



JOHNSON CONTROLS POWER SOLUTIONS EUROPE

AUTHORIZATION STRATEGY SUPPORTS 1,000 USERS ACROSS EUROPE

QUICK FACTS

Company

- Name: Johnson Controls Power Solutions Europe
- Location: Hannover, Germany
- Industry: Automotive
- Products and services: Batteries for automotive vehicles and boats
- Revenue: €1.1 billion
- Employees: 3,500
- Web site: www.jci.com
- Partner: Hans-Joachim Gaebert, corporate consultant for IT security and IT auditing

Challenge and Opportunity

Implement compliance requirements based on an authorization concept supported by SAP® software

Objectives

- Evaluate, test, and implement access rules and authorizations for a central SAP implementation supporting about 1,000 users in multiple locations across Europe
- Identify access risks, such as lack of segregation of duties, and specify measures to mitigate or prevent them
- Set up regular checks to ensure IT operations conform to the compliance regulations

SAP Solution and Services

SAP GRC Access Control application

Implementation Highlights

- Performed project work in phases
- Enhanced rules specifically to support company's IT landscape
- Performed and assessed risk analysis to mitigate and prevent risk
- Carried out audits on a continual basis

Why SAP

- Integration in existing SAP software landscape
- Market-leading functionality for most comprehensive IT access control
- Future-proof solution

Benefits

- Mitigated or eliminated risk of unauthorized access at user level due to errors or fraud
- Simulated risks to prevent their occurrence
- Avoided potential risks by segregating duties
- Automated controls
- Promptly evaluated the status of actual and potential access risks and any possible violations
- Established protection of financial data integrity in compliance with Sarbanes-Oxley Act of 2002
- Produced results that were accepted by auditor
- Improved overall IT security

Existing Environment

SAP applications for all application areas except human resources

Third-Party Integration

- Hardware: Hewlett-Packard
- Operating system: HP-UX 11i

“The SAP software continually checks the system, giving us the security to check and ensure authorization compliance in real time, 24 hours a day.”

Martin Wallner, Manager of IT Governance and Compliance, Johnson Controls Power Solutions Europe



“If you can determine what happens when authorizations are removed, redistributed, or reassigned, you can identify security risks in advance.”

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Mobile Energy Sources

Wherever mobile energy is required – whether for maximum starting power for cars and trucks or a reliable power supply on boats and yachts – batteries from Johnson Controls Power Solutions Europe can be found supplying that power. The company, based in Hannover, Germany, is the European branch of Johnson Controls Inc., a global U.S. company with revenues of over US\$32 billion in the 2005–06 fiscal year. Its 2002 acquisition of the automotive battery business VARTA AG in Europe made Johnson Controls the world’s leading provider of vehicle batteries.

Responding to Legal Requirements

VARTA has been using SAP® applications to manage its European car battery business since the early 1990s. When the company was acquired by Johnson Controls, the strict auditing regulations of the Sarbanes-Oxley Act of 2002 came into force. While publicly traded companies in the United States must adhere to Sarbanes-Oxley, other European companies are fulfilling its requirements on a voluntary basis. Projects based on Sarbanes-Oxley provide a reliable framework to increase both a

company’s IT security and its degree of transparency, thereby enabling an accurate reflection of the state of its business.

In the case of Johnson Controls Power Solutions Europe, the focus was on the segregation of duties that had to be mapped in the SAP applications. Martin Wallner, manager of IT governance and

“We have benefited particularly from the collection of predefined rules that SAP offers for the segregation of duties.”

Hans-Joachim Gaebert, IT Security and IT Audit Consultant

compliance, defines the objectives: “To put a stop to user authorization violations and align the authorization concept with the regulations was foremost.” Another main aim was to ensure the integrity of the company’s financial data, and to do that, the associated risks had to be identified, mitigated, and permanently eliminated. Within this context, the IT applications were of particular importance, since almost all of the business processes relevant to financial accounting ran within the IT network.

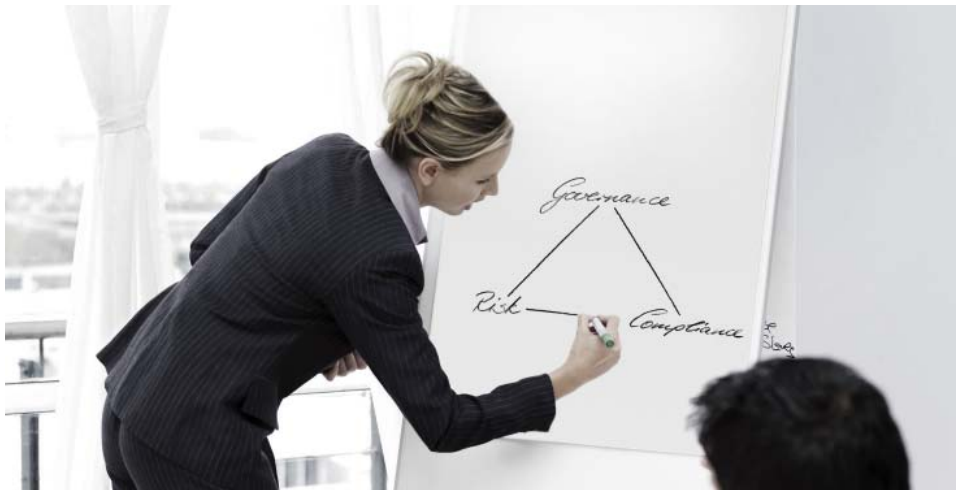
Putting a Stop to User Authorization Violations

Approximately 1,000 employees at Johnson Controls Power Solutions Europe work with SAP applications, both in Germany and in other European locations. Ensuring compliance with Sarbanes-Oxley across the borders of its international IT landscape was a major challenge. To tackle the job, a project team was formed, consisting of internal IT specialists, administrators, and key users from various departments. External support was provided by Hans-Joachim Gaebert, a consultant who specializes in IT security management.

After a short period of analysis, Johnson Controls Power Solutions Europe decided on a new, role-based user concept. It also realized that SAP delivered exactly the software needed for this task: the SAP GRC Access Control application, one of the SAP solutions for governance, risk, and compliance. The application provides up-to-date system monitoring and automates all the relevant regulations. “The SAP software continually checks the system, giving us the security to check and ensure authorization compliance in real time, 24 hours a day,” says Wallner.

Step by Step Toward Total Compliance

In their efforts to achieve total compliance, the project team focused on identifying the greatest threats to establishing the strict accuracy of the annual financial statements and the relevant measures to mitigate and avoid those risks.



First, the team examined functions that could pose problems, identified critical risks, and grouped them in a matrix. They then created rules to automatically recognize risks in SAP roles and, for example, reveal conflicts concerning the segregation of duties or critical transactions. “We have benefited particularly from the collection of pre-defined rules that SAP offers for the segregation of duties,” explains

Using Simulation to Aid Prevention

Detailed risk analyses played an important role in helping Johnson Controls Power Solutions Europe achieve its objectives. The integrated simulation options, for example, proved to be a useful tool: “If you can determine what happens when authorizations are removed, redistributed, or reassigned, you can identify security risks in ad-

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Gaebert. SAP GRC Access Control contains one of the most comprehensive databases of rules to track violations of segregation of duties. Managers at Johnson Controls Power Solutions Europe singled out the plain language of the control framework for praise.

The deliberately business-oriented style made it easier to decentralize the assignment of authorizations. “The people in the individual locations know better than anyone else what the different users do and what the risks involved with these tasks are,” explains Wallner. The authorizations themselves are maintained by the central IT department at Johnson Controls Power Solutions Europe.

vance,” explains Wallner. He also measures the success of the project by the fact that all the settings and results stood up to the close scrutiny of the auditors and were accepted by them.

Regular Checks

To protect compliance in the long term, a security administrator was installed at Johnson Controls Power Solutions Europe. The reports and evaluations generated by the application are collected there to enable an up-to-date overview of the status of the risks and any current infringements of rules as and when required. The compliance solution at Johnson Controls Power Solutions Europe is also regularly checked by internal and external auditors.

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