SAP Ariba

Feature at a Glance
Calculate inherent risk for engagement requests by risk domain

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Target GA: May, 2022

THE BEST RUN **SAP**

Feature at a Glance
Introducing: Calculate inherent risk for engagement requests by risk domain

Customer challenge

Risk Managers need to have accurate details when reviewing the inherent risk of an engagement request. Without a detailed understanding of the contributing factors which influence the inherent risk score calculation, it becomes difficult to accurately respond to the inherent risk score generated by the system.

Meet that challenge with
SAP Ariba

This feature enables calculation of inherent risk rating for each risk domain represented in an engagement request. Risk experts can now assign weights to risk domains, so that the engagement-level inherent risk calculation reflects the relative importance of each.

Experience key benefits

End users now able to easily identify leading indicators driving their inherent risk score calculations

Enables more accurate due diligence responses and understanding from within an engagement risk project

Solution area

SAP Ariba Supplier Risk

Implementation information

This feature is automatically on for all customers with the applicable solutions but requires **customer configuration**.

Prerequisites and Restrictions

Site must be configured for use of control-based engagement risk assessment projects

Inherent risk screening questionnaire in Supplier Risk Engagement Template must have questions organized into sections.

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With the introduction of this feature, users can choose between two methods of calculating inherent risk for engagements. Once you configure your site for domain-based inherent risk, the system actually does both calculations and stores the results separately.

- The **Inherent risk rating** field is the original inherent risk value, calculated based on the overall score for the inherent risk screening questionnaire.

- The **Weighted inherent risk rating** field is the new value, calculated based on the scores for the sections to which domains are assigned and using the weight assigned to each domain.

The **Inherent risk rating** value is used in the logic for determining:

- The controls required for an engagement request, based on your defined engagement control mappings.

- Periodic review dates for an engagement.

- There is currently no option to use the **Weighted inherent risk rating** value instead.

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Configuration

- Enable the self-service parameter in Intelligent Configuration Manager.

  - Setting this parameter to "Yes" adds the ability to assign risk domains and domain weights to sections of the inherent risk screening questionnaire, in order to calculate inherent risk by risk domain.

ID	**Application.SR.Engagement.DomainBasedInherentRisk**
Name	**Calculate inherent risk for engagements by risk domain**
Default value	**No**

- Import **risk type** definitions in Administration. These risk types are used as the risk domain values you will use in the engagement template.

- Update the applicable Supplier Risk Engagement Template to assign values for domain and domain weights for each section.

- Publish the control-based engagement risk assessment project template.

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In the Supplier Risk Engagement Template, you can associate a risk domain and domain weight with one or more sections of the inherent risk screening questionnaire

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- Using the existing percentage-based or point-based system, the inherent risk score is calculated by section; then the score for any section with an assigned risk domain contributes to the score for that domain.
- An overall risk score for the engagement is calculated using the domain scores and their weights.

Engagement Summary

Commodity
&Data base & reporting software

Requester
John Doe

Inherent risk
Significant ℹ️

Overall inherent risk	**Significant**
Risk domains	
Enriched corporate information	Important
Operational	Critical
Regulatory & legal	Critical
Watchlists	Important
Financial	Significant
Environmental & social	Important
Sanctions	Important

Supplier

Name
Governor Office For Emergence

Telephone