FIN900
Auditing of Financial Business Processes in SAP

SAP ERP - Financials

Course Outline
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Course Overview

Target Audience
This course is intended for the following audiences:

• Financial accounting auditors who are responsible for verifying, improving, and designing controls for the business processes in mySAP ERP.
• Other external auditors who want to find out more about controlling and verifying business processes.
• Consultants focusing on corporate governance and compliance with the Sarbanes-Oxley Act.

Course Prerequisites
Required Knowledge
• Knowledge of economics and business administration
• Financial and business process audits

Recommended Knowledge
• Due to the integrated structure of the course (particularly with regard to business processes), basic SAP experience (as provided by the courses SAP001, AC010, or AC040) is recommended.

Course Goals
This course will prepare the participant to:

• Understand the core processes and how SAP applications and system controls are integrated in order to optimize internal controls and fulfill the relevant regulations and international standards.
• Understand and identify process risks and controls with regard to organizational vulnerabilities and business processes, including the Customizing settings in the SAP system for:
  – a continuous auditing process during the fiscal year
  – the auditing activities at year-end closing
• Learn how to download data for auditing tools so that internal controls and the separation of duties can be managed more easily.
Course Objectives
After completing this course, the participant will be able to:

• Support and understand the use of the Audit Information System (AIS - business audit) as well as standard SAP reporting tools and analysis systems.
• Examine organizational structures and units within a mySAP ERP system.
• Understand end-to-end, integrated business processes, such as procurement, production, and sales. You will be able to test key, configurable controls and verify them using report controls.
• Examine period-end closing results, for example, in managerial accounting (controlling), financial accounting, and asset accounting.
• Examine various valuation methods for balance sheet accounts.
• Understand and examine different methods for period-based profitability analysis of cost objects, for example.
Unit 1

Introduction

Unit Overview
This unit describes the main aspects of auditing activities and discusses the key implications of the Sarbanes-Oxley Act. It outlines the various control options in the SAP system, which are discussed in greater detail in the subsequent units.

Lesson: Objectives of Auditing Measures with Regard to Sarbanes-Oxley Requirements

Lesson Objectives
After completing this lesson, the participant will be able to:

• State the objectives of corporate governance and explain the significance of an auditing system that fulfills the relevant requirements.
• Name the auditing processes that must be defined as stipulated by the Sarbanes-Oxley Act of 2002.

Lesson: Subject of the Audit

Lesson Objectives
After completing this lesson, the participant will be able to:

• List the tools and applications that SAP provides for auditing
• List some of the solutions provided by SAP that help companies and auditors fulfill the requirements of the Sarbanes-Oxley Act of 2002.

Lesson: Operation of the R/3 System for Auditors

Lesson Objectives
After completing this lesson, the participant will be able to:

• Log on to an SAP system
• Navigate through a menu path and adapt a menu to your personal requirements
• Search for information and obtain help using the different help methods in the SAP system
Unit Overview
This unit introduces you to the basic functions that are useful to auditors as a "general toolset". These functions include the authorization concept for answering and checking general authorization questions. Further information about the authorization concept is provided in the lesson on the "Virsa Compliance Calibrator" and in the relevant training course as part of the "GRC" curriculum. These functions also include the "Audit Information System (AIS)", which facilitates auditing activities, as well as the general reporting tools, which auditors can use to define their own reports.

Lesson: Basics of the Authorization Concept
Lesson Objectives
After completing this lesson, the participant will be able to:
• Understand the basics of the SAP authorization concept
• Name the different authorization elements and explain how to use them
• Name examples of transactions and activities for which authorizations can be defined
• Explain the role of the user master record when assigning authorizations

Lesson: Organization of the Audit Information System (AIS)
Lesson Objectives
After completing this lesson, the participant will be able to:
• Describe the functions and characteristics of the Audit Information System
• Name the audit views in the Audit Information System

Lesson: Reports and Analyses in AIS
Lesson Objectives
After completing this lesson, the participant will be able to:
• List the analysis and reporting options available in AIS
• Apply different analysis and reporting methods
• Run a report
Unit 3
Organizational Units and Structures

Unit Overview
This chapter introduces the key organizational structures and units, especially those in accounting. It is important that you understand these so that you can carry out our auditing activities. As well as checking that the structure of your company is modeled correctly in the system, you will use these structures and units as information for report selections.

Lesson: Enterprise Organization in the SAP System
Lesson Objectives
After completing this lesson, the participant will be able to:
• Name selected functions of the system audit
• Check the database organization used in SAP applications
• Check postings that were terminated (update terminations)
• Check the settings for logging tables and display change logs

Lesson: Organizational Units in Financial Accounting
Lesson Objectives
After completing this lesson, the participant will be able to:
• Check the settings defined for the organizational structure
• Check account information

Lesson: Organizational Units in Managerial Accounting
Lesson Objectives
After completing this lesson, the participant will be able to:
• Specify the basic organizational units relevant for Controlling
• List the master data relevant for Controlling
• Describe the integration between the different CO components
Unit 4

Auditing Business Processes

Unit Overview
Typical, end-to-end business processes are used to explain how the system works and how it is integrated. This unit introduces the processes and focuses on configurable controls and reports.

Lesson: Procurement Process (Purchase to Pay)

Lesson Objectives
After completing this lesson, the participant will be able to:

• Describe the material, vendor, and purchasing info record master data
• Understand the typical steps involved in the business process and assess the associated risks
• Analyze important steps in Customizing

Lesson: Costing Process

Lesson Objectives
After completing this lesson, the participant will be able to:

• Offer a basic explanation of costing
• Explain the purpose of a costing variant
• Describe the components of a costing variant
• Explain the costing result update process

Lesson: Periodic Controlling for a Make-to-Order Production Process

Lesson Objectives
After completing this lesson, the participant will be able to:

• Create a production order
• Post the documents required to record the consumption of material and services
• Post the documents required to record all other production costs
Lesson: Sales Process: Order to Cash

Lesson Objectives
After completing this lesson, the participant will be able to:

• Name and describe the organizational elements in Sales and Distribution
Unit 5

Auditing Processes in Period-End Closing

Unit Overview
Typical, end-to-end business processes are used to explain how the system works and how it is integrated. This unit introduces the processes and focuses on configurable controls and reports.

Lesson: Period Closing in Internal Accounting During Make-to-Stock Production

Lesson Objectives
After completing this lesson, the participant will be able to:

- Describe the standard procedure for period-end closing in make-to-stock production with periodic controlling
- Check work in process (WIP) for target costs and explain the associated Customizing settings
- Analyze the results of the variance calculation
- Describe the integration of period-end closing

Lesson: Period-End Closing in Asset Accounting

Lesson Objectives
After completing this lesson, the participant will be able to:

- Analyze asset master records
- Check asset classes
- Check settings and postings in depreciation areas of asset accounting

Lesson: Period-End Closing in External Accounting

Lesson Objectives
After completing this lesson, the participant will be able to:

- Explain the setup of the financial statement version and use it to analyze the valuation of the financial statement using report RFBILA00 and drilldown reporting
- Check balance confirmations
- Valuate open items in foreign currency
• Explain the program for the flat-rate individual value adjustment
• Check the reclassification of receivables and payables
• Explain how the Accrual Engine processes accruals at period-end closing
• Check the balance carryforward in the general ledger
• Analyze technical reconciliation between transaction figures and documents
Unit 6
Auditing Valuations

Unit Overview
This unit discusses the key aspects of mid-year and key-date valuations of warehouse stock.

Lesson: Valuation Strategies for Warehouse Stock

Lesson Objectives
After completing this lesson, the participant will be able to:

- Understand the standard price and moving average price in the material master record
- Explain the required postings to the price difference account
- Audit master data and valuations
- Explain evaluations for the lowest-value principle

Lesson: Valuation with Actual Costing and Transfer Prices

Lesson Objectives
After completing this lesson, the participant will be able to:

- Explain the concept of the preliminary valuation price
- Explain the concept of the periodic unit price
- Explain the concept of the transfer price
Unit 7
Auditing Tools for the SAP System

Unit Overview
This unit provides an overview of further topics regarding audits in the system and their implementation. For more information, refer to the courses in the "GRC" curriculum of your training plan.

Lesson: Information for Managing Internal Controls

Lesson Objectives
After completing this lesson, the participant will be able to:

- Explain the specific requirements of the Sarbanes-Oxley Act.
- Explain how management can use SAP Management of Internal Controls to satisfy these requirements.

Lesson: Virsa Compliance Calibrator

Lesson Objectives
After completing this lesson, the participant will be able to:

- Describe the features and functions of the Virsa "Compliance Calibrator" tool.
Unit 8
Appendix

Unit Overview
Both of the lessons in this unit demonstrate a make-to-order production process. As part of the period-end closing activities, you can discuss period-based profitability analysis of sales orders (or projects) in greater detail. In particular, the various profitability valuation methods, which are performed in parallel for different accounting principles and can be transferred to FI, as well as the flexible Customizing options provide a broad scope for the balance sheet valuation approach.

Lesson: Sales-Order-Related Production (Optional)

Lesson Objectives
After completing this lesson, the participant will be able to:

• Explain sales order processing
• Describe the value flow for make-to-order production with and without Product Cost by Sales Order
• Explain the value flow for scenarios with valuated and unvaluated sales order stock

Lesson: Period-End Closing in Managerial Accounting for Sales-Order-Related Production or Service (Optional)

Lesson Objectives
After completing this lesson, the participant will be able to:

• Explain the typical period-end closing activities for a sales order with Product Cost by Sales Order
• Explain the difference between revenue-based and cost-based valuation methods in the results analysis
• Understand when balances or reserves are formed and cleared
• Explain where the values of a sales order are settled