Improved efficiency, accuracy and coverage of controls with Business Integrity Screening

Challenges

Increasingly strict laws around the world related to the transparency and reliability of financial reporting require organisations to have a set of controls to ensure accurate financial reporting. These requirements extend to preventing, monitoring, detecting and investigating fraudulent activity within organisations, referred to as Internal Controls over Financial Reporting (ICFR).

Globally Siemens operates a vast number of control activities to analyse data within individual companies to satisfy these requirements. Whilst effective, many of these processes require considerable manual effort to extract and analyse data and then action any issues identified.

Siemens has embarked on a strategic project (FocuS/4) which provides an SAP S/4HANA-based finance template to the company, being a key enabler for the migration of Siemens’ SAP ERP systems to the S/4HANA platform. The use of this template also provides Siemens with the opportunity to replace individual ICFR procedures or solutions with the Business Integrity Screening (BIS) application from SAP.

SAP BIS will be the next generation analytics-based internal controls application for all Siemens companies. As the SAP S/4HANA rollout proceeds, more and more companies will be connected to the single BIS instance. This will allow the sophisticated analytics to be applied to consolidated data from a number of different sources.

Highlights

- Smooth implementation of SAP BIS on SAP S/4HANA
- Increased accuracy of controls for Siemens companies
- Intelligent design allows easy scaling of the solution to cover more systems and companies
- Efficiency savings enables redeployment of resources to value added tasks
- Labour intensive legacy controls systems being replaced
Solution

Turnkey Consulting has assisted Siemens in the implementation of SAP BIS on a single S/4HANA instance. Turnkey resources are embedded in the Siemens project team and are primarily responsible for solution design and controls, although assistance and knowledge transfer are also provided to developers when required. The objective is to ensure the best use of the available technology to create alerts for potential risks or fraud.

To date three SAP environments have been migrated to S/4HANA and connected to BIS. This represents approximately 20 individual companies, with more being connected all the time. The BIS application has been designed to allow additional datasets to be easily and quickly connected. Detection strategies can be applied to individual companies, or several simultaneously. Currently analysis is run at specified frequencies ranging from daily to monthly, but the system can provide real-time monitoring of transactions if needed.

“Our goal is to provide a global ICFR and compliance solution for Siemens, automating a wide range of controls,” says Patrick Müller, Product Owner BIS at Siemens. “We have established a design which is scalable, to accommodate the huge data volumes involved.”

The solution can connect both SAP and non-SAP data, allowing controls to span business processes supported by different technologies. For instance, it is already ensuring that sponsorships and donation payments in SAP were properly approved within a non-SAP system, and that the approvals are still current. It also detects any instances where the recipient of the payment is exceeding the originally approved amount. This type of control was previously very labour-intensive and could only be carried out for a sample, whereas now BIS analyses every transaction.

“We have been pushing the implementation of BIS, as the long-term benefits are clear to senior management,” explains Patrick. “But as more and more controls become operational, there is a growing realisation of its potential, and users are requesting more capability.”

“Turnkey has been a great support to the project, providing assistance when we need it, even with ad-hoc requests,” says Patrick. “They have a deep understanding of the best way to implement BIS.”

Summary

“We have BIS in place, Siemens management will have the confidence that controls are operating effectively and with minimal use of resources, ensuring our compliance with regulatory requirements,” explains Patrick.