

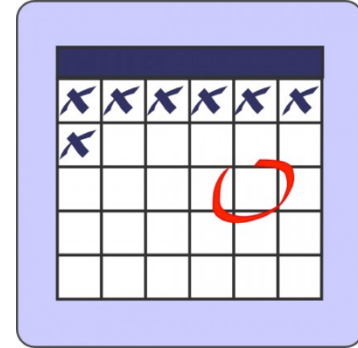
MIS 5121: Business Processes, ERP Systems & Controls

Week 14: *SAP* GRC, Character

Video: Record the Class



MIS 5121: Upcoming Events



- Last Hybrid class: *Now*
- Extra Credit Assignment: ~~*Tuesday Dec 13*~~
Wednesday December 14
- Final Exercise (Risk Control Matrix)-*Due: Dec 15*
- *(Optional)* Team Member Evaluations *Dec 16*
- Final Exam: *December 17 - 19*



Discussion

❖ Something really new, different you learned in this course in last week

**YOU LEARN
SOMETHING NEW
EVERY DAY**

❖ Questions you have about this week's content (readings, videos, links, ...)?



❖ Question still in your mind, something not adequately answered in prior readings or classes?

Key IT Controls Overview

- GRC
 - What is means
 - 2-3 Functions Included
 - 1-2 Benefits of Use



Character

Honesty
Self-Control
Excellence
Courteous
Responsibility
Respect

Character and Controls

Self-Control
Excellence
Respect
Responsibility
Courteous
Honesty

Character:

the mental and moral qualities distinctive to an individual
(Oxford Dictionary)

Who you are when no one's looking

Decisions made in moment of moral crisis shows our true character and morality.

In the Real World Control Failures we've reviewed, Describe the character of the leaders involved (a root of the control failures)?

Character and Controls

What are the differences between the 'Adams'?

➤ Adam I - 'Big Me'

- _____
- _____
- _____
- _____

➤ Adam II - 'Little Me'

- _____
- _____
- _____
- _____

Self-Control
Excellence
Respect
Responsibility
Courteous
Honesty

Character and Controls

➤ Adam I - 'Big Me'

- Career-oriented: build, create, produce
- Ambitious – “Success”
- Selfishness – has infinite desires
- Economic logic – cultivate your strengths

➤ Adam II - 'Little Me'

- Internal: moral qualities, right vs. wrong
- Sacrifice self in service to others “Charity, love and redemption”
- Moral logic - give to receive
- Humble
 - Wisdom isn't a body of information. It's the moral quality of knowing what you don't know and figuring out how to handle your ignorance, uncertainty and limitations.
 - Go down to go up – valley of humility to climb heights of character
 - Basis for grace

Self-Control
Excellence
Honesty
Respect
Responsibility
Courteous

Character and Controls

Which Adam does our Culture nurture?

Which Adam are you?



A word cloud of character traits. The words are arranged in a cluster, with some overlapping. The colors used are purple and green. The words are: Self-Control, Excellence, Respect, Responsibility, Courteous, and Honesty.

Self-Control
Excellence
Respect
Responsibility
Courteous
Honesty

Character and Controls

Which Adam does Culture nurture?

Adam I - 'Big Me'

- Be the best you can be
- Natural disposition (self)
- Adam II - 'Little Me' has been displaced by Adam I – 'Big Me'
- Mental space once occupied with moral struggle has become occupied with struggle to achieve

Self-Control
Excellence
Respect
Honesty
Responsibility
Courteous

Character and Controls

Which Adam are you?

My Lessons Learned:

- ❖ Character is on the inside
 - ❖ Not what we do
 - ❖ But directly shapes what we do
- ❖ OK to be flawed – we all are.
- ❖ Character can be developed
 - ❖ Face our imperfect nature with humility
- ❖ Move from Success to Significance (Deep Satisfaction)
 - ❖ No good life is possible unless it's organized around a vocation, not serving ourselves. Look outside yourself for a problem / opportunity addressed by an activity you intrinsically enjoy



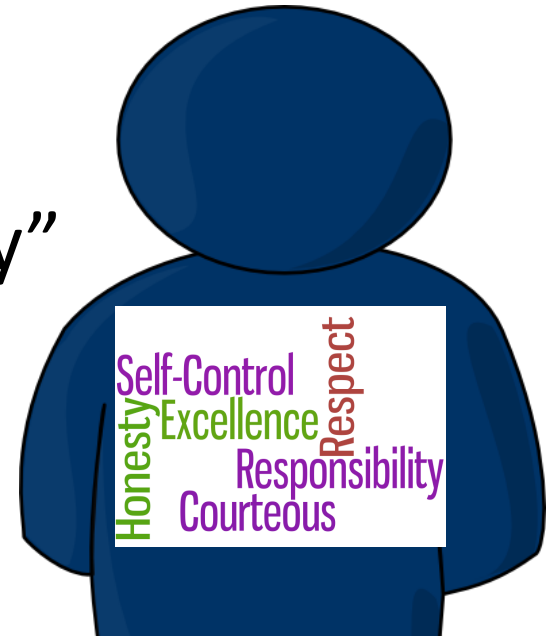
Character and Controls

IT Governance:

- “Do the right thing, the right way”

Character:

- “Do the right thing,
because it is the right thing to do.”



Character and Controls

Self-Control
Excellence
Respect
Responsibility
Courteous
Honesty

Humility Code

- ❖ We're not wired to live for happiness, we live for holiness
- ❖ Holiness defines the goal of life – at our core we're flawed
- ❖ Although we are flawed creatures, we are splendidly endowed
- ❖ Pride is the central vice
- ❖ Character is built in the course of our inner confrontation
- ❖ Things that lead us astray are short term – Character endures for the long term
- ❖ We cannot achieve self-mastery on our own – we need redemptive assistance from outside (God, family, traditions, ...)
- ❖ No good life is possible unless it's organized around a vocation – a problem addressed by an activity you intrinsically enjoy (Passion matters)
- ❖ Person who successfully struggles against weakness may or may not become rich and famous, but that person will become mature

US Army 7 Values

Self-Control
Honesty
Excellence
Respect
Responsibility
Courteous

- 1. Loyalty: My company and customers are my family. I will pledge allegiance to both.
- 2. Duty: Fulfill all my obligation & try to go beyond the norm.
- 3. Respect: How I treat others will define my character.
- 4. Selfless Service: Others Welfare before my own.
- 5. Integrity: Do what is legally and morally right. Moral compass and inter-values
- 6. Honor: Hold my values close to me
- 7. Personal Courage: Ability to face fear and danger

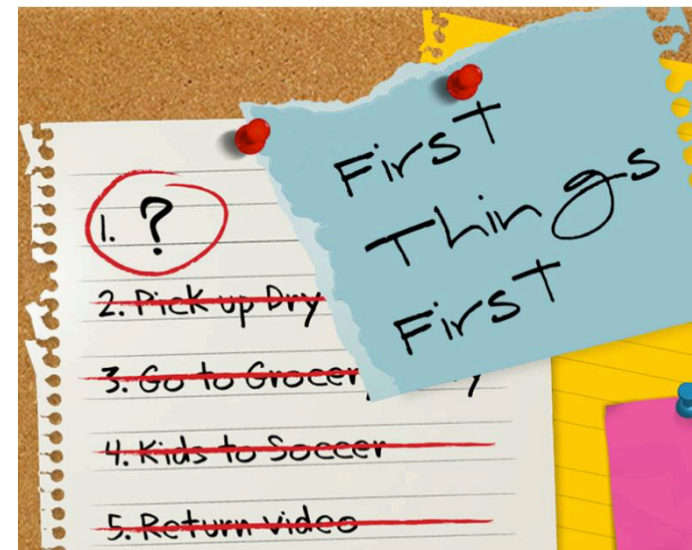
Professor Ed Beaver

Thoughts on Success
(Gleaned from my 40 Year Career)

Provided 'Free' – worth?

Success ... First Things First

- Solve Business Problems
 - Learn all you can about the business
 - Outcome is business success / value
- Right role of Technology (IT and Supply Chain)
 - Technology is Fun
 - Business Value is the end – not Technology (Beware of technology driven initiatives)



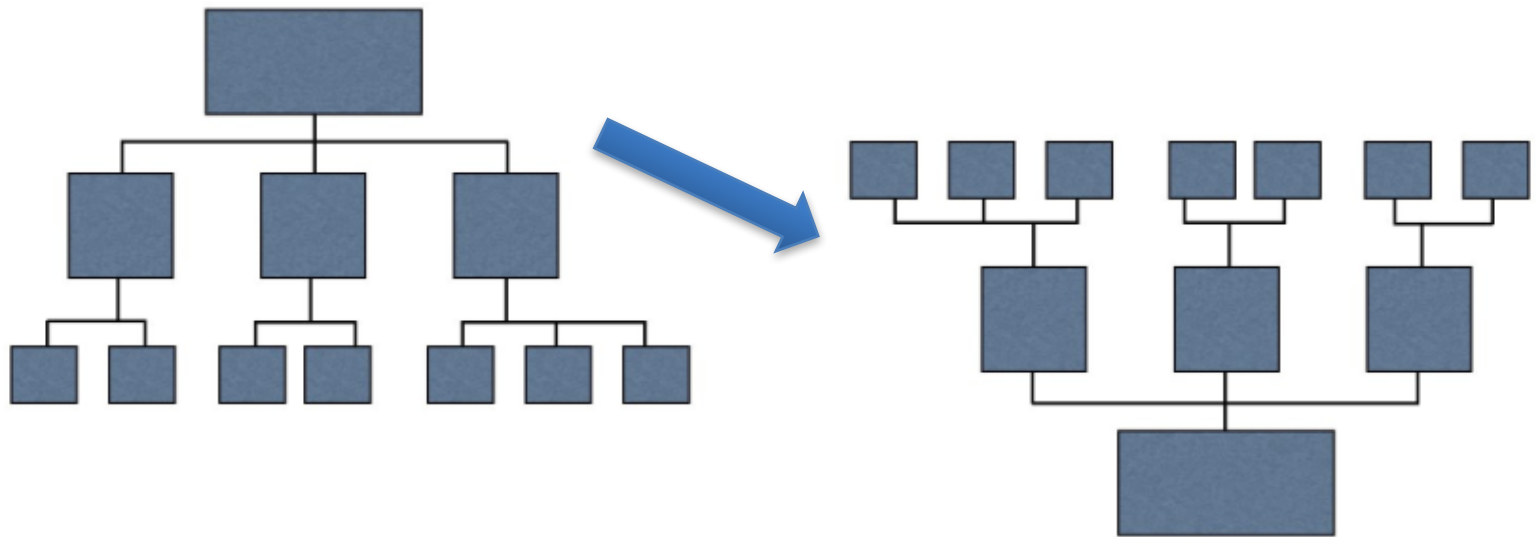
Success . . . Your Personal Act

- Whatever our Job / Role is – Do it Well
- Interpersonal Skills are Critical – hone them
 - Speak and write well
- Be Inquisitive, Learn Continually
- Energy – in all you do, exude it
- In your career you'll have many bosses – some good, some bad. Manage the relationship
 - Boss knows what you're working on – contributions
 - Boss working to support your efforts



Success ... Beyond Yourself

- Team
- Leadership
 - Vision – clear, actionable
 - Other Focus



Success . . .

- Initial Focus in life (business) - *Success*
- Later focus of life (personal) - *Significance*
 - More to life than work – work / Life balance
 - Me
 - Faith
 - Family

Success is winning
Significance is helping others win.
Success leaves a fingerprint.
While significance leaves a footprint
On the hearts and minds
Of others.

D. Trinidad Hunt

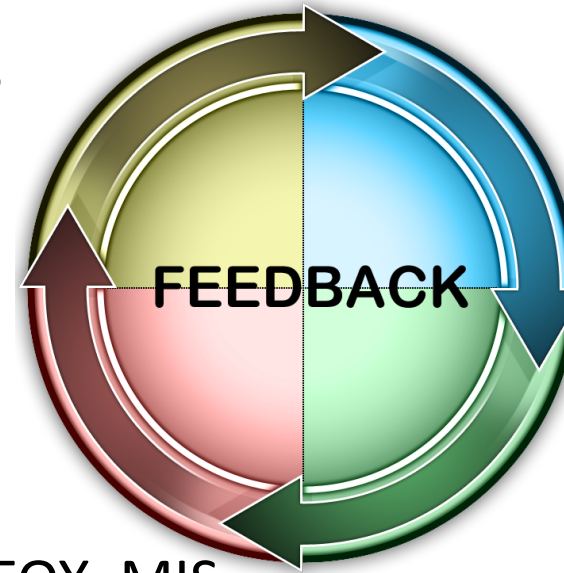
SFF: Student Feedback Forms

- Value

- ❖ Your feedback already (after test, etc.) has already helped me improve the class
- ❖ Better class for subsequent students and to FOX MIS in total

- Request

- ❖ Have you received the e-SFF e-mail??
- ❖ Take 10-15 minutes to complete – **NOW!**
- ❖ <http://esff.temple.edu>



Break Time



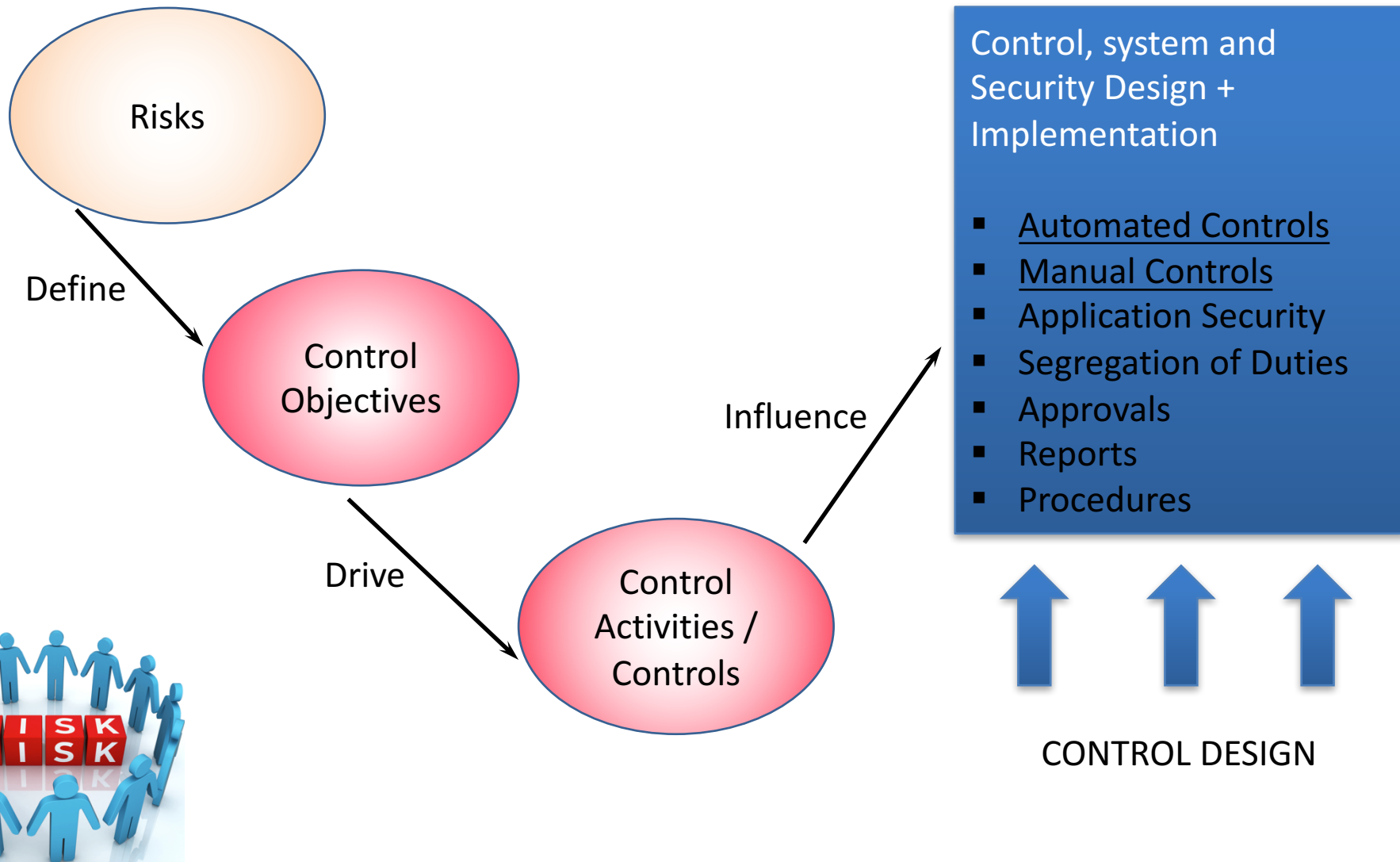
‘The wisdom of moderation is not just realize the midpoint between two opposite poles, but instead, it is an awareness of the inevitability of conflict.’



Risk / Control Matrix

Final Exercise

Risk / Control Matrix: Design Approach



Risk / Control Matrix: Final Exercise



- Agenda
 - Prior Class (*November 14*): Part 1 (Identify Risks)
 - Prior Class (November 28): Part 2, 3
 - Risk Priority (Severity & Likelihood)
 - Identify Controls,
 - Link Controls to Risks
 - Last Class (December 5): Part 4 (Complete Control Definitions)
 - **This Class (December 12): Part 5, 6 (Control Process / Audit Details; Personal Questions)**
 - *Due December 15 11:59 PM: Assignment Submission*



Risk / Control Matrix: Final Exercise



Part 5: Create Control Process and Auditing Documentation for the Order to Cash (OTC) process

- Appendix 2 and 3 of the Exercise Guide has documentation examples from the Procure to Pay process:
 - Appendix 2: Automated Configuration Control
 - Appendix 3: Manual Monitoring Control
- Using these examples and format, create **one** example document for one of your identified OTC Controls (Part 3)
- Submit as separate Word document or insert as tab in Submission Spreadsheet
- Resources:
 - Professor: in class, e-mail, phone (609-206-9783)
 - Table TSTC (List of transaction codes – reports)



Risk / Control Matrix: Final Exercise

Part 6: Team Member Evaluation (Optional)



All members of a team receive the same points for the exercise submissions.

If you feel that one or more members are not doing their fair share, please submit the Team Member Evaluation form to me by email.

All responses will be kept confidential.

Extra Slides

Risk / Control Matrix: Final Exercise



Part 1:

- a) Analyze the key risks that exist for the Order to Cash (OTC) process at GBI
- b) Define and document the key risks that exist for the Order to Cash (OTC) process at GBI
 - Tab: Part 1 – GBI Risks
 - Identify at minimum 25 risks in the process
 - Identify a minimum 4 risks in each of the OTC sub-processes:
 - ✓ **OR&H:** Order Receipt and Handling
 - ✓ **MF:** Material Flow (shipping)
 - ✓ **CI:** Customer Invoicing
 - ✓ **PR&H:** Payment Receipt and Handling



Risk Assessment



Risk / Control Matrix: Final Exercise



Part 2: Identify key controls for the Order to Cash (OTC) process at GBI

- Tab: Part 2 – GBI Controls
- Identify at minimum 15 controls for the process
- Identify a minimum 3 controls in each of the OTC sub-processes:
 - ✓ **OR&H:** Order Receipt and Handling
 - ✓ **MF:** Material Flow (shipping)
 - ✓ **CI:** Customer Invoicing
 - ✓ **PR&H:** Payment Receipt and Handling
- At least two (2) controls must be Automated / Config controls



Risk / Control Matrix: Final Exercise



Part 3: Link Risks (Part 1) to the Controls (Part 2)

- Tab: Part 1 – GBI Risks
- At least one (1) control must be identified for each risk identified as High Severity or High Likelihood / Frequency
- A given control may address multiple risks (listed once in Part 2 tab and multiple times in Part 1 tab)
- A given risk may be addressed by multiple controls (listed once in Part 1 tab and multiple times in Part 2 tab)
- Risks without out a control:
 - ✧ Acceptable Risk: Business agrees no controls will be developed
 - ✧ TBD (To Be Determined)





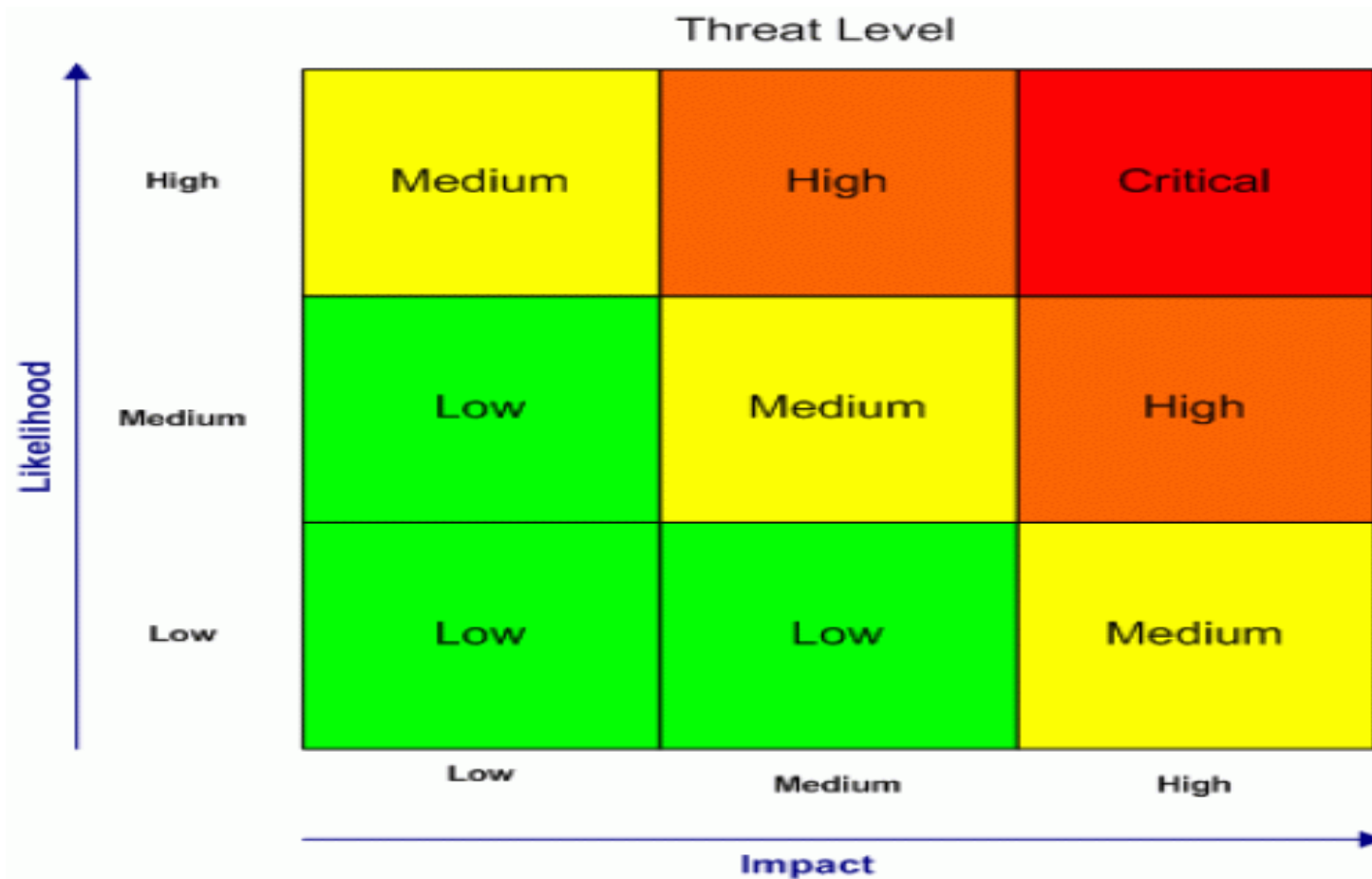
Risk / Control Matrix: Final Exercise



Part 4: Augment key controls information for the Order to Cash (OTC) process at GBI

- Tab: Part 2 – GBI Controls
- Control Description (Columns F -> K) Mark each using taxonomy provided
 - Control Owner (Title): Choose **one** title from Appendix 1 or define appropriate missing title
- Financial Statement Assertions (Columns L-> Q) Mark with **x**
- Control Risk Assessment (Columns R -> U) Taxonomy column top
- Financial Statement Impact (Columns V -> AK) Mark statements impacted with **x**

Extra Slides





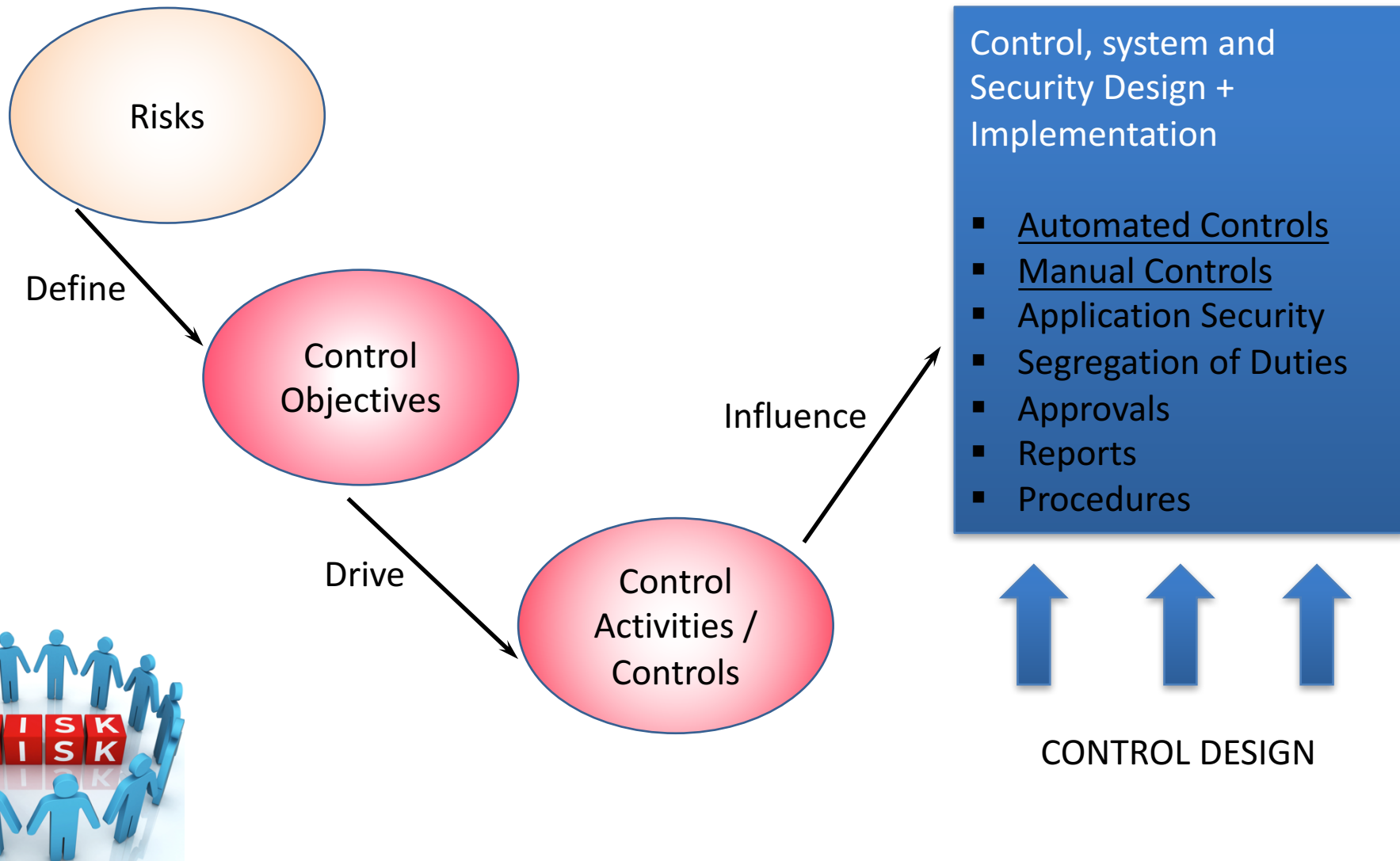
Risk / Control Matrix: Final Exercise



Parts

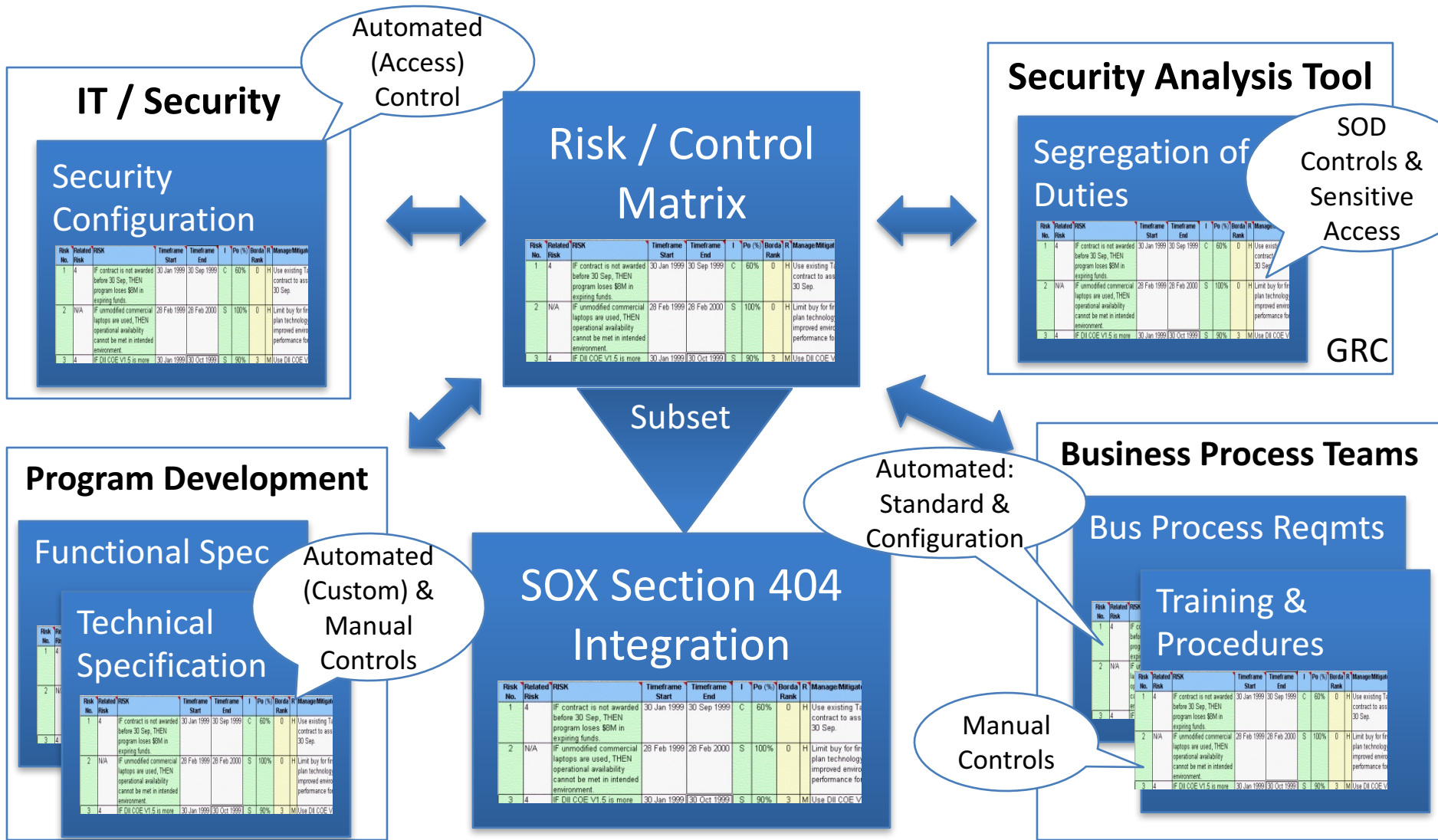
1. Analyze and define the key risks that exist for the Order to Cash (OTC) process at GBI
2. Guided by the risks you identified (esp. the High Severity and High Likelihood / Frequency risks) identify the key controls that will be used in the OTC process.
3. Link the Risks from Part 1 to the controls in Part 2.
4. Complete definition of the controls (classifications, links to assertions, etc.)
5. Write auditable control process documentation for 1 manual and 1 automated (configuration) control identified.
6. (Individual vs. Team submission): Couple questions about your work as a team to complete this and other exercises. (Optional)
Details will be announced via a blog post in last couple weeks of class.

Risk / Control Matrix: Design Approach



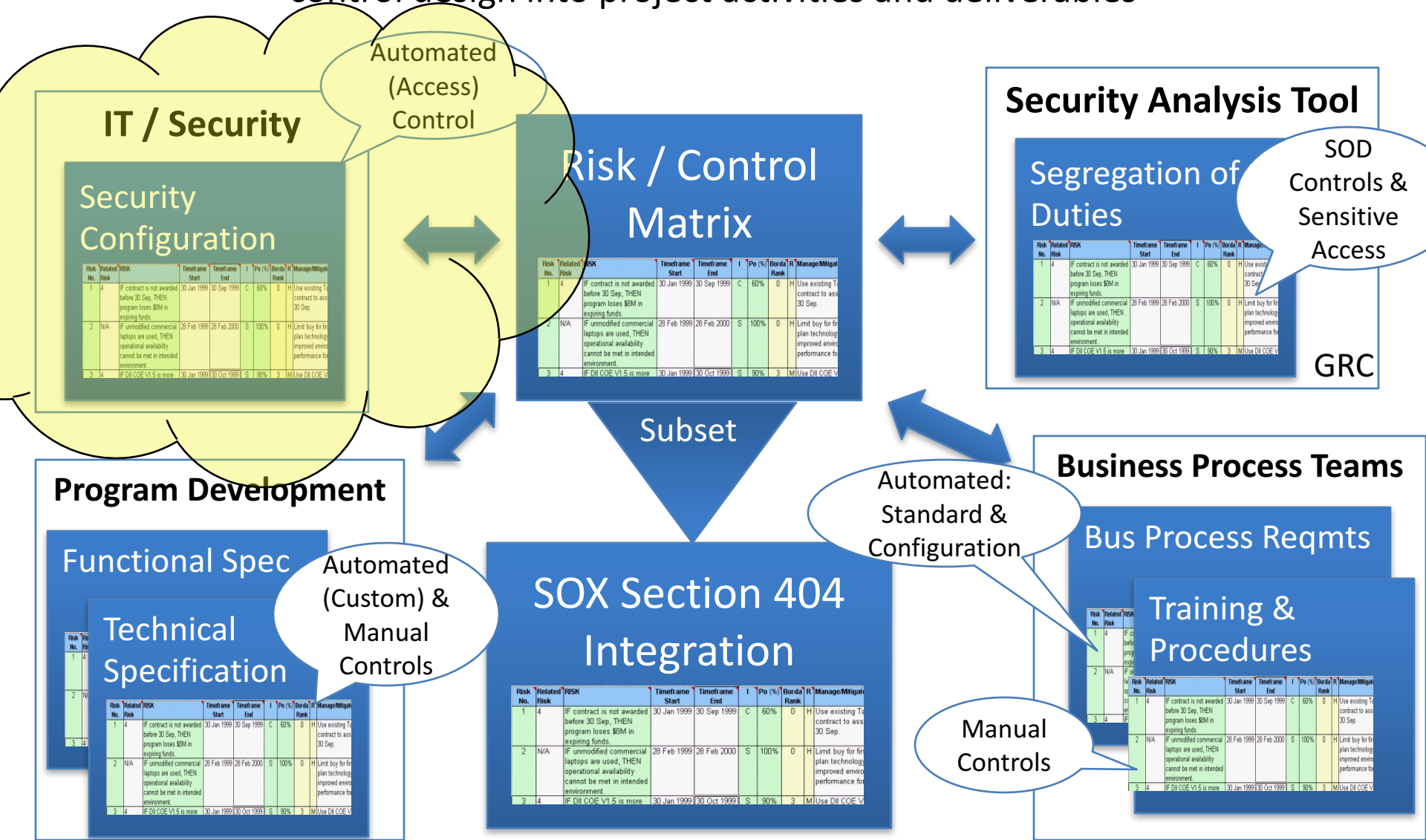
Controls: Integration Points

Risk/Control Matrix can serve as the primary vehicle for integrating control design into project activities and deliverables

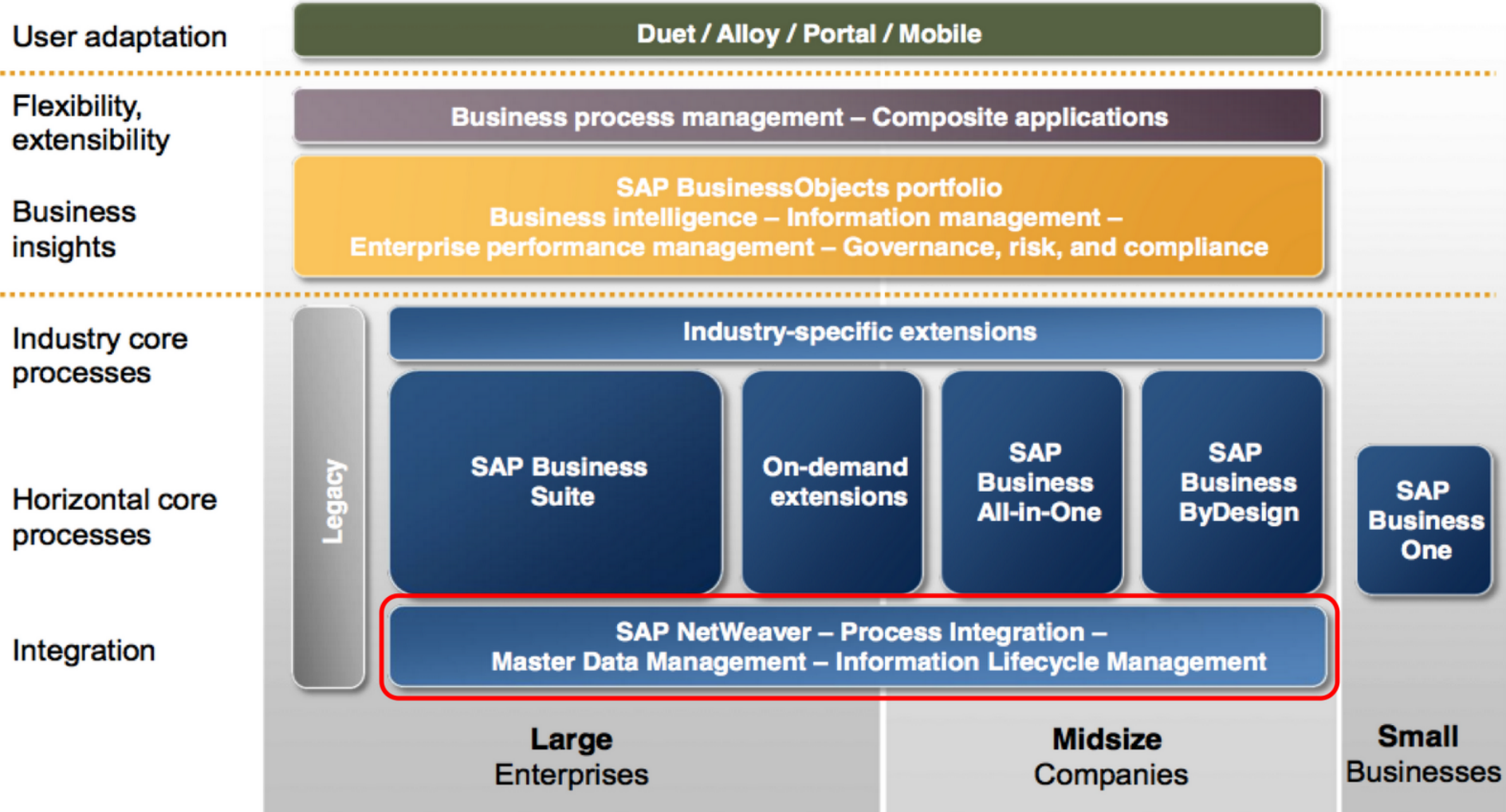


Controls: Integration Points

Risk/Control Matrix can serve as the primary vehicle for integrating control design into project activities and deliverables



SAP: Not Just ECC/ERP



'The wisdom of moderation is not just realize the midpoint between two opposite poles, but instead, it is an awareness of the inevitability of conflict.'

Assignment Questions - Character

Self-Control
Excellence
Honesty
Respect
Responsibility
Courteous

- What mindset is more helpful in being successful; being humble or more self-absorbed and concerned with yourself?
- Do you think self-awareness can be practiced or not? If possible, how to practice?
- In the valley of humility they learned to quiet the self. However, when you facing difficulty or disaster, how can you overcome the fear can see the world clearly?
- **In your life, have you faced any hardships, and what did you do to overcome those hardships to make yourself better?**
- How to make you not only grateful or humble in respect to others but also make you realize who you really are?
- Why it is importance of practicing small acts of self-control?
- *What are some examples of their road to character?*
- Life stories of persons in book show how they met diversity and rose to a level of success. However, what toll did their journey have on the family and how did they cope?
- Which character is more suitable for the current society, big me or little me?

Assignment Questions - Character

- *A person's character is very crucial in the audit industry. How do we build our reputation and maintain a good ethical character in this industry?*
- How would you define “eulogy virtues” and “resume virtues”?
- Is there something that a person should change in themselves to build character?
- In the book, David Brooks highlighted some instances where individuals were not exceptionally talented, but through hard work and dedication, they were able to achieve their goals. **So in your opinion, is it better to work harder or smarter?**
- I would like to discuss with classmates that from where or whom do you get your morality, or your moral center?



A word cloud of virtues including Self-Control, Excellence, Responsibility, Honesty, Courteous, and Respect.