

How to Succeed with JDE Security...

...without really trying?

Jae Kim, Enterprise Systems Manager
Westfield, Ltd.

Nathan Beaton, Developer & Business Data Analyst
Westfield, Ltd.

Cynthia Milenkovich, Western Region Account Manager
ALL Out Security

Westfield[®]



Six Pillars of IT

Enterprise

Infrastructure

Applications

Operations

Quality Assurance

Project/
Program Mgmt

Risk Mgmt



$$\frac{\text{IT} \cdot \text{ubiquity}}{\text{time}} = \text{Risk}^n$$

“IT’s intricacies are not always clearly explained or fully understood in many organizations, leading to unintended consequences.”

Ashwin Rangan
The Insightful CIO

$$\frac{\text{Risk}^n}{\text{AOS} \cdot \text{JDE}} = \text{Rapid Risk Reduction}$$

Return: Responsibilities to Business Managers; time to mission critical projects

Ensure: control of application/action code security; secure system without business disruption

Best Practices | Compliance | Internal efficiencies | Value Add



SOX Pre- & Post-

SOX : Restore Confidence in Financial Reporting

- Section 404 – Internal Controls
 - Security and Segregation of Duties



SOX & Auditing

Corporate Spend for SOX-related Auditing

- 168 companies; average revenues of \$4.7 billion,
 - average compliance costs --\$1.7 million
 - Survey scores of positive effect of SOX on investor confidence, reliability of financial statements, and fraud prevention *continue to rise.*

2007 FEI Survey (Annual)



2009 – Average Audit Fees

- Public & Privately Held Companies:

Average audit fees of companies with centralized operations were *significantly* < those with decentralized operations

- Public companies with centralized operations

- \$1.9 million for their annual financial statement audits

- Public companies with decentralized operations

- \$7.7 million

2009 FEI Survey (Annual)

Companies with decentralized operations paid over *4 times more* on audit fees than companies with centralized operations



SEC Interpretive Guidance (2004)

(Summary)

- Assess design/operating effectiveness of selected internal controls
- Understand the flow of transactions, including IT aspects
- Evaluate company-level (entity-level) controls
- Perform a fraud risk assessment; [Fraud Stats!]
- Evaluate controls designed to prevent or detect fraud, including management override of controls;
- Evaluate controls over the period-end financial reporting process
- Scale the assessment based on the size and complexity of the company
- Rely on management's work based on factors such as competency, objectivity, and risk
- Conclude on the adequacy of internal control over financial reporting.



SOX Outcomes

- Consumer Confidence increasing over time ☺
- New Economy exec compensation tied to share performance
 - aligning priorities
- Trade Secrets Assets = Financial Assets
- SOX & Concomitant SEC rules “strengthen” internal controls
 - improve companies’ ability to monitor costs/impact of economic espionage & trade secret thefts
 - Onus on BOD to ensure that management protects shareholder value (see Caremark shareholder derivative action in 1996)
 - BODs & Top Management > involvement with intellectual asset management and *information security* issues



SOX Outcomes (Continued)

- Relationship of Top Management & IT evolving & becoming more intimate
- Perception: IT Executives = corporate innovators,
 - > perceived value in the boardroom ...potentially impacting decision-making authority and compensation.
 - Can this happen fast enough?

SOX Outcomes - Continued

SOX Compliance (*Segregation of Duties*) becomes
Best Practice for Private Companies

- ✓ More competitive

 - >confidence: customers, vendors, suppliers

 - >internal efficiencies

 - with ALL Out applied:

 - 85%+ of efforts returned to mission

 - critical projects

- ✓ Eliminates/reduces risk of fraud related spend

 - Direct losses

 - Indirect losses

 - Litigation



ERPs...With Great Power Comes Great Responsibility

- JDE – Hugely powerful, flexible, scalable, customizable...
 - Originated in a pre-SOX world
 - Lacked
 - integration of Security & SODs
 - streamlined reporting solution that integrates Security & SODs
 - First gen reporting solutions emerge (beginning late 1990s)
 - Early solutions
 - solved the main problem, but
 - potentially created new ones
 - ALL Out Security: Solve problems without creating additional complexity
 - Work with the JDE tables/ JDE data = 180 degrees away from 1st gen solutions
 - Eliminate/streamline manual processes
 - Exceed 1st generation milestones
 - Set cornucopia of new standards



ALL Out Security

- Colorado Registered LLC
- Oracle Partner
- Software has been Validated by Oracle
- JD Edwards World and EnterpriseOne solution provider
- TRACE for IBM i – Database & Object Auditing
 - “Who used ODBC? What did they change?”
- Established in 2004 to address security and SOX issues faced by JDE clients
- ALL Out for E1 & World: Through to the 9s
- Nearly 300 customers have said “YES!” to ALL Out



EnterpriseOne Security

December 7, 2011

Strategic Value

- **Build Core Foundation**
 - Efficient and Accurate Processes
 - Timely and Accurate Data
 - Become Operationally Mature
- **Foundation for Future Success**
 - Lower Costs
 - Low Staff Turnover / Retain Knowledgebase
 - Operational Excellence is a Habit
- **Poised for Greater Value**
 - Formulate and Execute Break Away Strategies
 - Focus on Advanced Projects

Strategic Value

- **Business Process**

- Building Block of the Core Foundation
- Design Sound Solutions and Deliver
- “Done” – Avoid Production Support Nightmare

- **Security’s Value**

- SOX, Audit
- Significant enforcer/enabler of the Business Process
 - Organizational Mirror
 - Segregation of Duties, Master Data Management, Data and Process Security

- **Allout Security’s Value**

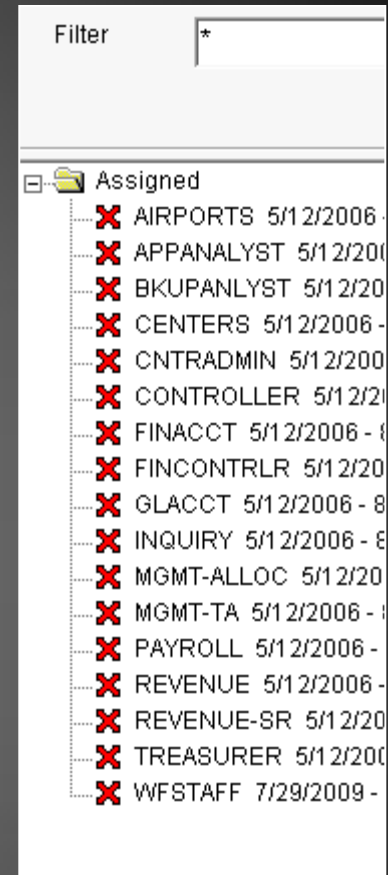
- Once Defined Execution is Rapid and Easy
 - Security Often Neglected - Prod Support Nightmare Contributor
 - Focus on Process vs. Mechanics
 - Tipping Point of Maturity - Timely Reaction to Changing Conditions

Agenda

- **The Problems**
- **The Goals**
- **The Solution**
- **The Implementation**
- **The Outcome**

The Problems

- **Security through obscurity**
- **Lack of reporting tools**
- **Multiple roles per user**
- **Few standards governing access levels**



The Goals

- **Security by design (deny all, grant back)**
- **Standardization of security**
- **What should each user be able to access?**
- **Solution can be managed by a small staff**

The Solution - ALLOut

- **Immediate reporting benefits**
- **Reduced solution development time**
- **Reusable building block concept**
- **One role per job title, one role per user**

The Implementation

- Menu filtering was used to create security

The screenshot displays a software application window titled "200950 - [Work With User/Role Security]". The window has a menu bar with "File", "Edit", "Preferences", "Form", "Window", and "Help". Below the menu bar is a toolbar with icons for "Select", "Find", "Copy", "Del...", "Close", "Seg...", "New...", "Dis...", and "Abo".

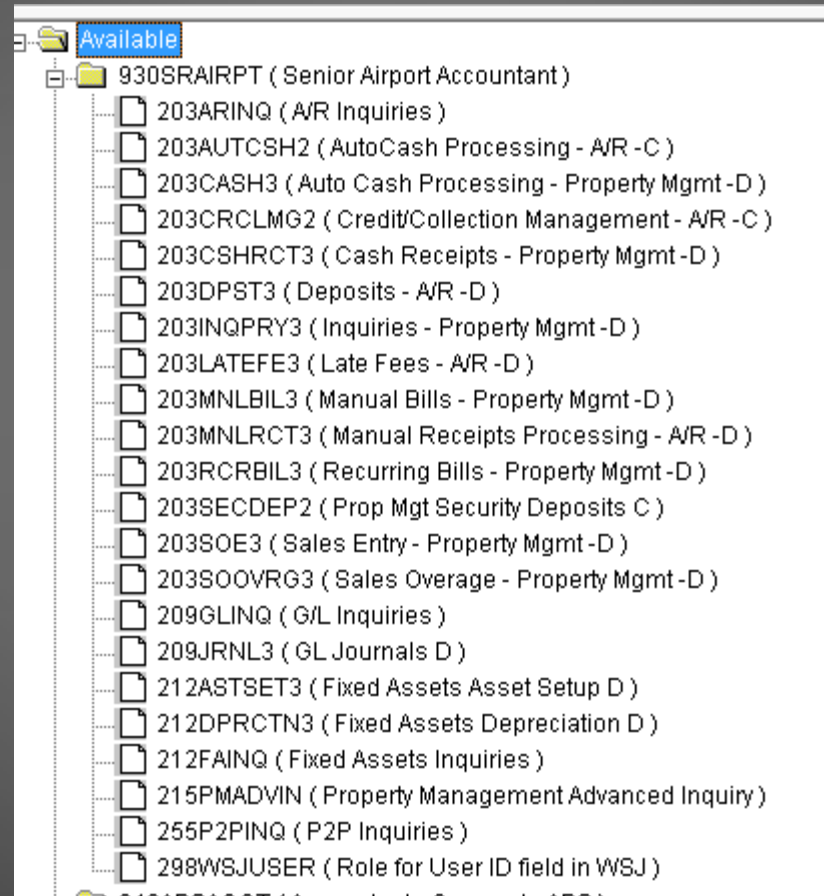
The main area of the window is divided into two sections. The top section shows a tree view of the application's menu structure. The "Check Runs" folder is expanded, showing sub-items: "Change Status", "Create Pmt Groups", "Work w/ Pmt Groups", and "Work w/ Exp Pmt Groups". Each sub-item has a green checkmark icon next to it.

The bottom section of the window displays a table with the following columns: "User / Role", "Object Name", "Object Description", "Security Type", "Description", "Run", and "Install". The table contains 13 rows of data, all for the user/role "204CKRUN3".

User / Role	Object Name	Object Description	Security Type	Description	Run	Install
204CKRUN3	P0911B	General Journal Review	3	Application Security	Y	Y
204CKRUN3	P983050	Version List - Search & Select	3	Application Security	Y	Y
204CKRUN3	P986116	Work With Servers	3	Application Security	Y	Y
204CKRUN3	R04570	Create Payment Control Groups	3	Application Security	Y	Y
204CKRUN3	R04570M	Create Manual Payment Control	3	Application Security	Y	Y
204CKRUN3	R04571	A/P Auto Payments - Print Driv	3	Application Security	Y	Y
204CKRUN3	R04572	Print Automatic Payments - Sta	3	Application Security	Y	Y
204CKRUN3	R04572T1	Create A/P Bank Tape - PPD For	3	Application Security	Y	Y
204CKRUN3	R04572T2	Create A/P Bank Tape - CTX For	3	Application Security	Y	Y
204CKRUN3	R04573	A/P Check Processing - Special	3	Application Security	Y	Y


The Implementation

- **Combination Roles**



The Implementation

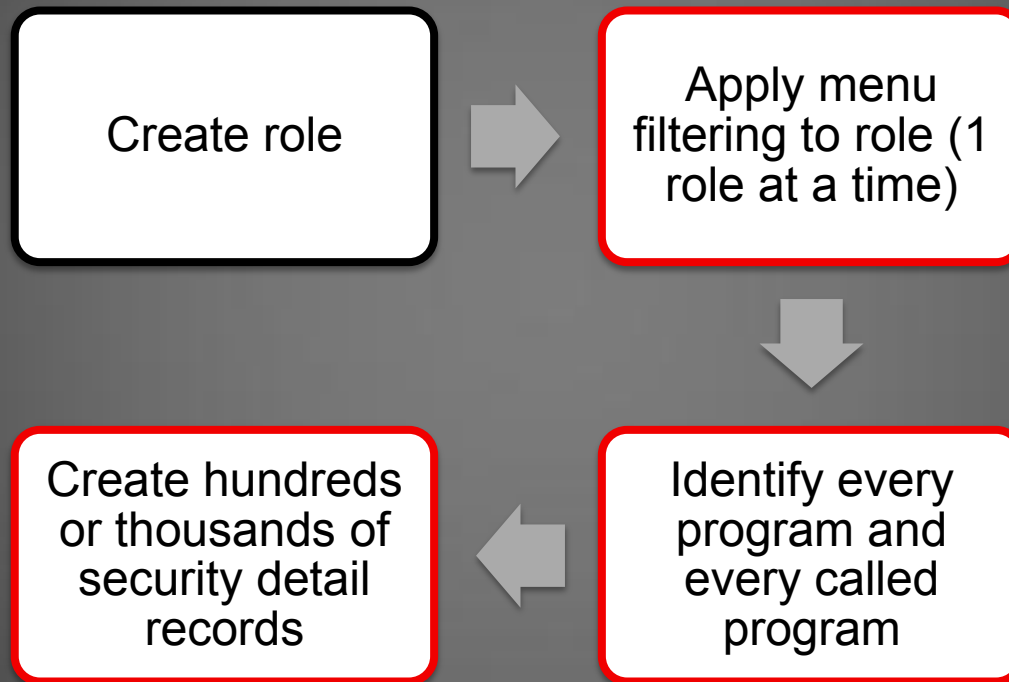
- With ALLOut

User	<input type="text" value="02"/>	<input type="text" value="Procure to Pay (P2P)"/>	<input type="text" value="WF031077"/>	<input type="checkbox"/> Exits	<input type="checkbox"/> UBEs	<input type="checkbox"/>	
Show (for Programs on Tasks)		Show Lines		Security Updates			
<input checked="" type="checkbox"/> Object	<input type="checkbox"/> Form	<input type="checkbox"/> Version	<input checked="" type="checkbox"/> If no Flag	<input checked="" type="checkbox"/> Folders	<input checked="" type="checkbox"/> Grid Integrity	<input checked="" type="checkbox"/> Use Inherited 	
Roles / Users 1 - 5				Roles / Users 6 - 10			
<input type="text" value="255ADVNCDD0"/>	<input type="text" value="255ADVNCDD3"/>	<input type="text" value="255AIQ3"/>	<input type="text" value="255ARAPNT0"/>	<input type="text" value="255ARAPNT3"/>	<input type="text" value="255CRTVCH0"/>	<input type="text" value="255CRTVCH3"/>	<input type="text" value="255CSTRPT0"/>

Line Type	Task Name	Task ID	Called Form	Called Version	Object Name	Secure Form	Secure Version	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Folder	=1 Procurement Approval	WF031251						#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#
Task	=1 == Approve PO	JDE030574	W43081A	WFD0002	P43081			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Task	=1 == Approval Delegation	WF-CORP-PUR-AD	W43280A		P43280			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Folder	=1 Advanced - Procurement	WF031367								#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#		
Task	=1 == Approval Level Revisions	WF031370	W43008A	ZJDE0001	P43008					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Folder	=1 Inquiries	WF031570						#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#		
Task	=1 == Address Book Inquiry	WF031572	W01012B	WFD0001	P01012			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Task	=1 == A/B Word Search	WF031374	W01BDWR		P01BDWRD			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Task	=1 == Vendor Master Inquiry	WF031573	W04012D	WFD0001	P04012			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Task	=1 == Supplier Ledger Inquiry	WF031574	W0411G	WFD0001	P0411			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		

The Implementation

- With standard security programs



The Outcome - SOD

- **Define critical processes or tasks**
- **Catch problems during implementation**
- **Decrease the amount of time spent on audit requests**

The Outcome

- Successful rollout to 800 E1 users
- 200 defined functions with about 70 CombiF
- Periodic segregation of duties review
- Reduced turnaround time for security change

Assigned	
✓	940ACCADV 8/24/201
✗	AIRPORTS 5/12/2006
✗	APPANALYST 5/12/20
✗	BKUPANLYST 5/12/20
✗	CENTERS 5/12/2006 -
✗	CNTRADMIN 5/12/200
✗	CONTROLLER 5/12/2
✗	FINACCT 5/12/2006 -
✗	FINCONTRLR 5/12/20
✗	GLACCT 5/12/2006 - 8
✗	INQUIRY 5/12/2006 - 8
✗	MGMT-ALLOC 5/12/20
✗	MGMT-TA 5/12/2006 -
✗	PAYROLL 5/12/2006 -
✗	REVENUE 5/12/2006 -
✗	REVENUE-SR 5/12/20
✗	TREASURER 5/12/20
✗	WFSTAFF 7/29/2009 -