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David J. Aubrey, CIA, CFE
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Office of the Inspector General

OIG Memorandum

TO: K. A. LaMarca, Director, Information Services
FROM: D. J. Aubrey, Inspector General
SUBJECT: Review of Service Organization Controls (SOC) Reports for SAP's VirtuStream Datacenter (2018 Reporting)
DATE: October 28, 2019

The Office of the Inspector General (OIG) has reviewed the most current and available Service Organization Controls reports for the VirtuStream 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 SAP 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 were remediated. VirtuStream is the subcontracted datacenter service provider of SAP for the Authority's cloud-based SAP 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; and,
- SOC1 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, 2017 through November 30, 2018.

These independent audit reports are control attestations supplied 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, 2017 through November 30, 2018, the independent attesting organization, A-align from Tampa, FL, concluded "no exceptions reported" for the testing of the controls for VirtuStream Data Services within their reports dated December 5, 2018. 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 VirtuStream 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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