



**Report
on the audit of the
TransportManager software**

at

**REALTECH system consulting GmbH,
Walldorf, Germany**

Translator's Note: This document is a translation of the report "Bericht über die Prüfung der Software TransportManager bei der REALTECH system consulting GmbH, Walldorf", which was written in German. The translation was performed by a professional translator. The German version is authoritative for decision-making purposes.

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1. ENGAGEMENT AND EXECUTION OF THE ENGAGEMENT

On October 12, 2005, REALTECH system consulting GmbH, Walldorf, Germany, hereinafter referred to as REALTECH, commissioned us to audit its software *TransportManager* (release 4.4) with regard to compliance with the generally accepted principles of computerized accounting systems [Grundsätze ordnungsmäßiger DV-gestützter Buchführungssysteme (GoBS)]. Our audit also complied with the relevant statements issued by the IDW [German Auditors' Institute].

The General Engagement Terms for 'Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften' [German Public Auditors and Public Audit Firms] dated January 1, 2002, which are attached, apply to the execution of this engagement and all related engagements and govern our responsibilities, also to third parties.

As a consequence of the aforementioned description, we are not liable for

- program modifications not audited by us,
- improper usage of hard- and software by end users,
- input errors and faulty parameter entries,
- disobedience of applicable rules and regulations not directly linked to the software.

Any liability against software buyers is hereby excluded. The client is obligated to furnish any buyer who has knowledge of our audit with the contents of our General Engagement Terms.

In the following, we will report on the scope and results of the audit, which was performed on location at REALTECH headquarters on October 25, 2005. Required information was provided by REALTECH staff.

The audit was performed pursuant to the following regulations:

- ■ Handels- und steuerrechtliche Vorschriften für die Buchhaltung (§§ 238 ff. HGB und §§ 145 ff. AO), [German accounting regulations for commercial accounting and tax purposes Handelsgesetzbuch (German Commercial Code) sections 238 et. seq. and AO (German Tax Code) section 145 et. seq.]
- IDW Prüfungsstandard: Erteilung und Verwendung von Softwarebescheinigungen (IDW PS 880), Stand 25. Juni 1999 [IDW Auditing Standard: issuance and application of software certificates (IDW PS 880) as of June 25, 1999]
- IDW Stellungnahme zur Rechnungslegung: Grundsätze ordnungsmäßiger Buchführung bei Einsatz von Informationstechnologie (IDW RS FAIT 1), Stand 24.09.2002, [IDW Accounting Principles of computerized accounting systems (IDW RS FAIT 1), as of 09/24/2002]
- ■ GoBS (vgl. Bundesministerium der Finanzen: Grundsätze ordnungsmäßiger DV-gestützter Buchführungssysteme (GoBS), Bundessteuerblatt 1995, Teil 1, Nr. 18) [Generally accepted principles of computerized accounting systems, see German Ministry of Finance: German Federal Tax Bulletin 1995, part 1 no. 18]



2. AUDIT PRINCIPLES

The audit refers to the functionalities of the software *TransportManager*, release 4.4.

The test platform, which was not subject of the audit, included the following components:

Computer: Toshiba Notebook, Intel Pentium 1.60 GHz, 1.0 GB RAM
Operating System: Microsoft Windows XP Professional 2002



3. NATURE AND SCOPE OF THE AUDIT

The audit is applicable to those parts of the *TransportManager* software relevant to compliance with the generally accepted principles of computerized accounting systems. Particularly those features required for the correct processing of business transactions were examined in the course of this audit.

Functionalities that do not affect journal, receipt or logging functionalities were not focused upon during the audit. However, such areas, as well, were submitted to close review during testing.

All essential functionalities were audited. Compliance of user documentation and software was verified through random testing. The audit was performed on the basis of test data in a test client created solely for testing purposes. A set of real-life business transactions served as the basis for the test data. Faulty data and data constellations were deliberately included in order to test operability of programmed controls.

Response times and potential performance issues were not subjected to the audit. Assessment of software ergonomics is part of the engagement only were it affects accounting principles of processing.

The audit of the *TransportManager* software was performed under laboratory conditions. This means that the audit cannot include the structural and organizational level of an internal controlling system found in a real-life business environment as well as the implementation mode of the system. The results of this audit are only applicable to the application software and the system parameters set for the test client.

4. AUDIT OF REQUIRED PROCESSING FEATURES

The audit of procedures includes assessment of all processing features relevant to compliance with the generally accepted principles of computerized accounting systems. Required processing features were audited on the basis of system documentation during the *TransportManager* software audit.

The following processing features were included in this audit:

- configuration of *TransportManager* software
- transport approval

4.1 Configuration of the *TransportManager* Software

Software configuration includes all settings required for transport execution. This includes transport levels, logical target paths for transports and projects.

Transport levels can comprise any number of systems with any number clients allowing for the existence of, for example, one transport level for one purchase and one productive system each. The creation of such a transport level was successfully tested.

Logical target paths describe transport paths available based upon project and client structure. The creation of a target path was performed for testing purposes.

Projects enable filtered views of associated assignments and thus facilitate administration. A project was created for auditing purposes and the respective target paths were added.

Conclusion: The configuration functionalities of the *TransportManager* software as described in the manual were also found in the system. No objections were made.

4.2 Transport Approval

All information relevant to a transport can be viewed, checked and approved within the workflow monitor.

Transport approval always requires operational and technical authorization. It is possible to define an additional operational check. The approval process begins with the operational authorization and is followed by the technical authorization both given by the respective staff member. The status of the transport switches from "signature" to "current". After the release of both approvals, approved transports are inserted into the system queue and processed. An explanation has to be provided if a transport was turned down.

During the approval process, the software was particularly tested for its approval logging capabilities. The results were as follows:

- Every approval is recorded within an action log including declined transports.
- If signatures or approvals are cancelled this is also logged in the action log.
- If approvals are granted despite existing warning notices, the disregard of the warning is recorded in the action log.
- If warning notices are disregarded during transport approval, transparency is guaranteed through corresponding action log entries.

Conclusion: The transport approval functionalities of the *TransportManager* software as described in the manual were also found in the system. No objections were made.

5. AUDIT OF DEFAULT PROCESSING RULES

The audit of the default processing rules includes checks of the accuracy of program sequences, of the accuracy of default processing rules under practical considerations and of the effectiveness of integrated plausibility checks.

TransportManager allows for automated checks of critical security and quality aspects and for workflow control according to classification. This includes recognition of collision objects. Users receive alerts and problem reports according to the settings of the security options. In the event of a problem report, affected transport requests can only be approved of by a “supersigner”.

Those controls available within the security options which trigger alerts or, if required, errors were thoroughly documented and tested through random checking. A functional test on collision notification was performed. During testing, two transports with overlapping objects were identified as collisions and marked respectively within the workflow monitor.

TransportManager imports requests according to their sequence in the export. Interdependences between transport requests can be defined. If no such interdependences are defined, transports are imported according to their sequence in the export.

A functional test on the extent of notification of interdependences within the workflow monitor was performed as well.

Conclusion: No objections were made.

6. AUDIT OF SOFTWARE SECURITY

The software security audit includes access protection, data backup and recovery processes and assessment of program development, release and maintenance.

6.1 Differentiation of Access Authorizations

The examination of the differentiation of access authorizations was performed to determine whether the software supports functional separation. It was investigated whether and to what extent the software permits definition and creation of individual user profiles – through distribution of user IDs and passwords and through respective assignment of authorizations – which grant access to certain functions and data fields only to authorized staff.

Access authorization for operating systems, as well as database and network levels is not subject of the audit.

The audited software *TransportManager* satisfies requirements regarding differentiation of access authorization through user ID, password protection and user authorization.

TransportManager safeguards access protection through a comprehensive authorization concept. Authorizations can be granted for any activity broken down by project, target path and transport level. Above all, a functional separation for the authorization process of transport requests is always possible.

Utilization of access protection and the level of utilization is user responsibility.

Conclusion: No objections were made.

6.2 Audit of Intended Data Backup and Recovery Processes

Data backup ensures the realization of a proper data reconstruction in the event of system crashes or loss or destruction of data.

Since the *TransportManager* software is an add-on to the SAP-system, a standard backup is guaranteed through this system. Furthermore it is possible to additionally secure *TransportManager* data and configurations in order to reconstruct data and previous settings in the event of a system crash.

The audit of data backup and recovery was performed under laboratory conditions. This means that the audit cannot include the structural and organizational level of an internal controlling system found in a real-life business environment as well as the implementation mode of the system. The results of this audit are only applicable to the application software and the system parameters set for the test client.

Conclusion: No objections were made.



6.3 Program development, maintenance and release

In order to assess the possibilities of future program maintenance, data processing tools and organizational measures during program development were audited. Assessment of the program development environment is required especially if parts of the process documentation are generated or stored within the development environment.

Verification of necessary versioning and creation of change documentation has to be possible through the development environment or library maintenance programs.

Release and maintenance processes are of interest with regard to possible audits of subsequent program releases.

Program modifications and new developments are comprehensively registered and documented. Possible requests or program enhancements are evaluated by product managers with regard to technical and contextual requirements and, if applicable, forwarded to the respective developers.

All program codes, respective documentation, all tests concluded by developers and product managers and releases are comprehensively documented.

Conclusion: Program development, maintenance and release at *REALTECH* comply with applicable requirements.

7. AUDIT OF PROCESS DOCUMENTATION

7.1 Nature and Scope of the Documentation

Scope and validity of software documentation are important quality criteria for users and auditors. Process documentation comprises system documentation and user documentation and is required for appropriate software operation and subsequent enhancement of the software. Appropriate documentation is a prerequisite for transparency and thus auditability of the process.

Documentation has to comply with the following general requirements:

- Documentation has to be comprehensive covering all information required for the operation of the software
- Documentation has to be error-free and unambiguous providing accurate and consistent information.
- Documentation has to be comprehensible to any user performing a specific task delivering appropriate wording, graphical representation and comprehensive detail.
- Documentation has to be clearly arranged allowing for easy recognition of interdependences between individual fields.

Our audit included an examination of the technical accuracy of the process documentation. To do this we employed examined processing rules according to documentation. Furthermore, we studied new test scenarios based on the documentation through random testing. The documentation is appropriately comprehensive and concise.

The system and user documentation provided for auditing purposes is detailed and comprehensible. Documentation is continuously updated.

Conclusion: The provided documentation was audited. A description of the solutions for practical and technical considerations is available.

8. AUDIT FINDINGS AND AUDITOR'S OPINION

We audited the software TransportManager (release 4.4) released by the company REALTECH system consulting GmbH.

The providers of information readily furnished us with the desired information and presented all records required.

When answering the question whether the software TransportManager (release 4.4) complies with the generally accepted accounting principles, one has to take into consideration that a software audit performed "under laboratory conditions" can not include the structural and organizational level of an internal controlling system found in a real-life business environment making a comprehensive compliance assessment of the ultimately installed release unachievable. The results of this audit are thus only applicable to the application software.

Since subsequent program modifications can potentially influence software compliance, our statements are limited to release 4.4 in the state presented on October 25, 2005.

The audit concludes that the software TransportManager (release 4.4) and accompanying documentation permit accounting in compliance with current commercial and tax laws and with the generally accepted accounting principles if used properly.

Stuttgart, 27. Oktober 2005

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