SAP
GRC

Profile

BUSINESS Valuation

FINANCIAL Modelling

DATA Analytics

SAP FICO Consulting

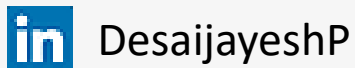## Jayesh P Desai & Co.
Cost Accountants

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CMA Jayesh P Desai
Practicing Cost Accountant

FCMA, CFA, CISA
CIA, PMP, UCLA (PGPX)
Registered Valuer (IBBI)

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 DesaijayeshP

- Practicing Professional (Since 2017)
  - Business Valuation
  - Data Analytics – Product Costing, Pricing & Profitability Analysis
  - SAP Consulting & Training
- Key Accomplishments
  - Developed Financial Model for Start-up in areas such as Blockchain, AI, Data Analytics, Gaming, Online Education, E-commerce, Electric Vehicle
  - Valuation of early and funded start-up, matured companies, CIRP under Companies Act, FEMA, IBBI and other needs
  - Data Analytics for manufacturing companies in power, Consumer Durables, Injection Molding, Textiles
  - SAP trainer for Institute of Cost Accountants of India. Conducted 2 sessions of 60 hours each with 150 participants
  - Conducted several Webinars on SAP for Finance Professionals for over 200 participants
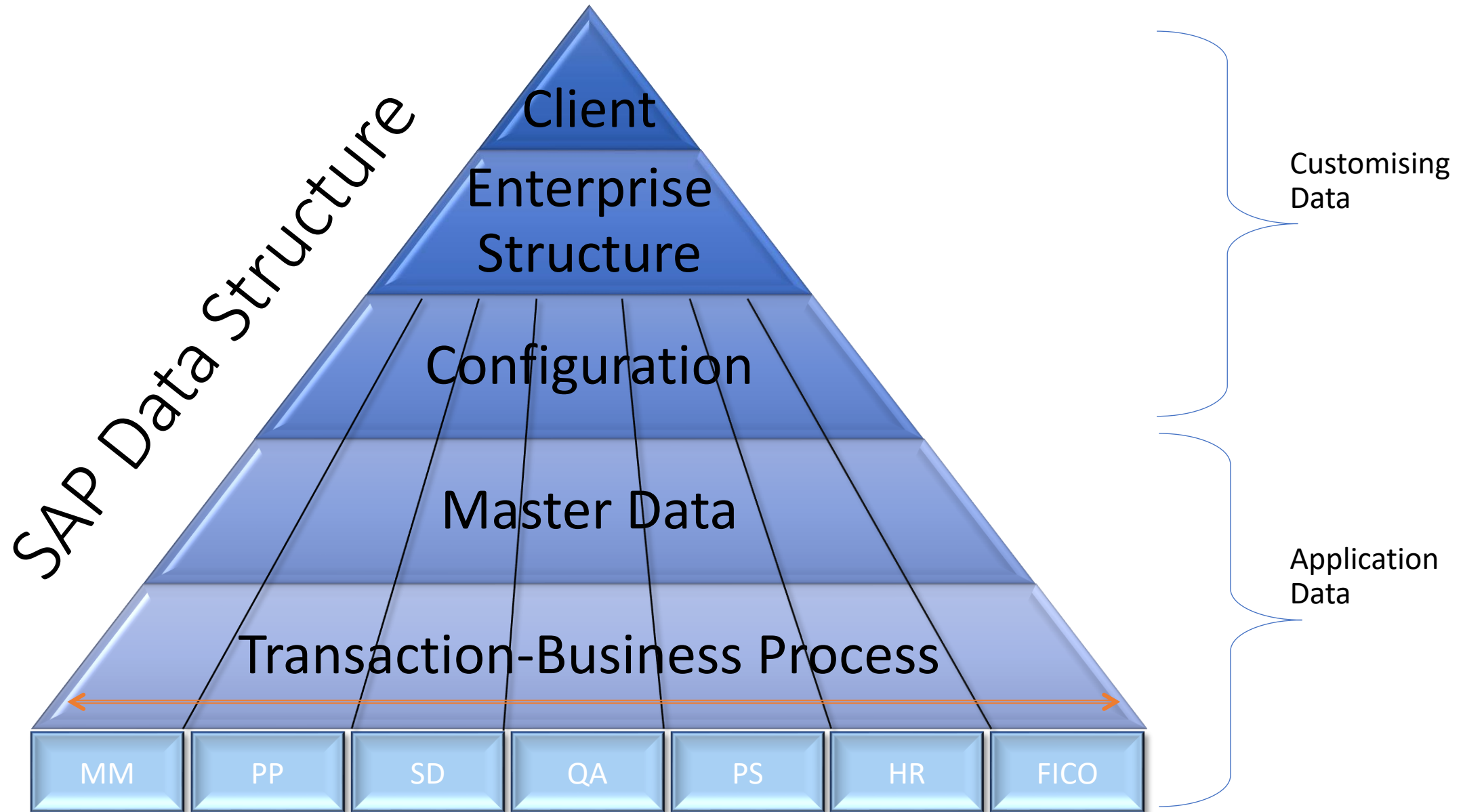
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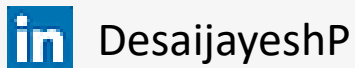
- Corporate Professional (1991-2016)
  - Financial Accounting, Product Costing, Profitability Analysis, Internal/ System Audit, Corporate Restructuring
  - SAP Implementation, Data Analytics, Project & Delivery Management
  - Building Global Teams & Leadership, Leading Innovation
- Key Accomplishments
  - Worked with General Mills, IBM, Colgate, Bayer, Shaw Wallace, General Motors
  - Over 20 years SAP experience as delivery manager, consultant and power user
  - Implemented 4 SAP FICO projects with integration
  - Domain experience in Finance & Controlling in SAP environment
  - Specialised in SAP Controlling (CCA, PC, COPA, PCA)
  - Lead & Delivered global SAP & Data Analytics projects. Managed Global Teams in India, US, UK
  - Lead Innovation and Data Analytics initiatives across various functions and countries

SAP Data Structure

Client

Enterprise Structure

Configuration

Master Data

Transaction-Business Process

MM | PP | SD | QA | PS | HR | FICO

Customising Data

Application Data

GRC

A governance, risk, and compliance (GRC) framework helps an organization

• align its information technology with business objectives,

• managing risk and

• meeting regulatory compliance requirements.

Governance

- Governance is the set of rules, policies, and processes that ensures corporate activities are aligned to support business goals. It encompasses ethics, resource management, accountability, and management controls

- Ensures top management can direct and influence what is happening at all levels of the corporation and that business units are aligned with customers' needs and overall corporate goals

- Provides control over facilities and infrastructures, such as <u>data centers</u>, as well as oversight of applications at the portfolio level

- Good governance defines jobs based on lines of business and evaluates employees based on results achieved rather than based on responsibilities.

Risk Management

- Risk management is the process of identifying, assessing, and controlling financial, legal, strategic, and security risks to an organization.

- At the broadest level, risk management is a system of people, processes, and technology that enables an organization to establish objectives in line with values and risks.

- A risk management program also applies to identifying cybersecurity and information security threats and risks—such as software vulnerabilities and poor employee password practices—and implementing plans to reduce them.

- The program should assess system performance and effectiveness, assess legacy technology, identify operational and technology failures that could impact the core business, and monitor infrastructure risk and potential failure of networks and computing resources.

- By focusing attention on risk and committing the necessary resources to control and mitigate risk, a business will protect itself from uncertainty, reduce costs, and increase the likelihood of business continuity and success.

Compliance

- Compliance involves adhering to rules, policies, standards, and laws set forth by industries and/or government agencies. Failing to do so could cost an organization in terms of poor performance, costly mistakes, fines, penalties, and lawsuits

- Regulatory compliance covers external laws, regulations, and industry standards that apply to the company

- Corporate or internal compliance deals with rules, regulations, and internal controls set by an individual company. It is important for the internal compliance management program to be integrated with external compliance requirements

- The integrated compliance program should be based on a process of creating, updating, distributing, and tracking compliance policies and training employees on those policies

- To create an effective compliance program, organizations need to understand what areas pose the greatest risk and focus resources on those areas. Then, policies should be developed, implemented, and communicated to employees in order to address those areas of risk. Guidance should be developed to make it easier for employees and vendors to follow compliance policies

SAP GRC

- SAP Governance, Risk and Compliance solution enables organizations to manage regulations and compliance and remove any risk in managing organizations' key operations. As per changing market situation, organizations are growing and rapidly changing and inappropriate documents, spreadsheets are not acceptable for external auditors and regulators

- SAP GRC helps organization to manage their regulations and compliance and perform the following activities −

  - Easy integration of GRC activities into existing process and automating key GRC activities.
  - Low complexity and managing risk efficiently.
  - Improve risk management activities.
  - Managing fraud in business processed and audit management effectively.
  - Organizations perform better and companies can protect their values.
  - SAP GRC solution consists of three main areas: Analyze, manage and monitor

SAP GRC Modules

- SAP GRC Access Control
- SAP GRC Process Control
- SAP GRC Risk Management
- SAP Fraud Management
- SAP GRC Audit Management
- SAP GRC Global Trade Services
- SAP GRC Capability Model
- SAP Business Role Management
- SAP GRC Access Risk Analysis
- SAP GRC Emergency Access Management

SAP GRC Access Control

- SAP GRC Access Control is software that assists companies to detect and prevent access risk violations across SAP systems.
- It also helps in cutting down the expenses of compliance and control.
- This application comes with customizable workflows and processes for changing roles.
- With the risk analysis engine, the app reduces the time taken for approving access to various IT systems.
- It offers users self-service access submission and access requests for better access control.

SAP GRC Process Control

- This software helps companies to handle their compliance processes more efficiently.
- It has features such as control monitoring, automated risks, testing, and analysis.
- Using all this, any company can improve its compliance program.
- Furthermore, it assists companies to align their business strategies with their goals and improve decision making.
- It has an in-built workflow module that allows employees to send notifications to different stakeholders.
- Furthermore, there is an in-built repository that is used for managing and storing processes, legal regulations, and policies. The policies and controls can be linked to business risks and activities.

SAP GRC Risk Management

- SAP GRC Risk Management is a software solution that helps in handling all types of business risks. It also enhances the risk management and mitigation activities within the company. By qualitative and quantitative analysis, the application helps company officials to determine risks

- Risk can be Prevented, Detected, Eliminated or Mitigated

- Risks are of different types –
  - Operational Risk
  - Strategic Risk
  - Compliance Risk
  - Financial Risk

SAP GRC Risk Management Phases

- **Planning** –The application is configured according to the business context. Aspects such as risk appetite, risk hierarchy, risk owners, and risky business activities are considered.

- **Identifying Risks** –This phase is where the potential risks are identified. These are associated with the risk drivers, responses, and indicators.

- **Analyzing Risks** –Using analytical reports and risk scenarios, the risks are analyzed in this phase. Here, the cleanup efforts are executed, modification of rules, risk modeling is done and other tools are used. This is done for understanding the risks better and developing strategies to tackle them.

- **Responding to Risk** –Using the appropriate controls, the risks are attended in an effective way using SAP GRC RM. The costs, benefits, and Key Risk Indicators (KRI) are all analyzed here.

- **Monitoring & Reporting** –In this phase, the overall risk scenario of the organization is evaluated. The identified risks are monitored and the effectiveness of risk management strategies are scrutinized. The risk events and losses associated with them are documented.

SAP Fraud Management

- As the name suggests, SAP Fraud management is an effective tool used for investigating, detecting, and preventing fraud.
- The tool can be used in a variety of sectors such as healthcare, banking, and high-tech environment.
- SAP Fraud management lets users create detection strategies that can leverage the power of SAP HANA. This will be useful in screening high volumes of data.
- Predictive algorithms are also used for preventing fraud.
- Benefits:
  - The effective alert management system allows frauds to be detected faster
  - The power of SAP HANA is used for detecting frauds at the initial stages. These processes are integrated into business processes
  - Using predictive analytics, frauds are prevented better and their patterns are permanently altered
  - Real-time calibration and simulation can analyze large volumes of data and reduce the false positives

SAP GRC Audit Management

- This software is used for enhancing the audit management processes within the organization. This improves and automates the internal audit processes.
- Companies use it to document business artefacts, organize work documents and develop audit reports. The tool can be integrated with other GRC solutions. This will enable companies to align their business objectives with the audit management processes.
- Benefits:
  - Employees can capture audit management artefacts by using drag and drop features
  - Real-time audit analytics help in obtaining better insights into the audit management process
  - Using global monitoring and follow-ups, you can track, create, and manage different audit issues
  - The automatic tracking tool helps in resolving audit issues faster
  - It can be easily integrated with SAP Risk Management and SAP Process Control to enhance the auditing management process

SAP GRC Global Trade Services

- SAP GRC GTS assists the companies to reduce the risks associated with International Trade Regulation authorities.
- This also helps in enhancing cross-border trade management. It automates the control tasks, global trade management processes and reduces the risks of penalties.
- It offers a single repository for handling all compliance data irrespective of the size of the organization.

SAP GRC Capability Model

- SAP GRC Capability Model is a model that integrates the different sub-disciplines such as **audit, risk, governance, compliance**, and **IT** into a single approach. It has 3 main capabilities –
  - Analyze
  - Manage
  - Monitor
- This also covers all the important aspects of the SAP GRC software. Using this software solution, companies can check for probable risks and take the appropriate decisions to mitigate them.

SAP GRC Access Risk Analysis

- The Access Risk analysis lets users define access risks and identify access risks. It also allows users to detect access violations within the company.

- Checking SoD violations, authorizations, crucial transactions, profiles, and critical roles can be performed using this tool.

- To analyze these violations, **ARA** uses a set of rules. This contains the definition of the critical authorizations.

- System compares these defined rules from the ruleset containing the correct authorization scopes. If any violation is detected, it will be reported.

SAP GRC ARA Advantages

- Mitigating controls can be easily implemented
- Generating SoD reports aids in risks analysis
- The current processes in the company can be tackled using the SoD conflict matrix
- It offers a simulation tool for enhancing the decision-making process for granting access to new users
- Threats associated with authorization and access of users are detected swiftly

SAP GRC Emergency Access Management

- SAP GRC Emergency Access Management is a set of features including SAP Access Controls. This allows users to perform the activities required to handle an emergency.

- Using a controlled and auditable process, the user can be assigned emergency access. The software will assign a temporary ID to the user. It will log all the activities performed by the user.

- There are 2 ways to assign emergency access to a user. These are –
  - By using a user ID to create a Firefighter ID
  - By using a Firefighter Role

SAP GRC EAM Advantages

- It reduces the time needed for getting approval for providing privileged access to the system
- It offers a transparent policy to manage special accounts such as Firefighter ID
- Complete control over activities performed on dedicated accounts
- The software covers the most commonly used audit recommendations
- Reduces the need for manual security workflows needed to issue an emergency access credential

SAP GRC Business Role Management

- This is a web-based application that lets users create business management roles. It implements the best strategies to ensure that role creation, testing and maintenance remain consistent across the implementation process.

- This software allows role owners to be involved in the role-building process. They can easily perform risk analysis and document the role testing process. Furthermore, creating and maintaining role definitions is simpler with SAP GRC BRM.

SAP GRC BRM Advantages

- It offers features such as risk analysis, mitigation, role certification, and simulation
- Cost optimization in different systems and environments while role creation is possible with BRM
- The change management process for the roles can be controlled easily
- SoD risks are eliminated in roles
- The internal and external audits during the role management process are made smoother

Links

- https://www.sap.com/india/products/erp-financial-management/grc.html

- https://grcadvisory.com/en/products-services/sap-grc-products/

- https://blogs.sap.com/

- https://help.sap.com/viewer/29e1b7170a344430b27643ca050d4247/6.18.15/en-US/32dbf75305610114e10000000a174cb4.html

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SAP4Me

Thanks!