

# The hidden risks with custom transaction codes in SAP

A case study on analyzing Custom Transaction codes and updating the Risk Ruleset

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# Introduction

Many of the SAP customers utilize custom transaction codes in SAP for simplifying their business operations, streamlining processes and boosting efficiency.

However, with great customization comes great responsibility, as the widespread adoption of tailored transactions brings forth a spectrum of challenges, including the risk of segregation of duties (SoD) violations, unauthorized access, and potential fraudulent activities.

This compelling case study delves into our collaborative journey with our esteemed client, illuminating how we navigated the intricate terrain of custom transaction analysis. Our focus extended beyond mere identification of risks; we embarked on a comprehensive overhaul, meticulously revising SoD rulesets and ensuring strict adherence to audit recommendations. Through a synergistic approach, we not only mitigated existing vulnerabilities but also fortified the foundation of their SAP ecosystem, ushering in a new era of operational resilience and regulatory compliance.



# About Our Client

Our client is a major luggage manufacturer, a multinational corporation with a global presence. They operate within a complex SAP landscape supporting various business functions. Over time, the client has developed numerous custom transaction codes to address specific business needs, leading to a decentralized system with limited oversight.



# Objectives

Objective # 1

**Complete Analysis on custom transaction codes**

Objective # 2

**Identify Obsolete transaction codes**

Objective # 3

**Identify transaction codes that don't have authority checks**

Objective # 4

**Identify critical transaction codes**

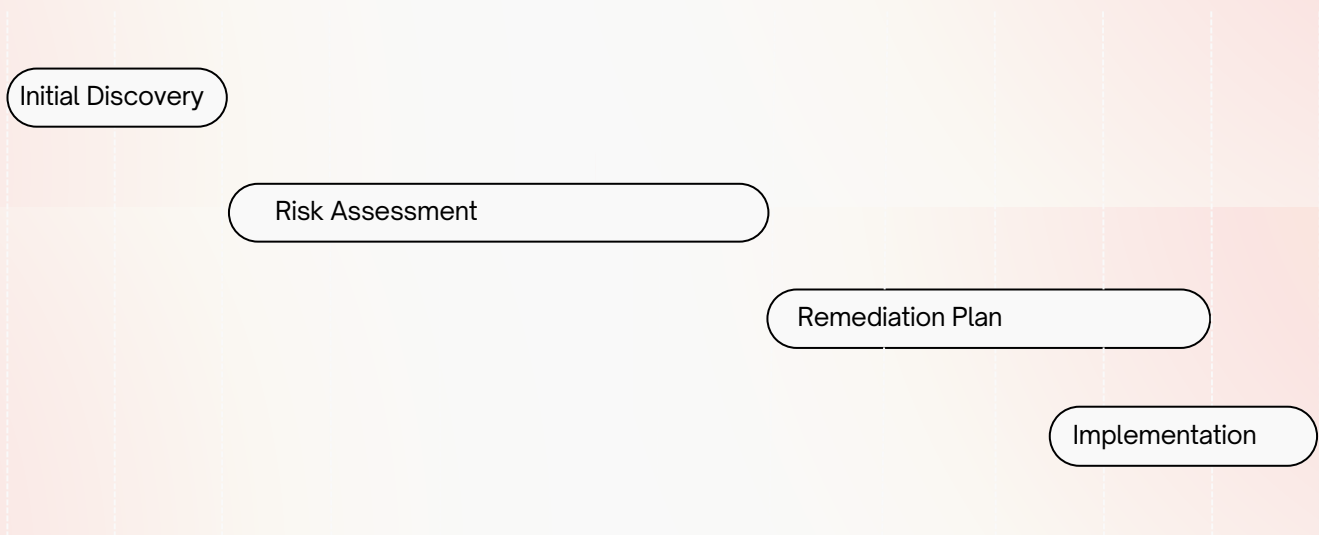
Objective # 5

**Identify Segregation of Duties associated with custom transaction codes**

The primary objective of this project was to conduct a thorough analysis of custom transaction codes within their SAP S/4 environment, identify potential risks associated with these transactions, update SoD rulesets to mitigate risks, and ensure compliance with audit recommendations and industry best practices.

# Project Methodology

WEEK 1   WEEK 2   WEEK 3   WEEK 4   WEEK 5   WEEK 6   WEEK 7   WEEK 8   WEEK 9   WEEK 10   WEEK 11   WEEK 12



The project commenced with an initial discovery phase, followed by risk assessment, remediation, and the implementation of recommendations. Here is a breakdown of the process:

## Inventory of Custom Transaction Codes:

As a first step, we have compiled an inventory of all custom transaction codes deployed across different SAP modules. We further segregated them based on the type of the transaction code. For example: Custom transaction code calling programs, other transaction codes etc., using our custom transaction code analyzer program.

At this stage, we additionally recommended our client to utilize SAP Solution Manager CCLM (Custom Code Lifecycle Management) which can be used to figure out which custom code is actually being used. Then, identify and get rid of any code that's no longer needed or outdated, which helps keep things running smoothly.

It also helps to make sure that the code which is still in use is high quality and works well. Additionally, it also helped the client to have clear visibility into metrics like how often the code is used and how good its quality is, across all the systems involved, so they can make smart decisions about managing it effectively.

## Identify the usage trends

We delved deeper into the usage patterns using our customized data extraction tool, which gathered data spanning the past two years. After collecting this data, we analyzed the usage of custom transaction codes and removed those that hadn't been used within the same time frame.

## Risk Assessment

Each custom transaction code was subjected to a comprehensive risk assessment to identify potential SoD violations, segregation conflicts, and other security risks. This assessment involved collaboration with business process owners and SAP administrators to understand the purpose and authorization requirements of each transaction. We additionally utilized our ToggleNow's custom transaction code risk identification solution.

## Updation of SoD Rulebook

After discussing with the business teams regarding the potential segregation of duties involving the custom transaction codes, we updated the SoD ruleset (rulebook). Our client was using ToggleNow's SoD analysis solution – Verity, which has been updated with a single click. However, this solution also supports SAP GRC Access Control Ruleset.





## Remediation Plan

Based on the findings from the risk assessment and SoD analysis, a remediation plan was developed to address identified risks. This plan included:

- Recommending remediation requirements such as role modifications, splitting roles, creative sensitive roles etc.,
- User access reviews, and enhanced monitoring.
- Reviewing and rationalizing by setting up new mitigating controls.
- Updating the risk monitoring controls

## Implementation & Testing

The remediation plan was implemented in a phased manner, ensuring minimal disruption to ongoing operations. Rigorous testing was conducted to validate the effectiveness of updated SoD rulesets and ensure compliance with audit recommendations.





# How did it benefit our client?

This project was a total game-changer for our client!



## **Identification of Risks**

The analysis revealed several custom transaction codes that possess greater risk. Instances of unauthorized access to critical transaction codes (backdoors) and potential SoD violations are identified.



## **SoD Rule Updates**

The SoD rulesets were updated to align with the organization's current business processes, and auditor requirements ensuring a robust framework for preventing and detecting segregation conflicts.



## **Remediation of Custom Transaction Codes**

Redundant and high-risk custom transaction codes were rationalized or decommissioned, reducing the organization's exposure to security risks.



## **Enhanced Compliance**

By addressing the identified risks and updating SoD rulesets, the organization improved its compliance posture and aligned with audit recommendations and industry best practices.

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# Conclusion

With ToggleNow's automated approach, the client successfully completed this task within a mere 60 days, achieving audit compliance. They now possess greater insight into the risks associated with custom transaction codes and have established standardized operating procedures (SOPs) for creating new ones. This not only streamlined their processes but also provided comprehensive visibility into their risk posture.



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