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OIG Memorandum

TO: K. A. LaMarca, Director, Information Services
FROM: D. J. Aubrey, Acting Inspector General
SUBJECT: Review of Service Organization Controls (SOC) Reports for the ERP System's Datacenter Service Provider
DATE: October 6, 2017

As part of the Office of the Inspector General (OIG) communicated initial IT audit focus, we have reviewed the most current and available Service Organization Controls reports for the Authority's ERP System's datacenter service provider (see attachments; the attached reports are noted as "*proprietary and confidential*"). This review was performed by R. McReynolds, IT Auditor, with reports provided by Kevin LaMarca, Director, Information Services. The objective of this review is to provide reasonable assurance that the service provider for the ERP system has controls in place to mitigate risk regarding security, availability, processing integrity, confidentiality, privacy, and that the controls have been tested and any material issues remediated. [REDACTED] is the subcontracted datacenter service provider for the Authority's cloud-based ERP system. To accomplish this review OIG has reviewed the following audit reports:

- SOC2 Type 2 Report (SOC2), plus Cloud Security Alliance & Security Trust and Assurance Report;
- SOC3 Type 2 Report; and,
- Statement on Standards for Attestation Engagements (SSAE) 16 Type 2 and International Standard for Assurance Engagements (ISAE) 3402 Report.

The scope of the reports provided and reviewed were valid for the period December 1, 2015 through November 30, 2016.

These independent audit reports are control attestations provided by the third party service provider to provide assurance to their clients (in this case, the Authority) that the contracted services and facilities have an adequate control environment in place to protect our data. The reports also document the testing and results of the controls by the independent attesting organization.

The datacenter's policies and procedures were evaluated for system access and operations controls. The datacenter's locations were reviewed for adherence to policy and procedures for logical access to systems, physical security, network security, environmental protection, power backup, fire alert and suppression capabilities, application hosting and disaster recovery and data backup.

For the period December 1, 2015 through November 30, 2016, the independent attesting organization, A-lign from Tampa, FL, concluded "no exceptions reported" for the testing of the controls for the datacenter service provider within their report dated January 30, 2017. Based on review of the reported results from the independent attesting organization, OIG concurs with the conclusion that an appropriate control environment exists at the datacenter. No further actions are required.

OIG has discussed the results of this review with IS management and will continue to work with IS management in review of datacenter controls as the annual SOC audits and reports are conducted and made available.

Attachments (proprietary and confidential)

(Note: The noted attachments have not been included due to their proprietary and confidential nature.)

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