



# Compliance Now

## Internal Control

### **Digitalize the internal control process**

Internal Control is an SAP-integrated framework supporting the documentation and execution of your company's controls. Controls related to your SAP processes as well as controls relevant to other applications or even non-IT controls can be included in the scope.

**SAP<sup>®</sup> Certified**  
Integration with SAP S/4HANA<sup>®</sup>

# Focused, Documented, Responsive and Effective internal Control

**Focused**, because we see that companies might have the ambition to execute controls in their organisations but lack the framework to carry them out and stay on track. The ability to **Document** is crucial since the IT control process is a continuous and repeatable process with layers of documentation requirements, from initial control description through to the control, approval and possible later external audit of the control.

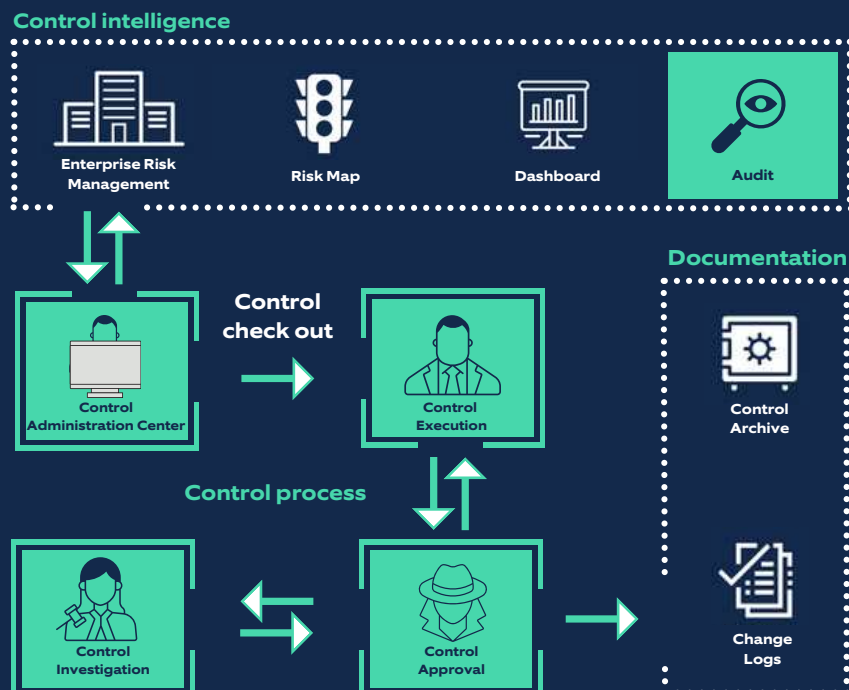
**Responsive** is an important element since a lack of responsiveness is probably the most common reason for not getting the control process up and running or concluding it. Therefore, the framework must facilitate a responsive process through the timely delegation of controls to the right people, issuing reminders when tasks are not completed and automatically moving the controls along for final approval.

Internal Control is not a priority task for most people in an organisation, if any – which is why this process must be as **Effective** as possible, thus easing the workload of the involved personnel.

## What is Internal Control from ComplianceNow?

Internal Control is an SAP-integrated framework supporting the documentation and execution of your company's controls. Controls related to your SAP processes as well as controls relevant to other applications or even non-IT controls can be included in the scope. Internal Control comes with a control library accelerator covering controls that support Finance, Procure to Pay, Order to Cash, HR & Payroll, Basis & Security and more besides.

The controls can be configured to support the exact needs of your organisation. Around 30 fields can be modified on the individual control, with some of the key fields being Control Executer, Frequency, Due Date, Compliance Manager and Approver. The included controls can easily be tailored and maintained, or you can extend the control library by defining your own controls.



## Control Engine & Executer Workplace

Besides delivering the control library accelerator and the documentation framework, Internal Control is essentially a tool for distributing the individual controls to the Executer at the defined frequency. The Executer will receive an email stating the need for a control to be executed in their SAP workspace.

If the Executer does not conduct the control within the given timeframe, a notification will be forwarded to the Executer to perform the control. The Executer enters the Executer Workplace in SAP, listing the individual controls along with detailed information on how to conduct each control, what is expected in terms of documentation, and actions to be taken in the case of a finding. Documentation such as Excel, Word, and PDF files, pictures, screen dumps, etc. can be uploaded to the individual control. When the control is finalised the Executer submits the control and a workflow notification email will be generated notifying the Approver.

## Approver & Compliance Manager Workplaces

Along with notification emails the Approver receives controls for approval in the Approver Workplace. If the Approver is not satisfied with the level of a control and needs further investigations or documentation executed by the Executer, the Approver redirects the control back to the Executer. The dialogue between the Approver and Executer will be logged as part of the control history. If the Executer has identified a finding, the control will be directed to the Approver for conclusion if further investigation and handling are needed. The Approver can delegate the further investigation and possible actions to be carried out by the predefined Compliance Manager already assigned in the control template.

The Compliance Manager will receive the control with a notification and can upload any documents supporting the completion of the investigation of the finding. The work of the Compliance Manager will be finalised with the submission of the control redirecting it back to the Approver for final approval and archiving.

## Control Archive & Dashboard

Approved controls can be accessed in the Control Archive, which is supported by a report engine to allow the location of specific controls or controls including specific characteristics. The Control Dashboard provides graphic information about the status of the control environment.

The easy-to-access information and overview from the Control Dashboard will support the team working with controls. Different Dashboard views support each step of the control process, delivering insights into overdue controls, findings and other key control indicators.

## Enterprise Risk Management

Each enterprise risk is measured in levels of severity and likelihood, delivering important input to a Risk Map with a real-time update if the company has mitigated the defined risk. Through the Risk Map management will know to what extent severe risks with a high likeliness are not mitigated by the appointed controls. To quickly react to gaps in the control process you can drill down directly from the ERM to the individual control template, identifying individuals responsible for executing and approving the controls.

## Enterprise risk map

| SEVERTY  | RARE  | UNLIKELY   | POSSIBLE  | LIKELY  | ALMOST CERTAIN |
|----------|---|--|---|---|----------------|
| SEVERE   |   | <ul style="list-style-type: none"> <li>Insurance</li> </ul>                                  | <ul style="list-style-type: none"> <li>Cyber threat</li> <li>Liquidity</li> <li>Strategic Planning</li> <li>Customer service</li> </ul> |   |                |
| MAJOR    | <ul style="list-style-type: none"> <li>Economic Fluctuations</li> </ul> | <ul style="list-style-type: none"> <li>Mergers, acquisitions</li> <li>Outsourcing</li> </ul> |   | <ul style="list-style-type: none"> <li>Digitalization</li> </ul>                |                |
| MODERATE |   | <ul style="list-style-type: none"> <li>Internal Audit</li> </ul>                             | <ul style="list-style-type: none"> <li>IT Governance</li> </ul>   | <ul style="list-style-type: none"> <li>IT Security</li> <li>Treasury</li> </ul> |                |
| MINOR    |   | <ul style="list-style-type: none"> <li>Net Working Capital</li> </ul>                        | <ul style="list-style-type: none"> <li>Compliance &amp; Ethics</li> </ul>   |   |                |
| MARGINAL | <ul style="list-style-type: none"> <li>Marketing</li> </ul>             |  |   |   |                |

## Is Internal Control a challenge?

The challenges related to Internal Control are centered around getting the job done. So why is the job not getting done? Today, the general focus on IT Compliance is increasing rapidly, and even though internal controls are familiar to most organizations, their scope is increasing, and external auditors are calling for a process to support the requirements. We might not all see the challenges of internal controls equally, but for most companies, this is either a new territory or an area attracting increased attention. The topics listed below provide an overview:

- **Focus on protecting business criticalities is increasing as a consequence of more legal regulation and extended internal and external audit requirements, not to mention GDPR.**
- **No central framework is used to document and execute controls. Controls are well hidden in Excel sheets by local control owners around the organisation.**
- **Executing controls is time-consuming as it is carried out continuously throughout the year, often with multiple follow-ups to the delegates who are having the controls conducted.**
- **What is the overall control picture, what has been done, and what is outstanding? Supporting the auditor is time consuming and in general an unsatisfying process.**

## Why did we build it?

In our many touch-points with companies around compliance, we experienced that companies in general have an ambition to strengthen their efforts in risk management through implementing internal controls. Some companies have documented a subset of controls and execute these through a manual process. This is a good start but, when addressing the actual operation of internal controls, there is less room for optimism. The efforts related to documenting, distributing and approving controls often appear inappropriate and time consuming.

Secondly, how do we get started – do we need to create our control base ourselves? With these observations in mind, it became obvious to extend the ComplianceNow Suite to deliver a platform supporting companies in accelerating the process of internal controls.



Check out our animation video of Internal Control at [www.compliancencow.eu](http://www.compliancencow.eu)

# Compliance Now



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ComplianceNow is a toolbox of products for optimizing and streamlining SAP compliance processes. The product Suite includes components supporting areas such as internal control, segregation of duties, and compliance analytics. The objectives for the present six different components are to innovate, simplify, and offer our customers SAP-Certified products delivering a low TCO.

ComplianceNow has a wide customer base, including all industry segments, and has performed more than 200 installations world-wide. ComplianceNow can be implemented as the CN Suite or be implemented individually. Implementation of a single component is estimated at 2-3 days and, for the entire CN Suite, at less than 10 days.

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