



NEW JERSEY LEGISLATURE
OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

**OFFICE OF INFORMATION TECHNOLOGY
EXECUTIVE BRANCH SOFTWARE-AS-A-SERVICE
February 1, 2024 to March 31, 2025**

We found that, overall, the Office of Information Technology (OIT) has adequate controls and processes in place related to Software-as-a-Service (SaaS) providers and products in the executive branch, and that state departments and agencies are complying with those controls and processes. In making these determinations, we noted certain opportunities for improvement meriting management's attention regarding the system architecture review process, disaster recovery documentation, and the establishment of service-specific key performance indicators.

AUDIT HIGHLIGHTS

- The System Architecture Review is required to ensure that technology solutions maximize their benefits and functionality. Procurement is not supposed to occur until at the least the second of four phases of the review process has taken place. Our sample of twelve SaaS products found that only two had completed all phases of the process. In addition, six of the products did not complete the second phase but had been procured and were in use.
- Our review found that there was inconsistent SaaS contract language related to disaster recovery plans. Of the twelve SaaS products we reviewed, two only required an initial plan to be provided, nine required a plan "upon request", and one did not require a plan. The OIT should hold SaaS providers to the same standards as internal systems and require that they submit their initial disaster recovery documents to the agency for review and then provide either updated plans or plan test results and corrective action on a defined basis.
- Service-specific key performance indicators (KPIs) are not being defined for all SaaS products. KPIs are a set of quantifiable, measurable benchmarks used to gauge a SaaS provider's performance and hold the provider accountable for the delivery of quality services. Our test of the twelve SaaS products found that eight did not have service-specific KPIs included. Of those eight contracts, six of the agencies did describe performance monitoring activities that they perform; however, they were informal and not documented in the service agreements. Agencies are responsible for reviewing and approving a service agreement to ensure that it includes everything necessary to address all their business needs.

AUDITEE RESPONSE

The OIT generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click on the attached files.