About Winterhawk

Winterhawk is the fastest-growing, award-winning global SAP Security, GRC, Cyber and Data Privacy consulting practice. Supporting more than 2 million users worldwide, we are proud to be innovative, independent and cost-effective. Our services are complemented with domain expertise, software content, accelerators and toolkits that provide fast, efficient and expert implementation and support services.

HISTORY OF SAP SOLUTIONS: SAP AUDIT MANAGEMENT

As part of a new SAP solution spotlight series, Winterhawk spoke with SAP's Shiguo Wang (Chief Product Owner of Risk, Control and Audit) and James Chiu (Solution Specialist) about the ongoing development of SAP Audit Management.

Why is Internal Audit important?

Internal audit provides organisations with objective, data-based assurance designed to add value by systematically assessing governance, risk management, and compliance processes across a range of business areas. Insights gained can inform policy creation, support management decision-making, and enable ongoing organisational improvements. SAP Audit Management is a solution which combines every aspect of internal audit into one digital platform that analyses organisational data and empowers auditors to easily report insights.

SAP Audit Management coordinates the planning, execution, and stakeholder follow up of internal audit activity. The tool enhances audit processes and consolidates documents, data, reports, and procedures into one central store so that materials or processes can be replicated for future use – no need for audit teams to scramble to reinvent the wheel before each audit.

Where did SAP Audit Management come from?

SAP itself was looking for a cost-effective solution to manage its own internal audits, which led to their first design and internal implementation of SAP Audit Management in 2014. The solution turned out to be a huge success, and its first two customers were the German airline Lufthansa and Heidelberg Cement, a global cement manufacturer.

What's new with SAP Audit Management?

One of the most significant developments involves SAP S/4HANA. Organisations can leverage the state-of-the-art, in-memory capabilities of S/4HANA to enhance auditing activities with real-time data and analytics.

We know that SAP Audit Management helps companies to streamline and automate risk management and compliance processes enterprise-wide, but when embedded in S/4HANA and integrated with other business applications, Governance, Risk management, and Compliance (GRC) information is further connected with operational data.

Did you know: SAP Audit Management now utilises SAP Fiori to provide a seamless user experience across all devices.

How does SAP Audit Management support the Intelligent Enterprise?

The quick answer - as the third line of defence in the three lines of defence model. The 1st line of defence is operational management, the 2nd line of defence is risk and compliance management, and the 3rd line of defence is independent assurance. When SAP Audit Management links to the first and second lines of defence it provides more comprehensive and objective results.

Independent internal audit provides assurance to an organisation's board of directors and senior management through risk-based assessment, indicating how effectively an organisation assesses and manages its risks and providing insights into the effectiveness of the first and second lines of defence. SAP Audit Management supports the Intelligent Enterprise by monitoring processes, discovering objective evidence for continuous improvements to business processes, and enabling the implementation of C-suite decisions.

Does SAP Audit Management integrate with other systems?

In relation to the SAP suite of products, SAP Audit Management integrates with SAP Process Control (a solution which provides a continuous view over a company's key compliance activities across all business processes), and imports automated business controls, aligning them with organisational risks.

SAP Audit Management also integrates with SAP Enterprise Risk Management (used in the risk-adjusted management of enterprise performance to optimise efficiency, increase effectiveness, and maximise visibility across risk initiatives). Partners like Winterhawk can integrate the solutions to import enterprise risk management data and align APIs and master data with an organisation's audit plan.

What's the future of SAP Audit Management?

SAP Audit Management will have improved integration with SAP Business Integrity Screening (BIS). BIS uses predictive analytics to help organisations reduce financial risk during business transactions, enabling enterprises to detect, prevent, and deter fraud in big data environments. The link between SAP Audit Management and BIS can now qualify risks such as vulnerability in terms of severity.

SAP will further explore the link between audit procedures and the SAP Analytics cloud. Within the app, auditors will be able to click on an audit procedure and explore data in the analytics cloud utilising SAP Ariba.

SAP Audit Management Product Roadmap

GRC Cloud Services:

▪ Integration layer for SAP and partner-driven GRC solutions and services on SAP Cloud Platform

Policy Management, Machine Learning Extension:

▪ Extend policy management with machine learning capabilities

▪ Analyse regulations and regulatory requirements using SAP Leonardo Machine Learning Foundation

GRC On-Premise Release:

▪ On-premise release for SAP Access Control, SAP Process Control, and SAP Risk Management

▪ Machine-aided scoping and evaluations

GRC Cloud Services, Expanded Coverage:

▪ Support for partner and customer applications built on GRC API hub

▪ Added benchmarking and risk intelligence APIs

Organisations will also be able to leverage additional functionalities from master data using AI and machine learning strategies via S/4HANA predictive analytics. In addition, auditors will be able to propose risks and raise findings as ad hoc issues to other applications integrated with the organisation, to continuously improve business and GRC capabilities enterprise-wide.

Insights for C-Suite Executives

With SAP Audit Management, companies will spend less resources and gain more information from internal auditing. The solution serves the office of the CFO by optimising efficient regulatory compliance, regulatory auditing, and financial auditing processes. Similarly, the CIO or CISO benefits through activities such as data governance auditing and information security auditing.

Looking Ahead with SAP Audit Management

SAP Audit Management frees up internal auditors to adopt a more strategic, advisory role, and take a company forward into a successful future.

SAP Governance, Risk and Compliance (GRC) software is faster and more cost effective to deploy than you may think - deploying SAP Audit Management with Winterhawk's GRC experts happens in a matter of weeks.

Winterhawk has broad, multiple-industry experience with implementing SAP Audit Management in corporations of all sizes. If you have any questions, or interest in discussing SAP Audit Management implementation or support please get in touch.

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