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Oracle Audit - Does it have to be so painful?

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Oracle's terms and conditions of use state that an audit can (and arguably should) take place every two to three years. This can be a useful exercise but it's the frequency and conduct of auditing that often raises questions within the user community.

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It's also noticeable that Oracle's audit activity has increased dramatically. It's very likely that you will experienced audit or JPE "review" in the last year or two and will do so again in the near future.

Here at dsp, as UKOUG Partner of the Year, we've identified a number of key concerns and hopefully some insight on how to address them:

Oracle (or JPE Partners) target customer IT

It seems obvious but the correct approach for an audit would be through Finance, Compliance or Legal departments to ensure good governance of the process. If the initial engagement starts with IT, how prepared is the team to respond? IT is usually more than capable than completing the steps (OSW, scripts etc.) but what should be provided is key as well as the how's, why's and when?

So what are the options?

- Involve the relevant departments early. Again this seems obvious but it's worth restating. If the approach has come to IT, engage all key stakeholders as the audit isn't going to go away. If Finance or

Legal are approached initially then clearly IT's help will be needed to deliver the audit's requirements.

- If it's a JPE Partner Review (read LMS audit) you can challenge the partner's involvement and request direct review (clearly if the JPE Partner is known to you then you may wish to keep them in place. In the event.
- One of the common options is to engage a third party specialist to help with that review – not just in delivery but in commercial negotiation. It pays to have the knowledge to challenge the auditing party and have a second opinion on any resolutions presented.

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Is it really declaratory or is it discovery?

The constituent part of an Oracle review appears initially to be declaratory and it's called the Oracle Server Worksheet (OSW). However alongside this you will be asked to run scripts to verify the results. These scripts always have primacy over the OSW, meaning the review is essentially discovery. In addition, if you run a virtualised platform you may be asked to provide screenshots of that environment even if those environments don't appear to logically relate to your Oracle deployment.

So what should I do?

- Providing the information is in the main unavoidable but there are some exceptions to the rule of OSW declaration and script requirements. It's worthwhile seeking guidance on what those exceptions are and whether they can apply to you.
- Be careful with virtualisation - seek guidance before you do this (or even when you have done it) and even where you have used OVM. The contractual framework around what you can and cannot do is not clear and third party advice is essential in the case of a dispute.
- Oracle gives you the keys to the kingdom when you install. Talk to your advisor to understand what you have used, when and whether it is still needed. You may not need the that Management Pack or Option after all.

2

Know your Business

Once the reviewing party has all your details then they compare it to the existing licence assets Oracle has on record. It's essentially the difference between the list of assets (and how they are applied) compared to the requirements gathered by the discovery phase that determines if you have a licensing issue that needs a resolution.

How does this help?

- Oracle may not know of the changes within your business. An understanding of company structure, subsidiaries and name changes affect your licensing needs is essential. How do you track merger, acquisition and divestment

activity? Is your business part of an ownership group that has overseas HQ? All are relevant and need to be understood.

- Use your advisor to guide you through how best to set up your licensing before the review is completed and if you can't make sure they provide you with the right advice so that in future licence assets are as flexible and managed correctly.

What does the resolution presented mean?

Once the review is completed you will have been presented with a formal review document stating the licence position based on the discovery phase and an analysis of the licensing grant. If there is an issue, it will be shown in stark contractual terms (list price, back-dated support fees etc). You will have 30 days to resolve and expect your Oracle direct rep and your JPE Partner rep to be chasing you.

What should I do?

- Ultimately if there's a contractual obligation then there will need to be a settlement for that. But know that it nearly always a settlement and there is flexibility in the resolutions on offer. Use your advisor to challenge the findings where appropriate, argue the case for future usage (or not) and agree best commercial terms.
- In the happy event you have too many licences, again, engage your advisor to ensure you exit the licensing agreements you do have in the correct way. Too many times a large CSI number has products removed in the expectation that support fees will lower only for a customer to discover the following year that the opposite is true.
- Where you've identified that the structure of your licensing needs to change during the audit - follow through on those actions post audit - Oracle will audit again
- Use your advisor in conjunction with Procurement and Finance to fully understand that you have the best possible commercial resolution and that does not just relate to discount or adding Oracle Cloud products to the mix. Understand with your advisor the TCO of the Oracle estate and get the terms of resolution you need to reduce that as far as it can be under the terms of the settlement.

For further advice and assistance if you're under audit, are expecting audit or indeed are post audit and want to review the process, please do not hesitate to talk to us. We continue to assist the OUG and community in the UK as the UKOUG's Partner of the Year and this continues to be one of the greatest risks and concerns our community is talking about.

Did you know Microsoft Azure guarantees 99.95% availability? This means that the service can be down for up to 4 hours in a year. How much lost revenue does this equal to?