



Inspector General Insights

Background:

In June 2022, the Clerk's agency moved forward with a project to upgrade the current financial system on SAP from ECC to S/4 HANA. The project was a large undertaking, spanning one year and including teams from Information Technology, Finance, and the various Board and Clerk agency departments that utilize SAP functionality. A third-party consulting team was contracted to aid with the migration. This was the first major upgrade to the SAP system since it was implemented in 2002.

The proposed Institute of Internal Audit (IIA) Global Internal Audit Standards (effective January 2025) require a review of cybersecurity and information technology governance, including compliance with the "Topical Requirements" for these functions. The IIA Topical Requirements are supplements to the Global Internal Audit Standards, and these requirements serve as the authority for the mandatory audit practices required to be followed when that subject is the focus of an internal audit engagement.

In addition to these requirements, the Topical Requirements also include "Considerations", which are "not mandatory but serve as best practices for evaluating the design and implementation." Conformance with Topical Requirements will be evaluated in peer reviews or quality assessments, and evidence of conformance will be demonstrated by completing the IIA's checklist, to demonstrate conformance with each requirement or to explain why conformance was not achieved.

Accordingly, the Office of Inspector General (OIG) elected to evaluate the related controls at the time of implementation to ensure that changes made during the migration would not compromise the existing control structure.

Objective:

Our review consisted of the following objectives:

1. Obtain a high-level understanding of the underlying key processes, risks, and controls.
2. Assess the current and future design of system roles and responsibilities.

Scope/Methodology:

The project included upgrades to the financial, procurement, inventory, sales and distribution, and human resource/payroll modules.

Observations:

What's Working:

- The SAP Project Manager excelled in working with the various teams throughout the project to ensure a successful migration.
- Teams worked well with the SAP consultant to identify process improvements and ways to better leverage system functionality in the future.

Open Items:

- Roles and responsibilities are being reviewed by the SAP team to ensure alignment with best practices.

Recommendations & Actions:

OIG will continue to work with management to formally document key processes, risks, and controls related to the SAP system. We will be following up with the SAP team regarding roles and responsibilities in 2024.

Conclusion:

The migration was successfully deployed in May 2023.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
12	\$0.00	N/A	N/A	0