

Reducing Cost of Compliance using Continuous Controls Monitoring (CCM)

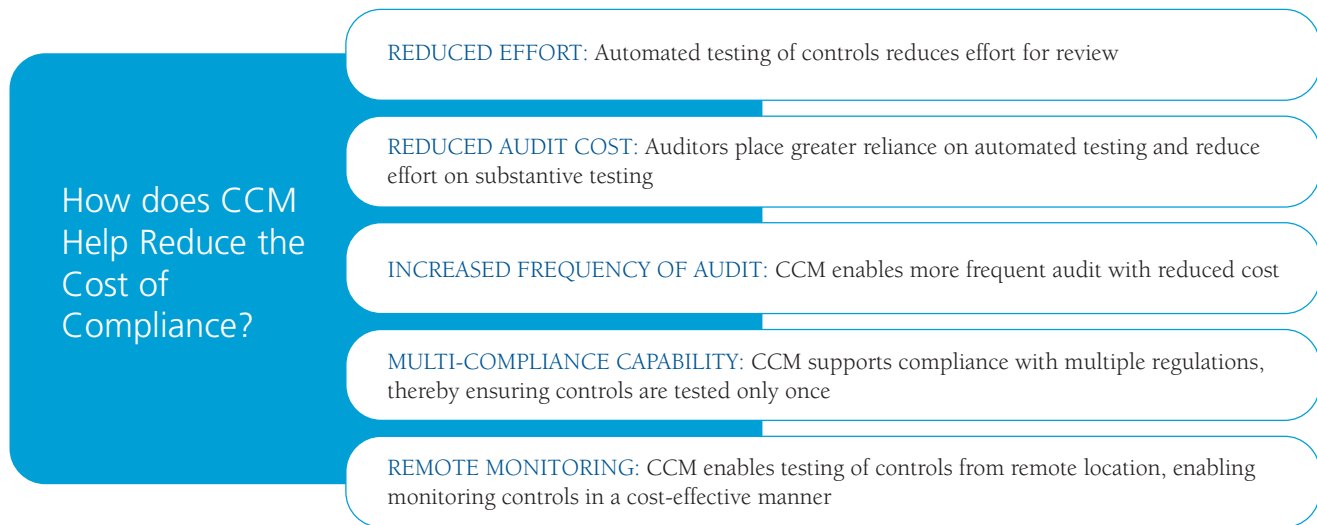
Increased globalization, complexity in business environments and higher emphasis on corporate governance drive the need for compliance. Compliance can be external, i.e., imposed by legislation, or internal, which is driven by organizational policies and procedures. Progressive and matured organizations consider compliance as an enabler to meet business objectives. Their focus goes beyond the requirement of law and use compliance as means to increase process efficiency and stakeholder confidence.

What is Continuous Controls Monitoring?

Continuous Controls Monitoring (CCM) assumes a periodic review of controls. It is important to note that for risk and compliance, CCM involves near real-time review, which can be performed only if testing is automated. Hence, automation of testing is key to Continuous Controls Monitoring.

Evolution of Continuous Controls Monitoring

Initially, compliance was virtually non-existent since there were only few frameworks available. Internal control did not involve testing and assessment and internal audit was largely confined as group reporting to Chief Financial Officers (CFO) and not the audit committee. The Sarbanes Oxley Act, 2004 was the landmark legislation for compliance despite which companies faced lack of defined processes for compliance. However, as compliance evolved, organizations realized that automation, i.e., control execution and compliance program management, was key to reduced cost of compliance.



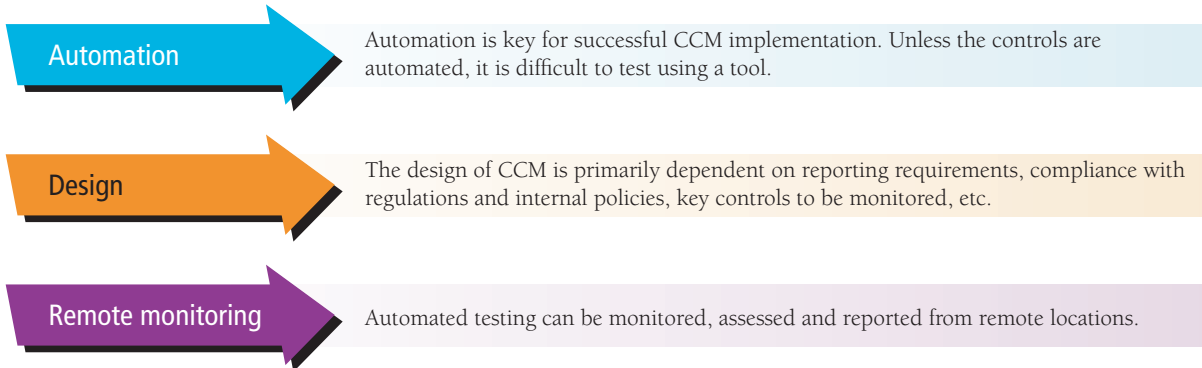
Other Benefits

PROACTIVE MONITORING	Near real-time testing prevents fraud and revenue leakage
CORPORATE GOVERNANCE	CCM's near real-time monitoring prevents control failures and enables corrective action to ensure a secure organizational image

How to Implement CCM?

Implementing CCM follows a process similar to software implementation. Effective planning is important to maximize value of investments by ensuring:

- **Standardization:** Processes are standardized across entities, regions etc.
- **Optimization:** Right number of controls
- **Automation:** Controls are strategically automated



How can the SAP Governance, Risk and Compliance (GRC) Process Control Help?

- Seamless integration with SAP to test transaction, master data and configurable controls
- Connect to other ERPs or legacy systems using adaptors
- SAP pre-delivered rules for testing
- Multiple compliance framework
- Convergence among GRC Access Control, GRC Process Control and GRC Risk Management
- Compliance program management: One-stop shop for end-to-end compliance needs (controls documentation, document manual testing, surveys, planning, workflows, reporting, sign off, etc.)
- Flexibility in user-defined rules for controls testing

Gartner

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