

SAP Security Webcast

Establishing efficient automated internal security control systems with
SAP Financial Compliance Management

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Public



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Agenda

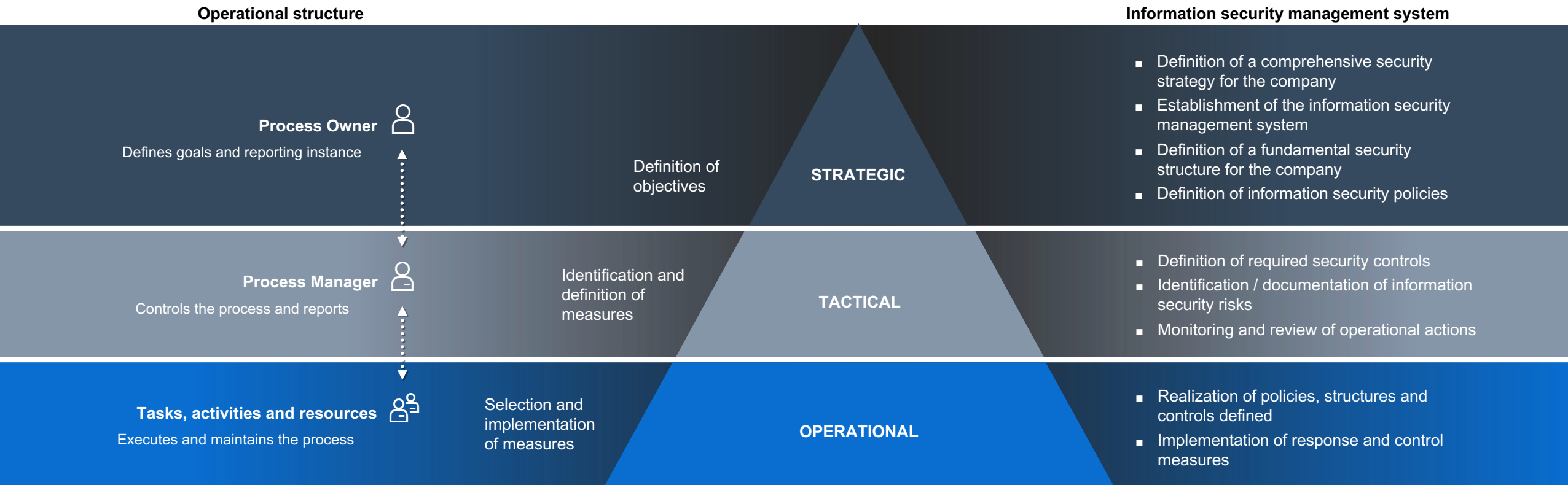
Cybersecurity concept

Overview of SAP Financial Compliance Management

Demo

Cybersecurity concept

Cybersecurity management systems



Three domains of cybersecurity governance

OPERATIONS

Support the day-to-day operational tasks of cybersecurity officers by **centralizing alert and issue management** across your entire IT landscape and facilitating immediate **automated remediation** in found cases.



RISK MANAGEMENT

Aggregate and assess all IT relevant risks in one place to keep **oversight** and plan and execute **risk remediation** all the way to asset level. Key risk indicators and **risk event management** ensure timely reaction to threats and vulnerabilities.



COMPLIANCE

Implement a **control framework** with **policy management** capabilities and **continuous control monitoring**, aligned with your organizations processes, to facilitate compliance with, auditability for and certification in e.g. NIST SP 800-53 or ISO27001.



Overview of SAP Financial Compliance Management

Vision of SAP Financial Compliance Management

**Next-generation
GRC control & risk
solution for the cloud**



- **Leverage one platform** for many uses cases across the enterprise
- **Transform governance, risk, and compliance (GRC)** from a cost factor (imposing task) to a strategic differentiator (business optimization)
- **Process integration** into S/4HANA Public Cloud, Private Cloud Edition, on premise as well as hybrid scenarios

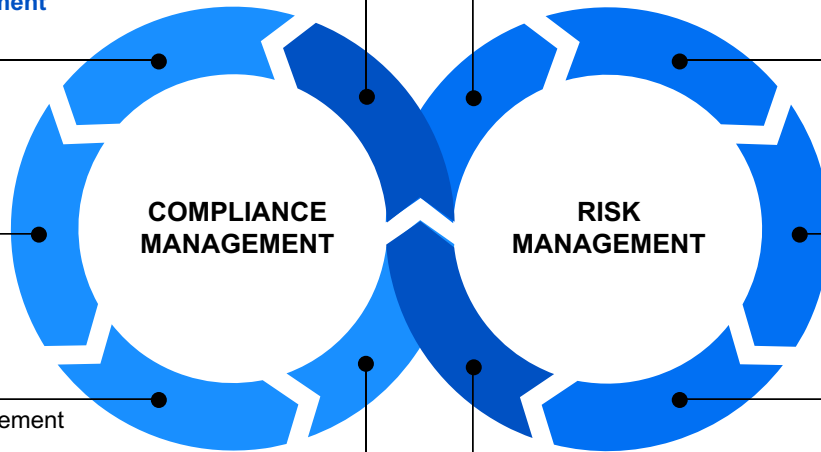
Risk-Based Control Management

Control Execution

Result Processing

Issue and Remediation Management

Compliance Reporting & Optimization



Risk Monitoring

Risk Reporting

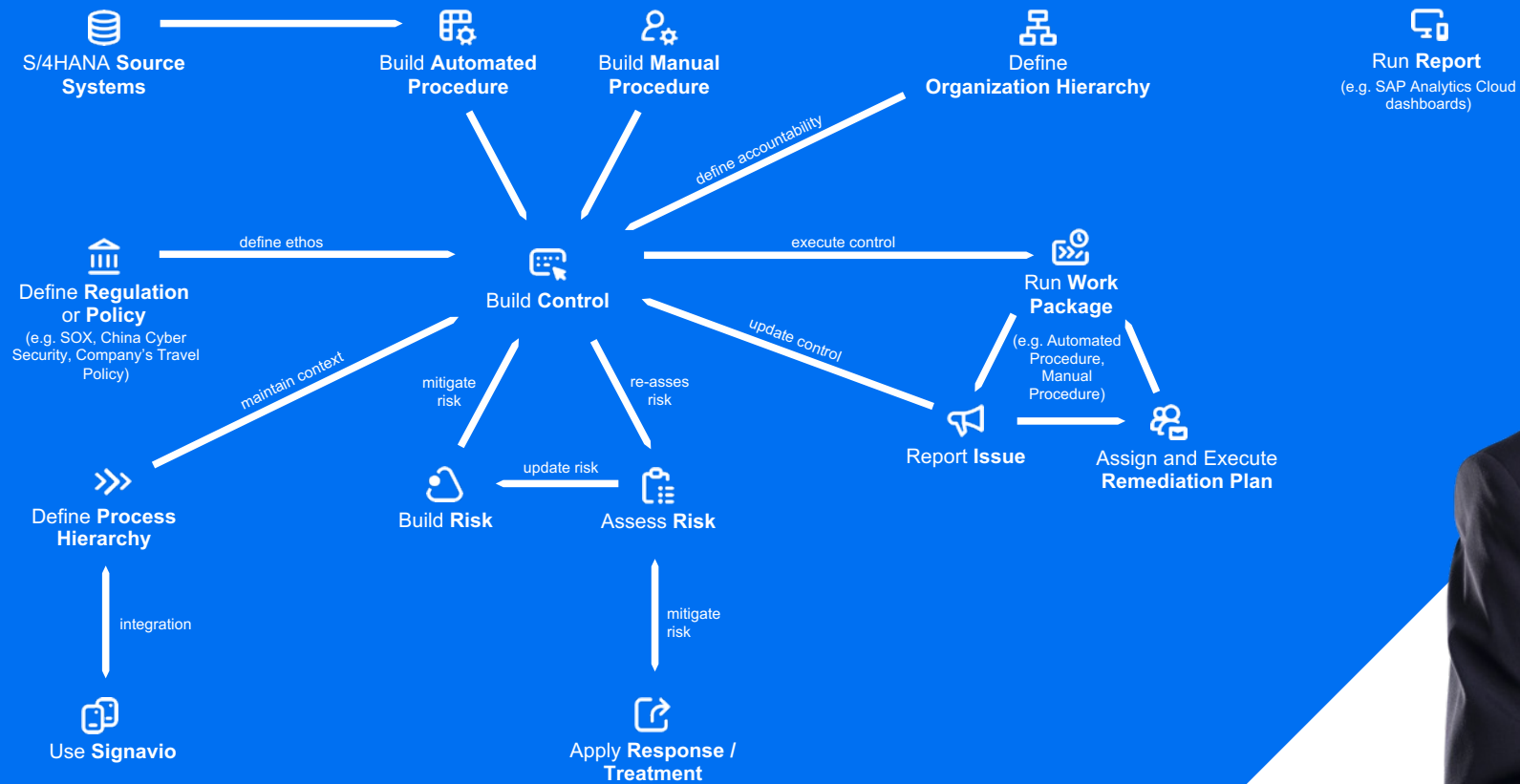
Risk Identification

Risk Assessment


Risk Mitigation



Business flow in SAP Financial Compliance Management




Objectives of SAP Financial Compliance Management



Improve compliance process efficiency and reduce costs

Leverage **predefined automated content** to reduce manual workload and improve efficiency:

- Customizable ready to run work packages for automated monitoring of controls
- Consolidate controls
- “Document once, comply with many” type approach for reduced compliance effort



Improve early detection and lower impact of control and risk failures

Move from a reactive compliance function to a **proactive** one:

- Embedded controls in the source systems for full visibility and performance
- Realtime alerting on exceptions raised for faster remediation
- Increase the number of automated controls, include associated manual controls



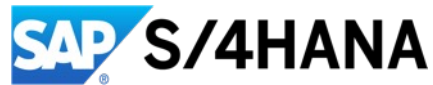
Simplify and consolidate compliance requirements

Build a **centralised** agile compliance function to rapidly react to new and changing regulatory requirements:

- Easily onboard new entities, departments, or activities in your centralised compliance program
- Develop a “compliance culture” through efficient technology support

High level architecture of SAP Financial Compliance Management

Use of **CDS views** deployed in **S/4HANA** (Cloud or On-Premise) or on **SAP ERP (ECC 6.0)*** exposed through OData services for SAP Financial Compliance Management

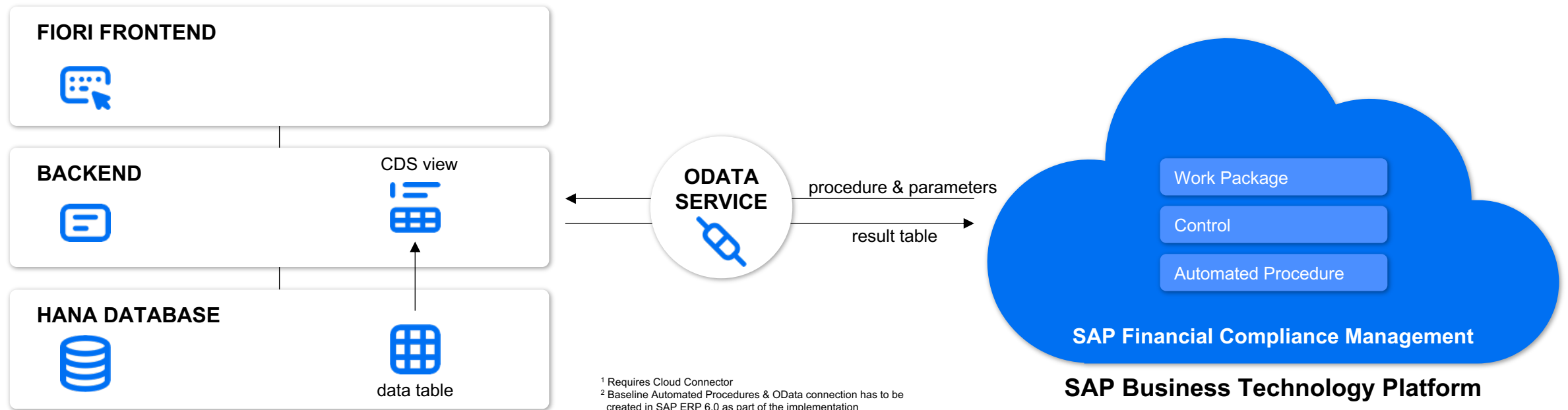


- S/4HANA Cloud, Public Edition
- S/4HANA Cloud, Private Edition¹
- SAP ERP (ECC 6.0) on HANA^{1,2}

SAP Financial Compliance Management brings the **logic to the data**, only results are returned

→ Use **OData Service** as communication protocol

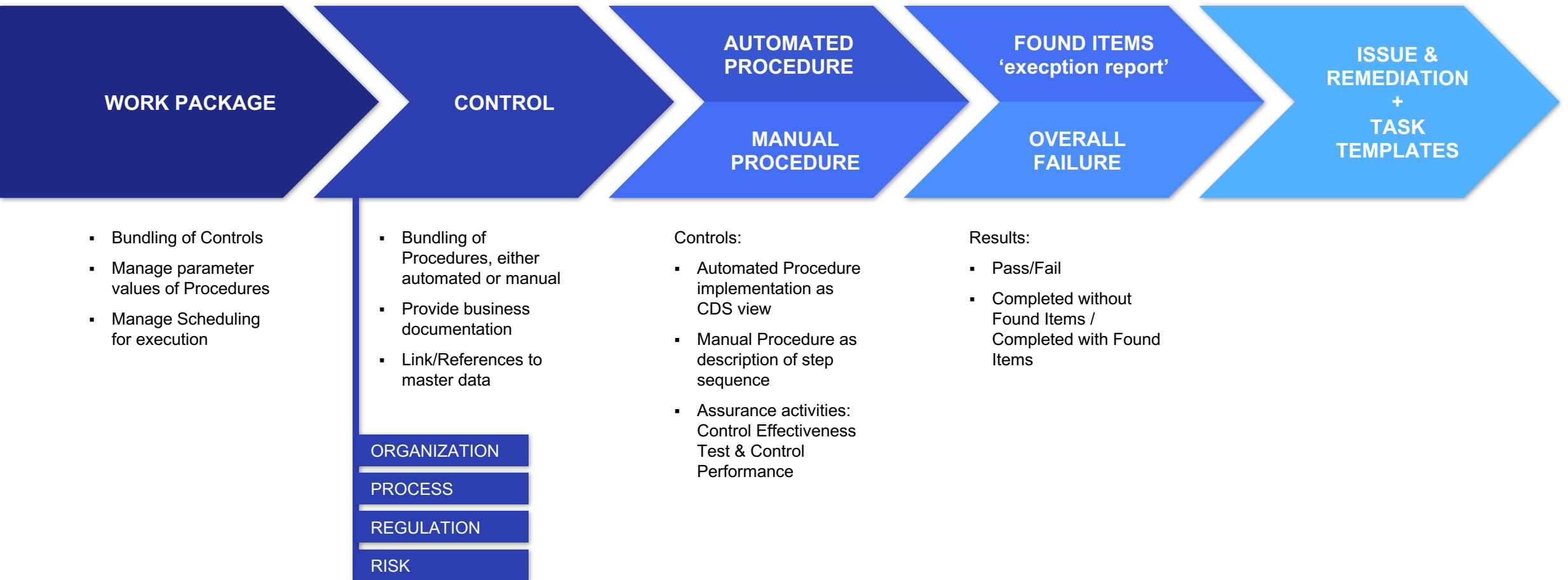
- Call the back-end system via OData Service
- Return results once CDS run is complete



¹ Requires Cloud Connector

² Baseline Automated Procedures & OData connection has to be created in SAP ERP 6.0 as part of the implementation

Main entities overview control management



Scope of risk management services in SAP FCM at release (Q4 2023)

Configurable risk settings

- **Risk category**
maintain custom risk categories
- **Risk objective**
definable strategic and operational risk objectives
- **Cause category**
maintain custom cause categories
- **Impact category**
define custom impact categories
- **Impact level**
define custom impact levels, based on value ranges
- **Likelihood level**
define custom likelihood levels, based on probability thresholds
- **Risk level (colour matrix)**
maintain custom colour flags reflecting the individual impact and likelihood level
- **Custom fields**
add and maintain fields for custom risk attributes
- + Organization-dependant thresholds and risk responsables, centrally maintainable
- + Event-based API for risk upload/sync
- + API (OData) for SAP Analytics Cloud reporting

Risk qualities

- **Organizational unit**
responsible for that risk, unique, common organization hierarchy shared with control framework
- **Risk manager and risk owner**
assign responsibility to each risk
- **Risk objectives**
assign (multiple) operational objectives
- **Causes**
define causes driving the risk
- **Impacts**
define, describe and value potential impacts
- **Treatments**
define (descriptive) or assign (controls in the system) treatments and assess their individual impact and likelihood reduction
- **Risk analysis**
calculate inherent, residual and target residual ("planned") risk and qualify them with respective risk levels
- **Comments and attachments**
upload files and maintain links and comments
- **Risk lifecycle**
maintain the respective risk status as "in definition", "in assessment", "assessed" or "retired" to qualify auditable and reportable data points



Managing content with the GRC Content Hub service

Ready-to-use content with SAP S/4HANA

SAP Financial Compliance Management ships with **over 70 rules** for use as Automated Procedures (3 for tax compliance), refer to the [documentation](#) for the detailed list.

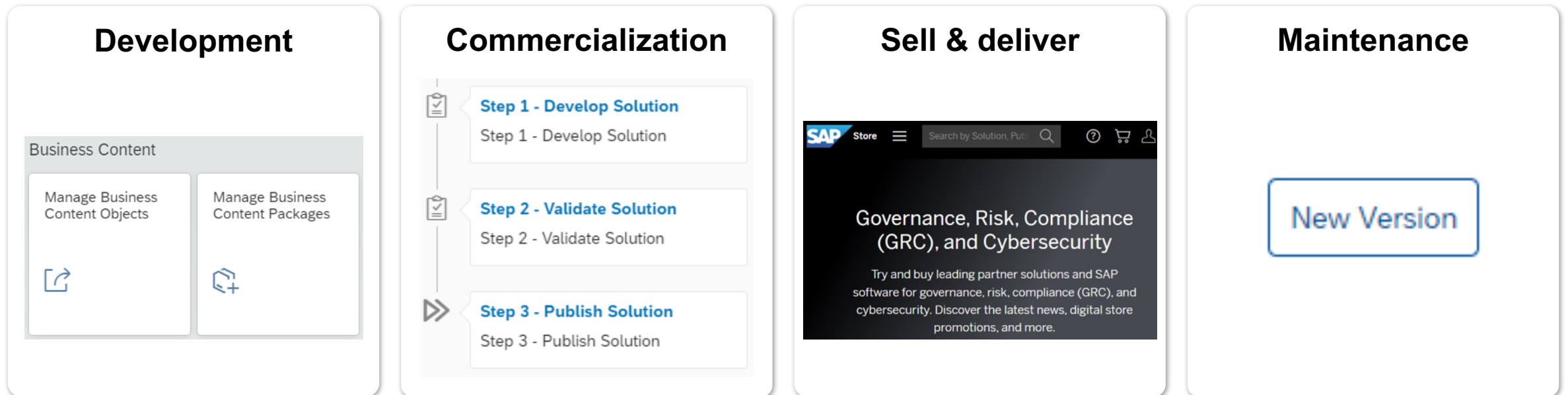
These can be added to by customers.

Partners will produce and sell their own content packages too, via the **GRC Content Hub Service**.



GRC Content Hub service

Partners and SAP offer content via standardized offerings in order to support a scalable business model and distribution channel, that enables an easy and fast consumption by cloud customers for cloud GRC solutions like Financial Compliance Management



Business content providers*

CONTENT PROVIDER

Customers can provide content within their organization to support (roll-out) scenarios into different locations with localized business content that may be based on standard offerings from a partner.

CONTENT TYPE

company specific

CONTENT AVAILABILITY

internally

Partners and SAP offer content via standardized offerings in the SAP App Store and SAP Content Store in order to support a scalable business model and distribution channel that enables an easy and fast consumption by the customer.

industry specific

SAP Content Store

general

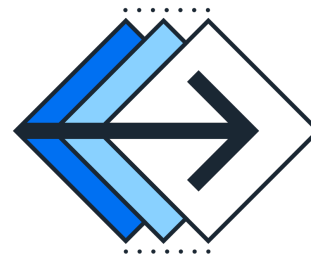
SAP provides baseline content with the software that enables a quick start and supports demos and education.

baseline

GRC Content Hub

* full release to end-users planned Q2/24

Demo



Resources

List of [out the box controls](#) on help.sap.com

SAP [FCM Administration Guide](#)

SAP [FCM Setup Guide](#)

Typical [end user setup steps](#)

Videos for [setup, subscription and user authorization](#)

Short YouTube [intro to solution](#) video

S/4HANA [Fiori App catalogue](#) (to allow FCM users to access S/4HANA system directly for remediation etc)

Roadmap [roadmaps.sap.com](#)

SAP Learning Hub [FCM overview and onboarding](#) course

SAP Consulting [FCM starter pack](#) one-pager

Turnkey FCM brochures in [English](#) and [German](#)

Turnkey FCM [starter pack on SAP Store](#)



Resources

FCM how-to YouTube Videos:

- [Create & Maintain Organizations, Processes and Regulations](#)
- [Create & Maintain Controls and Procedures](#)
- [Schedule Controls and Procedure Runs](#)
- [Review Control Results](#)

[Partner Edge](#) Test and Demo license: [search here](#) for Financial Compliance Management (material code 8013502)



Thank you.

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