



Risk transformation

Enabling successful risk and
control transformation with
S/4HANA

Effectively managing risks with efficient controls through the power of S/4HANA

Impact of S/4HANA and value creation for your security and control compliance functions

What challenges are we seeing in the market?

Existing control repositories not fit for purpose in emerging technologies running in the cloud and on premises	Unacceptable system performance when dealing with very large volumes	Manual consolidation of data; risk of errors
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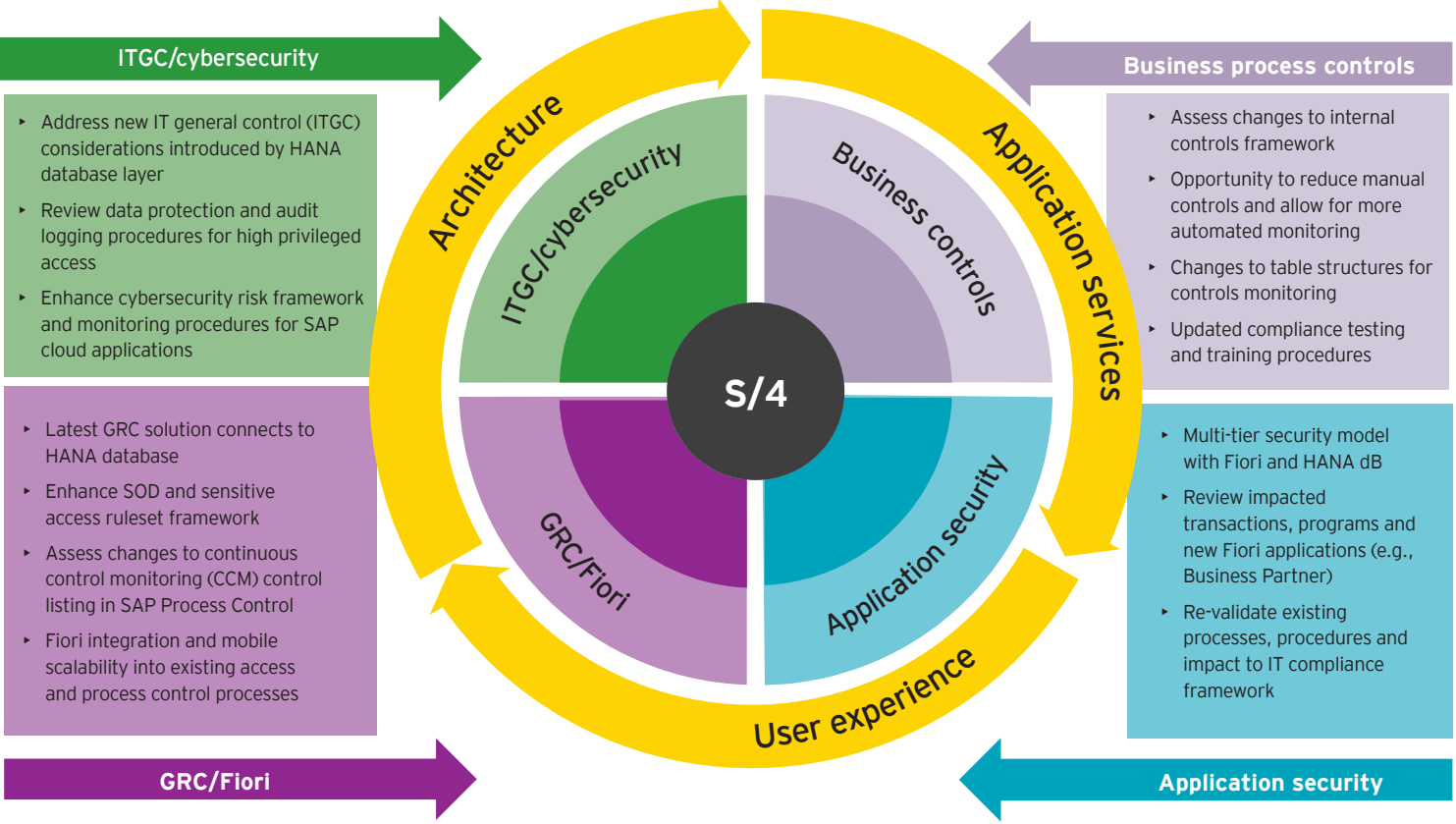
The rapid rate of technological change and innovation has been faster than expected and is redefining the market for everyone. As technology becomes an integral part of an organization's business model, it must evolve to generate appropriate financial returns. Similarly, organizations today need to evaluate the impact of the changing risk landscape. External and internal risk management needs are becoming increasingly complex and intrusive, while the demand for more comprehensive, consolidated and real-time risk and compliance information continues to increase. Risk management has become a growing operational and financial burden, limiting its ability to keep pace with business growth and transformational initiatives.

As organizations embark on the S/4HANA journey, strategic business objectives and project risks need to be addressed throughout the implementation. The project management and compliance teams can perform periodic reviews to assess progress and identify potential risks to the success of the project.

Common triggers and key considerations

Common triggers and key considerations		Triggers		
Step 1	Project scope	System implementations	Process transformations	Technical upgrade
Why take action?	New business solution and data model	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	New user experience (Fiori)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Business process changes impacting controls	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Changes to database (ex: moving to HANA database)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Step 2	Key considerations			
What to consider	<ul style="list-style-type: none">▶ Implementation team with right business process, technical S/4HANA and risk and control skills▶ Establish a global framework for finance policies and controls to support governance and risk management▶ Critical business functions being replaced by easy-to-use Fiori and analytical apps resulting in enhancement to the segregation of duties (SOD) and information technology (IT) risk framework▶ Consistent global data standards and real-time analytics and compliance reporting▶ Leveraging the new capabilities from governance, risk and compliance (GRC) on HANA to improve risk, compliance management and reporting functions▶ Organizational change management to keep up with the frequency of technical innovations and process changes being applied to the SAP platform and functions▶ Digital impact around training and new skills as new processes are designed, developed and automated			

S/4HANA is being used as a vehicle to transform business processes, and this enables an organization's internal controls function to assess the impact and effectively manage financial, operational and compliance risks. Along with business performance improvement, an S/4 risk and controls transformation will reduce reliance on manual controls, simplify and automate the compliance processes, view controls data in real time and deploy better risk monitoring capabilities that support the risk management process and drive value for the business. The following section gives an overview of changes across the four key compliance functions.



Enhancing risk and controls framework will contribute to the bottom line and drive shareholder value		
Risk management	Cost reduction	Value creation
<ul style="list-style-type: none">Standardized analytics reporting and near real time access to dashboards, enables better alignment of risk coverage, including the identification of stronger, more pervasive controls.Improve compliance and risk treatment by continuous monitoring and better alignment of risk coverage, including the identification of stronger, more pervasive controls. By being proactive, we help increase visibility to the risks that matter most to your organization, enabling resources to proactively focus on the most significant risks.	<ul style="list-style-type: none">Reduction of manual controls to automated controls will reduce the effort associated with performing and testing controls as well as time for compliance and audit. Cost savings by creating more efficient processes by automating manual processes and establishing continuous controls monitoring.Reduction in/identification of instances of fraud or transaction processing errorsReduction in support costs due to single harmonized S/4HANA platform	<ul style="list-style-type: none">Increased accessibility through Fiori provides a consistent and simple user experience. Due to the enhanced integration, there is better visibility and coordination of risks and controls across the business (geographies, lines of business, business functions).GRC provides a scalable platform to address critical controls and extend the mix of controls, resulting in sustainable risk management and increased efficiencies. Realtime information results in better informed decisions.

How EY can help

Phase	Assess	Implement	Sustain
Program Risk Management	Program complexity assessment	Go-live readiness analytics	Program benefit realization
Business and IT process optimization	Risk and control gap assessment	Deploy business process and IT controls framework	Risk and controls analytics
Application security integrity	Security impact analysis	Deploy multi-tier security model	Security monitoring and analytics
GRC technologies enablement	GRC diagnostic	Deploy GRC technology	GRC managed services
Cybersecurity strategy enhancement	Cybersecurity assessment	Deploy cyber risk program and dashboard	Dynamic and customized risk analytics

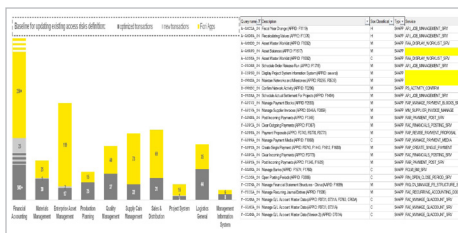
Tools and enablers

Role Design Power Pack

Utilize task-based role templates for S/4HANA and Fiori to standardize roles and enable a robust and scalable security environment.

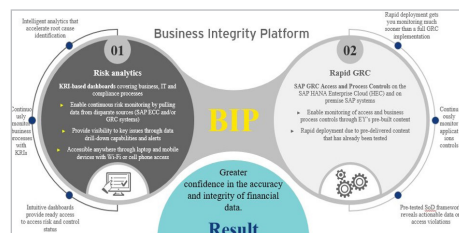
Ruleset analyzer

More than 300 segregation of duties and critical access rules with S/4HANA functionalities used to identify gaps and recommend improvements in clients rulesets.



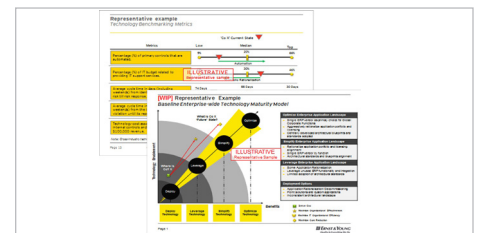
Business Integrity Platform (BIP)

Leverage the power of the SAP HANA Cloud Platform and EY's extensive risk and controls experience to enable risk monitoring capabilities in your organization. Enable continuous risk monitoring by pulling data from disparate sources (S/4, ECC and/or GRC systems) by providing visibility to key issues through data drill-down capabilities and alerts.



Risk and controls library

Use S/4 enabled, industry-specific, maturity models and risk and control matrices to identify controls that can be enabled through HANA and GRC technologies. This will help in analyzing the risk coverage and controls automation mix to further strengthen the business process and control environment.



For more information on S/4 risk transformation:

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