Survey - Governance, Risk and Compliance

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2019 EMA GRC: SAP HANA, Segregation of Duties, Internal Controls & beyond GRC

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Introduction to the EMA GRC Survey

GRC tooling for SAP is no exception to the rapid developments, many providers offer solutions to keep their clients on track regarding internal control management, including access risks such as segregation of duties. With the increasing regulations also internal controls has developed in past decades from a relative small or even non-existing part of the finance department to an important corner stone of every large organization.

In the world of SAP another recent development is the introduction of the HANA database server and the new application layer of SAP called S/4 HANA in 2015. The HANA database server is revolutionary in terms of in-memory, column-oriented and relational database management. This allows advanced analytics, such as predictive analytics, spatial data processing, text analytics, streaming analytics and graph data processing. The S/4 HANA is the business suite that is built on the SAP HANA database server and is the successor of SAP ERP Central Component (ECC) 6.0.

With all these developments this survey was initiated to get a better insight in the maturity of GRC, the level of internal controls and the adoption of HANA with the organizations running SAP within the EMA region. During 4 months more than 40 large organizations running SAP have been asked to participate in this survey. Their input has been analyzed anonymously and the results are collated in this report.
GRC SYSTEM LANDSCAPE

77% of the interviewees have deployed a SAP GRC Solution

18% of interviewees are planning to implement a GRC Solution

Which GRC tools do you use?

88% SAP GRC
12% Other (Enablon, Metric Stream, Bwise, CSI)

Which functional domains are covered by GRC solutions?

87% Segregation of Duties management
45% Control campaign documentation
39% Internal audit
35% Control automation
29% Risk Management
SOD MATRIX

7% OF INTERVIEWEES HAVE NEVER REVIEWED THEIR SOD MATRIX SINCE THEIR IMPLEMENTATION

- 79% of interviewees have a clearly defined SOD matrix
- 35% have not updated their SOD matrix within the last year
- 56% of interviewees perform cross-system SOD checks
- 88% of them have the SOD matrix communicated across the company
- 52% use a dashboard to monitor SOD conflicts (Tableau, Qlikview, MS Excel)

TOP 5 PRIORITIES AROUND SEGREGATION OF DUTIES

1. Remediation of conflicts (roles and users) 68%
2. Automate mitigating controls 59%
3. Review and update segregation of duties matrix 59%
4. Define mitigating controls 45%
5. Setting up a dashboard and/or indicators 27%

The matrix contains 91 risks on average

Number of risks in SOD matrix:
- 25% less than 50 risks
- 38% between 50 and 100 risks
- 28% between 100 and 200 risks
- 9% more than 200 risks

GRC in 2018
57% of interviewees report having fewer than 10% of automated controls but 72% identify control automation as a top priority.

- 81% of interviewees have a clearly defined internal controls framework.
- 17% of the internal controls are automated on average.
- 69% of respondents state to have a tool to report on the effectiveness of the controls.
- 50% of respondents state to have a dashboard to monitor and report on the effectiveness of the controls.

Top 4 Priorities around Internal Control Solutions:

- 72% Increase in control automation rate
- 48% Collaboration between Internal Control & IT teams
- 48% Reduce control deficiencies
- 31% Setting up dashboards
79% of interviewees see SAP HANA as a business case due to process improvement

BUT ONLY 13% OF INTERVIEWEES SEE HANA AS AN ACCELERATOR FOR GRC TOPICS
BEYOND GRC

SAP ON THE CLOUD

44% OF INTERVIEWEES STATE TO HAVE CONSIDERED RUNNING SAP ON A CLOUD PLATFORM

PRIORITIES TO BE ADDRESSED BY CUSTOMERS ON SAP

- DATA QUALITY AND GOVERNANCE: 58%
- PERFORMANCE AND EXECUTION SPEED: 47%
- REPORTING EFFECTIVENESS: 42%
- DEFINE THE MIGRATION ROADMAP TO S/4 HANA: 36%

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