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How an HR to Financials Interface helps with Sarbanes – Oxley Compliance issues

Linda Easton, GMACCM

Kelli Offshack, USi

Agenda

- Company Overview
- Sarbanes-Oxley Issues
- Functional Considerations
- Technical Considerations
- Sarbanes-Oxley Solutions
- Q&A





Company Overview



GMACCM Overview

- GMACCM, a wholly-owned subsidiary of GMAC Commercial Holding Corp., is a premier financial services firm with extensive funding sources that, coupled with a broad menu of innovative financing programs, serve the needs of borrowers of commercial real estate debt as well as the providers of such capital.
- GMACCM is an industry leader in loan origination, servicing, asset management, investment management and technology services.
- GMACCM has a servicing portfolio of more than \$247 billion and provides a variety of financing products and services including permanent, interim, mezzanine and construction lending as well as equity capital.
- GMACCM has specialized lending units focused on healthcare, hospitality and construction lending.



Company Overview: GMACCM PeopleSoft Modules in Production

- Core HRMS
- Benefits Administration
- eBenefits
- Payroll Interface
- Time & Labor
- FSA Administration
- COBRA Administration
- Benefits Billing
- Web Check
- eProfile & eProfile Mgr
- eCompensation & eCompensation Mgr
- Position Management
- Training Administration
- Recruit Workforce & eRecruit Manager
- Limited HR Portal
- General Ledger
- Accounts Payable
- Asset Management
- Purchasing
- Expenses
- Business Planning
- Budgeting



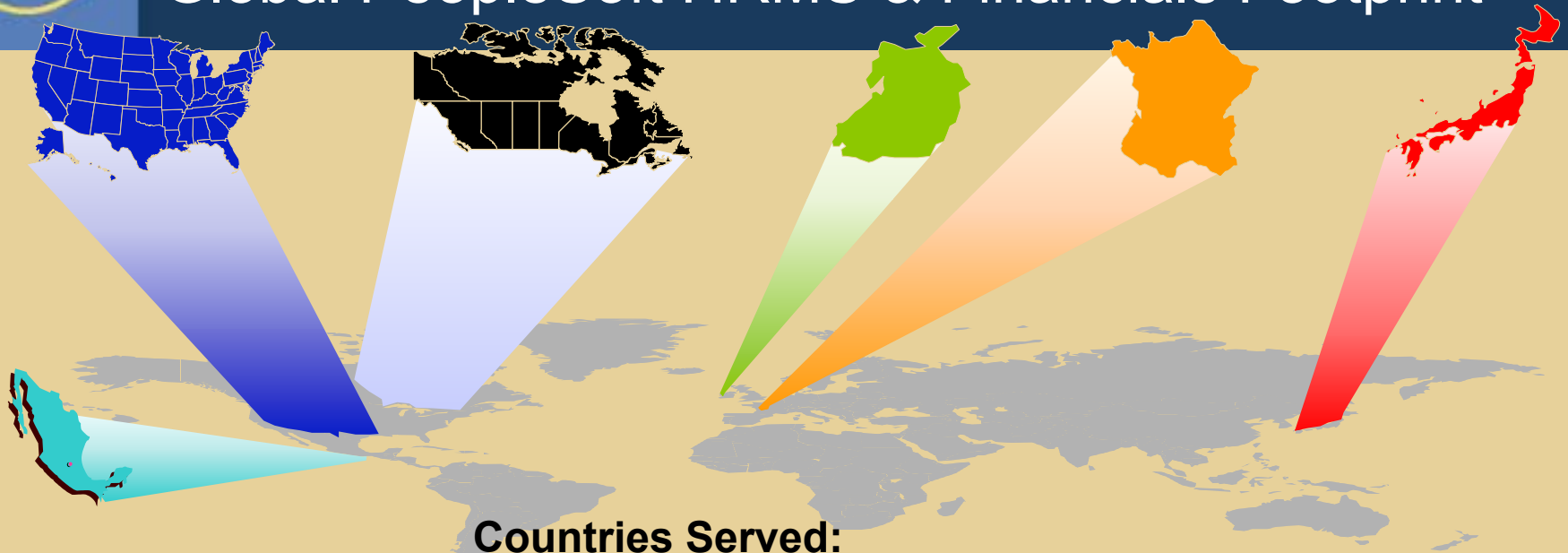
GMACCM Overview

- Total Number of Locations
 - 115 Worldwide Offices
 - 95 U.S. Offices in 31 States
 - 20 International Offices
 - Headquartered in Horsham, PA
- Total Number of Employees
 - 3,150 Worldwide Employees
 - 2,467 U.S. Employees
 - Over 609 U.S. Managers



GMACCM Overview

Global PeopleSoft HRMS & Financials Footprint



Countries Served:

- **United States**
 - GL / AP / AM / T&E / PO / HR
- **Canada**
 - GL / AP / AM / T&E / PO / HR
- **Mexico**
 - GL / AP / HR
- **Ireland / UK**
 - GL / AP / AM / T&E / PO / HR
- **France**
 - GL / AP / AM / T&E / PO / HR
- **Asia**
 - GL / AP / T&E / HR



Company Overview

The value of partnerships



PeopleSoft®



USi Overview

- Headquartered in Annapolis, Maryland
- Privately held, owned by Bain Capital
- Serving more than 150 world-class organizations in over 30 countries, 450 employees
- PeopleSoft hosting, application management and business process outsourcing services since 1996
- The majority of USi's PeopleSoft customers are on their second multi-year outsourcing contract
- PeopleSoft Certified Hosting Partner
- Oracle Certified Hosting Partner





Company Overview

USi/GMACCM Partnership

GMACCM chose USi for PeopleSoft Financials Hosting in 2001

- Initial partnership began with an application upgrade from 7.5 to 8.0
- Transition hardware and application hosting to USi Annapolis Data Center
- Contract renewed with USi in May, 2004

GMACCM has continued to partner with USi in several of it's global implementation efforts including:

- European implementation – Ireland, UK, France, Portugal
- 8.4 upgrade
- Japan implementation
- Multiple PeopleTools upgrades
- Continuous improvement with system enhancements





Sarbanes-Oxley Issues



Sarbanes-Oxley Issues

Section 404 (in a nutshell):

- Management must establish and maintain an adequate internal control structure.
- Independent auditors must attest to, and report on, the assessment made by management.

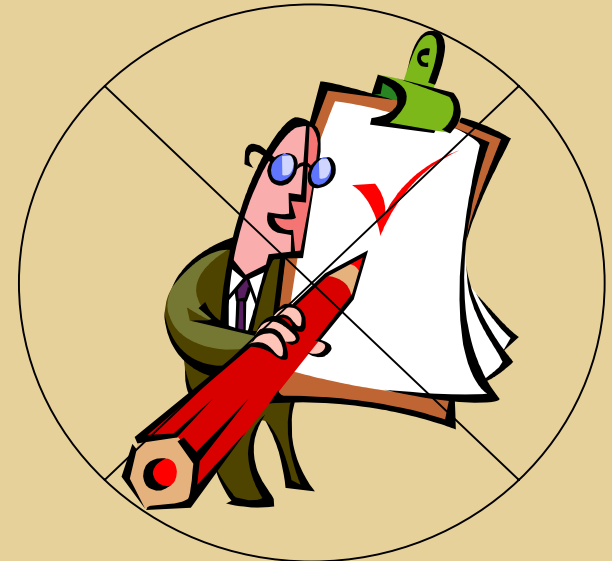


Internal Control Structure for PeopleSoft Financials Security

- Legacy security process flow were 100% manual, prone to error and omission. *Forms were needed for everything.*
- Legacy security process flow had no automatic processing of new users, users changing departments or users leaving company.

Risk: Unauthorized access to PeopleSoft Financials

Goal: Tighten security through standardized and efficient policies, practices and procedures.





Functional Considerations



Functional Considerations

Defined Project Scope:

- Automate creation of new users for Japan, US and Europe
 - Grant Self-Service Access only
- Automate deletion of terminated users for Japan, US and Europe
- Automate stripping of roles for users who change departments for Japan, US and Europe
 - User maintains Self-Service role; user's department is automatically updated.

Self-Service = T&E & Purchasing Requisitions



Technical Considerations



Technical Considerations



- Created custom SQR coding due to:
 - Current PS application and tools levels
 - Separation/arrangement in support of HR and FIN regions
 - Easily available SQR knowledge
 - Quick turn around time needed for delivery of process
 - Real time updates not needed
- Prior to beginning coding, we worked out mapping details from HR to FIN and noted exceptions needed for SQR. Ensure all functional resources sign off on exceptions.
- Needed to minimize manual intervention for maintenance as well as mapping details.
- Build in historical reporting for easy of S-O validations.



Technical Considerations

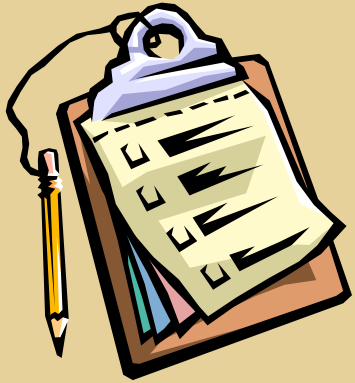
Technical Tips

- Future support – think past the interface
- Update your documentation
- Create a detailed test plan with employee cases representing exceptions as well as ‘normal’ processing– This helped the technical team



Technical Considerations

Technical Lessons Learned

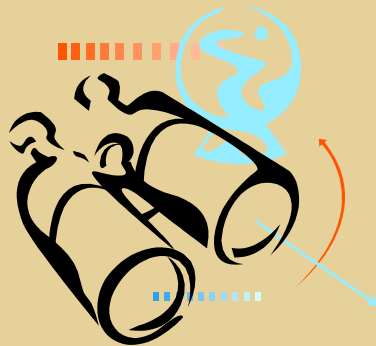


- Decision made to accept all data from HR and use the FIN SQR to select needed information. This was a good plan as new changes have required data not utilized in the first pass of the load. This allowed us to only make modifications on the 'Fin' side.
- Ensure test plan uses controlled subjects (created employees to see specific results) as well as full real data in a test run.
- Build in reporting flexibility. Moved from SQR output report, to custom table for historical reporting.



Overall Project Lessons Learned

- Involve all parties from the beginning (HR, Security, Technical, Functional)
- Ensure Senior Management Buy-In
- Can you do too much at once?
- Can you overestimate cultural differences?
- Test, Test, Test
- Communicate, Communicate, Communicate





Sarbanes-Oxley Solutions

- Automatic maintenance of Employee security process flows.
- No unauthorized access to sensitive PeopleSoft Financials data
- All “specialized” security access to PS FIN is pre-approved.
- Management can easily attest to internal control structure.



Questions?

Linda Easton

GMACCM

AVP, Global Financial Systems

215-328-1821

Linda_Easton@gmaccm.com

Kelli Offshack

USi

Client Executive

610-409-0218

Kelli.Offshack@usi.net

