalApps versions of the files.

7. Select the appropriate one of two scripts whose names begin with the phrase *install_ICMOverlay-D*. If your Oracle Applications and ACTIVE Governance schemas reside in distinct databases (and so you needed to create a dblink), choose the one whose name includes the phrase *WithDBLinks* If not, choose the one whose name includes the phrase *WithoutDBLinks*.

8. In a text editor, open this Install_ICMOverlay-D script.

   In each of two places, replace the phrase <*LAPPS_STAGE*> with the actual full path to the staging directory in which you downloaded the ICM files.

   In each of three places, edit the line "connect apps/apps," replacing the first *apps* with the schema/user name for your Oracle Applications database, and the second *apps* with the password for your Oracle Applications database.

   Save and close the file.

9. Run the Install_ICMOverlay-D script. As it runs, provide the following information in response to prompts:

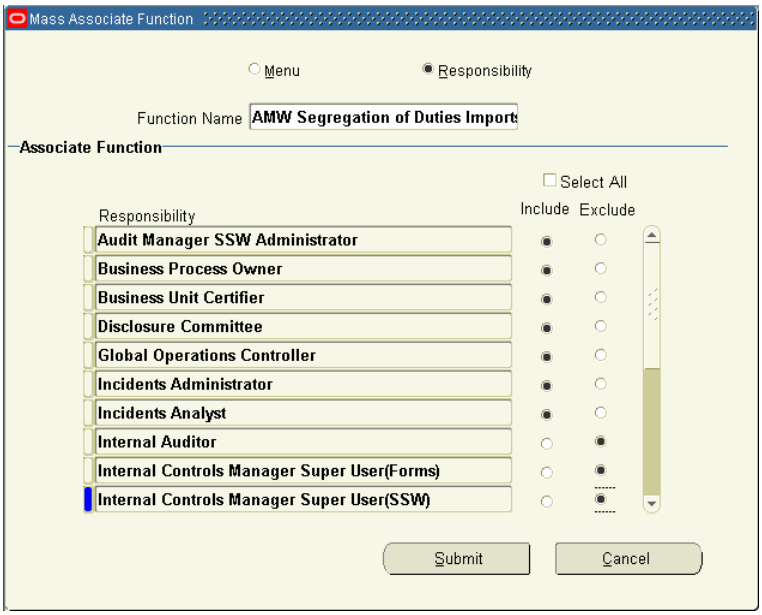
   - Enter APPS password: Enter the password configured for your Oracle Applications database.
   - Enter database hostname: Enter the host name of the machine on which the Oracle Applications database is installed.
   - Enter database SID: Enter the SID for the Oracle Applications database.
   - Enter database service port: Enter the port number used by the Oracle Applications database.

   When the script finishes running, the LogicalApps versions of ICM files are installed to appropriate directories on your server.

Running Mass Associate

ACTIVE Governance works in concert with LogicalApps Embedded Agents, a set of applications that run within the Oracle Applications ERP environment. The Embedded Agents include a Mass Associate utility, which enables you to configure associations between form functions and menus or responsibilities. Use this tool to end the association between ICM responsibilities and a function that causes a Segregation of Duties tab to appear on ICM forms:

1. Start the Embedded Agents application: Log on to Oracle Applications and select the LogicalApps responsibility. Under the heading *Oracle Embedded Agent*, click on the Form Rules link. A LogicalApps — Oracle Rules form opens.
2. Click on LogicalApps Utilities in the menu bar, and then on Mass Associate Function in the Utilities menu. The following form appears:



3. Click on the Responsibility radio button.
4. In the Function Name field, select the function *AMW Segregation of Duties Imports*.
5. In the Responsibility list, locate three responsibilities: Internal Auditor, Internal Controls Manager Super User (Forms), and Internal Controls Manager Super User (SSW). For each, select the Exclude radio button.
6. Click on the Submit button.

Chapter 3

Using the Integrated System

Once Internal Controls Manager is integrated with ACTIVE Governance, the creation of a control in ICM may involve linking it to a complementary control created in ACTIVE Governance. That control must in turn have been linked to an automation created in ACTIVE Governance — either a control monitor or an SOD rule. Therefore, it's assumed that before you create the ICM control, you will have created the companion automation and control in ACTIVE Governance. To learn how, consult three publications:

- The *ACTIVE Access Governor™ User's Guide* tells how to create SOD rules.
- The *ACTIVE Policy Governor™ User's Guide* tells how to create control monitors.
- The *ACTIVE Governance Platform User's Guide* tells how to create controls and attach automations to them.

Moreover, suspects generated by control monitors and conflicts detected by SOD rules would be resolved by ACTIVE Governance users, not within ICM. A control-monitor suspect is reviewed at a Task Inbox by users identified in a "workflow routing." An SOD conflict is reviewed within the Access Governor module of ACTIVE Governance by a user who is both assigned an appropriate "primary application role" (SOD Super User or SOD Approver) and designated as a reviewer by the rule that generated the conflict. See the same three publications for detailed review procedures.

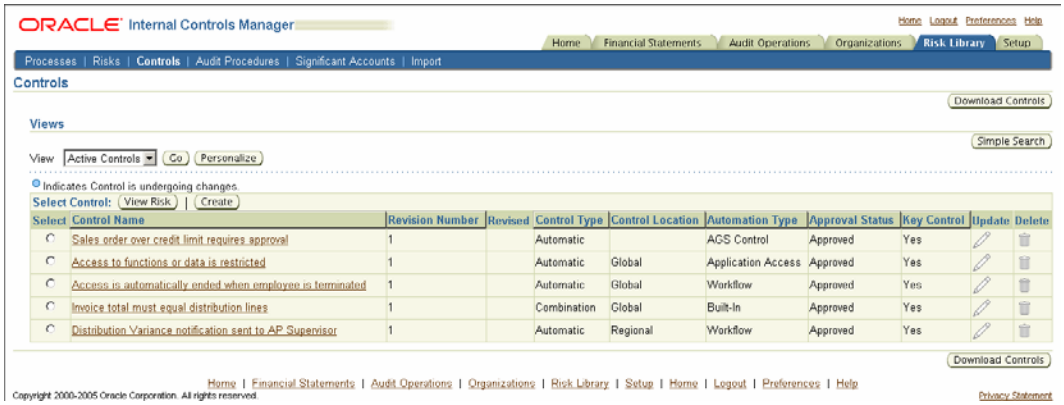
Within Internal Controls Manager, users may create controls and link them to ACTIVE Governance controls (and to processes created in ICM). Auditors may launch audit projects and review automation results as they form their judgments, and link auto-

mation runs with assessments of controls done within ICM. In general, consult Oracle documentation for instructions on using Internal Controls Manager. The following procedures focus on functionality added by LogicalApps. Each is written in the assumption that you have logged on to Oracle Applications and have selected the Internal Controls Manager Super User (SSW) responsibility.

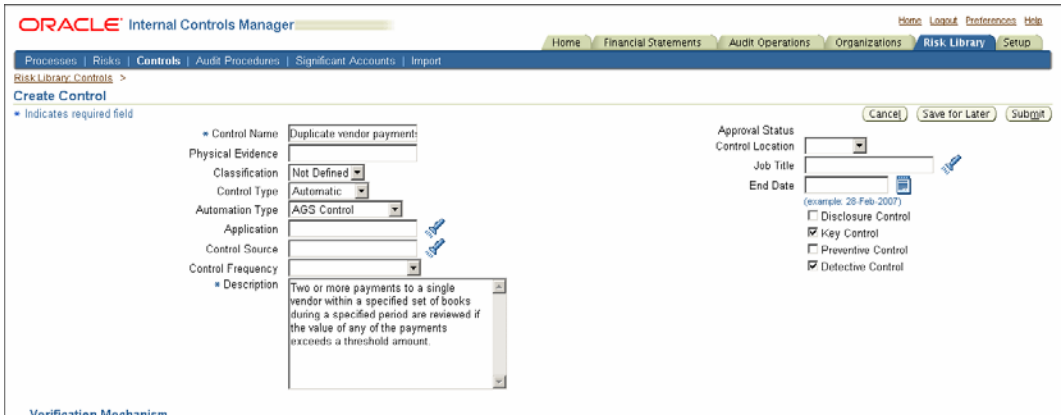
Creating a Control

To create a control in ICM and associate it with a complementary control in ACTIVE Governance:

1. From the ICM Home panel, click on the Risk Library tab.
2. This opens the Processes panel in the Risk Library. In a blue band that runs across the top of the panel, click on the Controls link. This opens the Controls panel in the Risk Library:



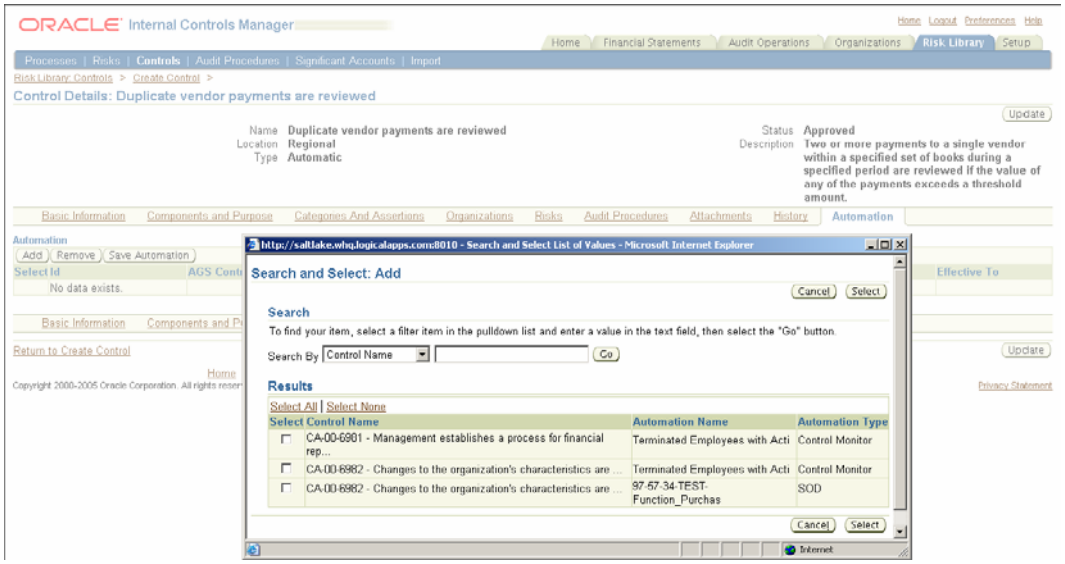
3. Click on the Create button. This opens the Create Control panel (shown in part below).



4. In general, enter values in the fields on this panel as you ordinarily would (see Oracle documentation). However, in the Control Type field, select Automatic (since, ultimately, this control will be linked to an ACTIVE Governance automation), and in the Automation Type field, select AGS Control.

5 When you finish selecting values for the control, click on the Submit button. A Control Details panel displays the values you've configured:

6 Click on either of two Automation links (located at the right in the tan bands that run above and below fields displaying control details). The Control Details panel changes; it now lists automations associated with the control. (Since this is a new control, the list displays only the statement "No data exists.")



7 Click on the Add button. A Search and Select dialog opens; in it ensure that the Search By list box is set to Control Name (this is the default), and click on the Go button. The dialog then lists controls configured in ACTIVE Governance. You can associate any number of them with the ICM control you are configuring; locate those you want, click in the Select check box for each, and then click on the Select button.

8 The Control Details panel becomes active once again, its Automation list updated to display entries for the ACTIVE Governance controls you selected. Click on the Save Automation button.

Note that when the control configuration is complete, its listing in the Controls panel displays the value AGS Control in the Automation Type column (as shown for the first listed control in the illustration that accompanies step 2 on page 8).

For an ICM control to be included in an audit, it must be associated with an ICM process. Use standard Oracle procedures to create the process (if it does not already exist) and attach the control to it. (In ACTIVE Governance, you can also create processes and link them to controls created in ACTIVE Governance. However, there is no correspondence between processes created in ICM and processes created in ACTIVE Governance.)

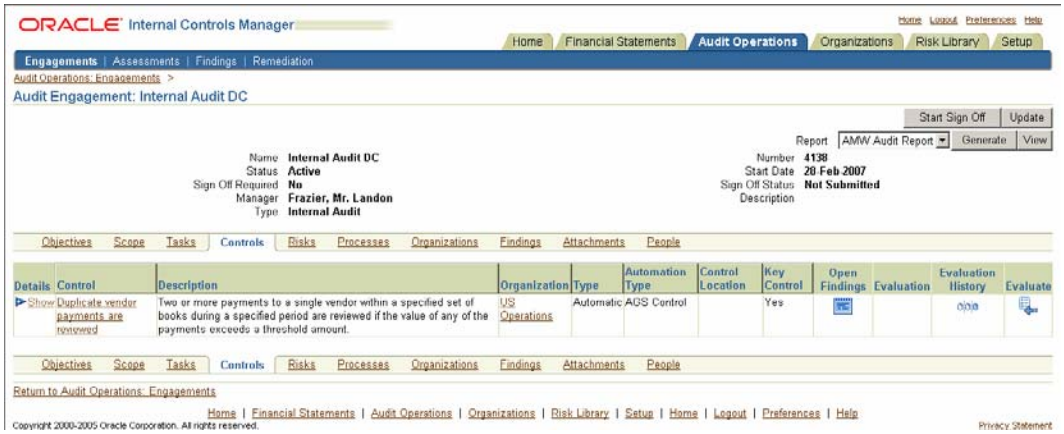
Conducting an Audit

To conduct an audit in ICM and, within that audit, review runs of ACTIVE Governance automations, begin by using standard Oracle procedures to create an "audit engagement." These include:

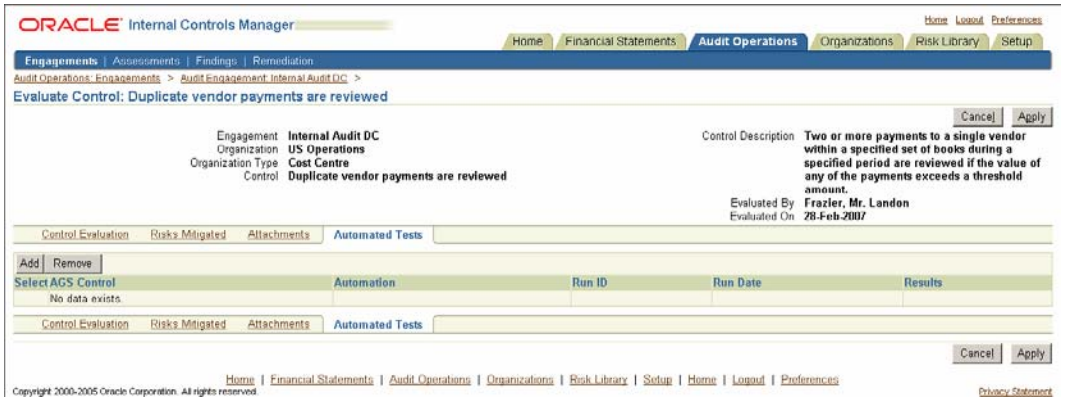
- Selecting the Audit Operations tab in ICM, clicking on the Create button in the Engagement List panel, and selecting an Engagement Type and a Template.
- Naming the engagement and selecting other setup values for it — an identifying number, a manager, a status, a start date, and optionally other values.
- Setting the scope of the engagement — selecting companies, lines of business, organizations, and processes to be included in the audit.

For details on these procedures, see Oracle documentation. When they are complete, ICM should display an Audit Engagement panel specific to the engagement you are creating.

1 In that panel, click on either of two Controls links (in the tan bands that run horizontally across the panel). The Audit Engagement panel then lists controls associated with the process you selected when you set scope.



2 Click on the icon in the Evaluate column for the control whose automation run you want to review. An Evaluate Control panel opens (as shown at the top of the next page).



3. Click on the Add button. A Search and Select dialog opens, displaying a list of automation test runs.
   - If your ICM control is associated with an ACTIVE Governance control that has one or more control monitors as its automations, the list consists of runs of those monitors.
   - If your ICM control is associated with an ACTIVE Governance control that has one or more SOD rules as its automations, the list consists of those rules.
4. Click on the check box for one or more of these test runs, and then click on the Select button.
5. The Evaluate Control form once again becomes active. Click on its Apply button.
6. The Audit Engagement panel once again becomes active. Click once again on the icon in the Evaluate column for the control with which you are working,
7. Then click on the icon that appears in the Results column. ICM displays a list of the control-monitor suspects or SOD conflicts generated for the test runs you've selected.

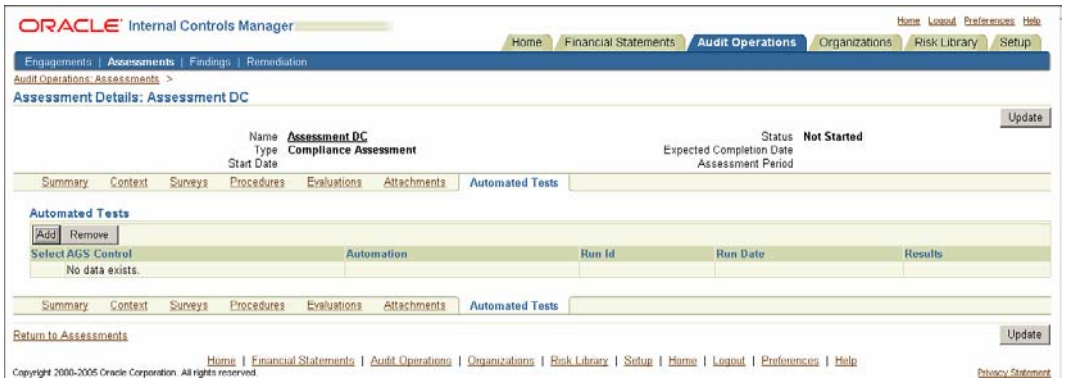
Assessments

As you create an assessment in ICM, you can include information about control monitors that serve as automations for the controls you are assessing. Begin by using standard Oracle procedures to create the assessment. These include:

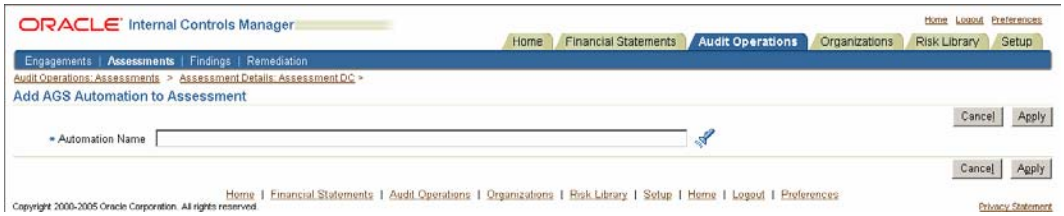
- Selecting the Audit Operations tab in ICM, and selecting the Assessments link in the blue band that runs across the top of the panel.
- Selecting the Create button, naming the assessment, selecting other setup values for it, and selecting the components you want to assess.
- Setting the context of the assessment — selecting the organizations, processes, and controls you want to assess.

For details on these procedures, see Oracle documentation. When they are complete, ICM should display an Assessment Details panel specific to the assessment you are creating.

1 In that panel, click on either of two Automated Tests links (in the tan bands that run horizontally across the panel). The Assessment Details panel then lists controls associated with the process you selected when you set context.



2 Click on the Add button. An Add AGS Automation to Assessment panel opens:



3 Click on the flashlight icon to the right of the Automation Name field. A Search and Select dialog opens, displaying a list of automation test runs. Select one (click on its radio button), and then click on the Select button.

4 The Add AGS Automation to Assessment panel once again becomes active, with the selected run displayed in its Automation Name field. Click on the Apply button.

5 The Assessment Details panel once again becomes active, with the selected run displayed beneath the Automated Tests heading and with an icon in the Results column. Click on that icon to view the results of the automation run.