# Deloitte.

**SAP**

Ready for action
Deloitte SAP GRC Process Control
Rapid Deployment Solution Pack

# Ready for action

Governance, risk management and compliance are becoming increasingly critical for organisations in all industries across the world. New security risks, increasing fraud and heightened scrutiny threaten any business that cannot adequately manage and monitor a Governance, Risk and Compliance (GRC) framework across their business. But doing so has traditionally been a costly and time-consuming exercise – however, with the Deloitte SAP GRC Process Control Rapid Deployment Solution Pack, your organisation can benefit from:

- A scalable starter kit for the implementation of control automation and control continuous monitoring;
- Significantly improved efficiency of internal controls and compliance management; and
- Reduced cost of audit and governance due to a reliable and automated control environment.
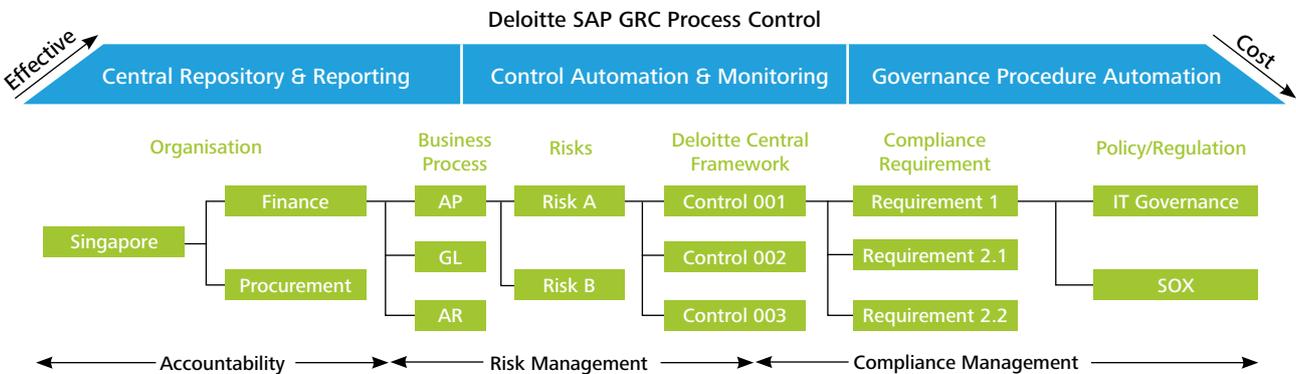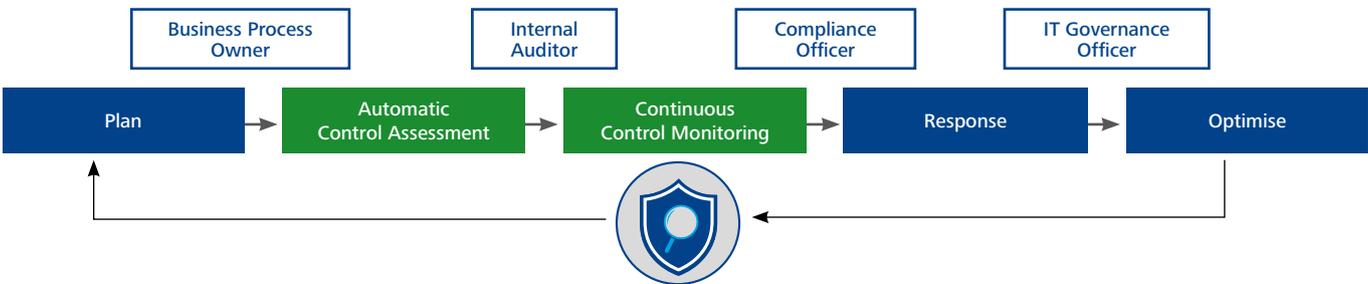
## What are the challenges facing organisations currently?

Regardless of the size and nature of the organisation and the industry sector, there are 6 main challenges that our clients consistently tell us that they face:

Managing a decentralised control framework & excel format controls matrix is unproductive and ineffective.

Manual testing and audit are tedious, ineffective and not comprehensive.

Ever-increasing cost from compliance and internal control.

Manual assessment on business and IT processes & control effectiveness can only be done on a yearly basis.

'Reactive' instead of 'proactive' approach in managing issues and remediation.

Fear of uncertainty due to lack of transparency coupled with inefficient controls.

## How can Deloitte SAP GRC process control help for the future?

By automating the GRC process and providing a framework for continuous monitoring, the Deloitte SAP GRC Process Control Rapid Deployment Solution Pack helps significantly increase efficiency while reducing cost:

| Business Process Owner | Internal Auditor | Compliance Officer | IT Governance Officer |
|---|---|---|---|

| Plan | Automatic Control Assessment | Continuous Control Monitoring | Response | Optimise |
|---|---|---|---|---|

### Deloitte SAP GRC Process Control

| Effective → | Central Repository & Reporting | Control Automation & Monitoring | Governance Procedure Automation | ← Cost |
|---|---|---|---|---|

| Organisation | Business Process | Risks | Deloitte Central Framework | Compliance Requirement | Policy/Regulation |
|---|---|---|---|---|---|
| Singapore — Finance | AP | Risk A | Control 001 | Requirement 1 | IT Governance |
| | GL | | Control 002 | Requirement 2.1 | |
| Procurement | AR | Risk B | Control 003 | Requirement 2.2 | SOX |

← Accountability → ← Risk Management → ← Compliance Management →

- The risk and control framework is managed systematically with the integration of organisation, business process and compliance requirements;
- Transparency energy flow is established for Continuous Compliance Monitoring;
- Business Process Owners are informed timely when an exception requires their attention;
- Compliance Officers get deep visibility on the status of compliance requirements;
- Internal Audit is able to monitor risk & controls across business processes; and
- The IT Governance Officer is more confident that systems are being used properly.

# So what's in the package?

Below is an example of control automation and monitoring in the Deloitte SAP GRC process control Rapid Deployment Solution Pack.

| | | Procure to Pay Pack | Order to Cash Pack | Finance and Controlling Pack | IT Governance Pack |
|---|---|---|---|---|---|
| **Powered by Deloitte** — Automated Control | Master Data Monitoring | • Incomplete or duplicate vendor master. <br>• Redundant material master data. | • Incomplete or duplicate customer master. <br>• Inarguable changes made to sales pricing conditions. | • Changes made to key fields of General Ledger (GL) account master. <br>• Missing or incomplete asset master records. | • Changes made to client parameters setting. <br>• Unusual changes to system profile. |
| | Transaction Monitoring | • Purchasing order created on/after the invoice receiving date. <br>• Exceptions in 2-way and 3-way matching. | • Credit memo is issued without goods receipts / return. <br>• Sales orders are booked and subsequently cancelled by same person. | • Back dated accounting entries. <br>• Unusual accounting entries. <br>• Vendors / Customer are paid though cash journals. | • Unusual changes to critical SAP R/3 tables. <br>• Changes to configuration and programs directly in the production environment. |
| | Sensitive access protection and SoD Monitoring | • User with access to maintain vendor master can also raise PO. <br>• Access to release blocked vendor invoice is restricted to appropriate personnel. | • Sales orders and customer credits are managed by same person. <br>• Access to remove credit blocks is restricted to appropriate personnel. | • User with access to maintain post GL journals and maintain posting period. <br>• Access to manually written-up fixed asset depreciation is appropriately restricted. | • Basis Development and client administration are managed by same person. <br>• Access to change system parameters or archiving transaction documents are appropriately restricted. |
| | Application configuration monitoring | • Vendor master records with 'Double invoice flag' turned OFF. <br>• Purchase orders are raised only after a purchase requisition has been approved. | • System dual control on sensitive customer information changes. <br>• Sales orders cannot be raised against customers that have been flagged for deletion. | • Company codes which allow negative posting. <br>• Unusual settings for FI tolerance groups (high allowable revenue for customer or vendor payment differences). | • Changes to configuration and programs directly in the production environment. <br>• Password and/ or user access parameters. |
| **Manual Control** | Control self-assessment / review | • Cancelled purchase orders are reviewed by management. <br>• Overdue purchase orders are reviewed. | • Bad debt is appropriately monitored and managed. <br>• Changes to credit limits are subject to appropriate review. | • Accounting records are closed and reconciled in a timely manner. <br>• Cost centre commitments are carried forward according to procedure. | • Change Management policies and procedures are established. <br>• Batch input programs are executed and completed on a timely basis. |

**Powered by SAP GRC Process Control Program**

## Powered by SAP

• Various management dashboards
• Real time GRC management report
• Deep visibility to transaction level

• Organisation, process, control, regulation
• Accountability
• Audit and compliance evidence

**Management Reporting**

**Central Repository**

**Issue Remediation**

**Auto Control Assessment and Monitoring**

• Online workflow-based issue management
• Issue and remediation tacking

• Integrate SAP and Non-SAP system
• 100% data selection and analysis
• Near real-time control monitoring

| Collaborate people <br>**Business and IT** | Integrate systems <br>**SAP and Non-SAP** |
|---|---|

## So what's next?

1. Select the solution pack(s) which meets your governance requirements

2. Deloitte to tailor the solution pack to fit your detailed business processes and environments

3. Deloitte to technically deploy the solution pack (preconfigured SAP GRC Process Control solution)

4. Operate your GRC Process Control solution

## How long does it take?

An end-to-end project for a single solution pack, e.g. Procure to Pay Pack, will be completed in 4 – 6 months.

A phased deployment approach is recommended for multiple solution packs.

## Find out more

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