ThirdLine

THE PUBLIC SECTOR COMMAND CENTER FOR FINANCIAL MONITORING, SEGREGATION OF DUTIES, & AUDITING

PROPOSAL FOR:

BROKEN ARROW
Where opportunity lives

Product: Roles, Permissions, and Segregation of Duty Software for Tyler Enterprise ERP (Munis)

Client: City of Broken Arrow, OK

Delivered on: April 1, 2024

Submitted by: David Osborn, CEO, ThirdLine

OVERVIEW

The City of Broken Arrow, OK (the "City" or "Broken Arrow") is seeking a solution to streamline the administration of Roles and Permissions in Tyler Enterprise ERP (Munis), the City's Enterprise Resource Planning software. Excel and other analysis tools are no longer adequate for the City's vast number of Users, Roles, and Permissions.

With ThirdLine the organization is positioned to streamline the analysis of risky Roles, Users, and Permissions and maintain best practice security principles like Segregation of Duties and Least Privilege Access.

With ThirdLine's automation, monitoring, and analytics, Broken Arrow could save not only 1,000s of FTE hours, but immediately help mitigate the loss of millions of dollars in potential fraud. Segregation of Duties is a key principal in helping mitigate the loss of fraud due to employees having access to too many functions in the accounting and finance system.

ThirdLine will help the City increase its overall productivity and efficiency through data-driven analysis and monitoring. At the same time, Broken Arrow will be able to identify and respond to its unique set up of roles and permissions by testing new ways to set them up.

ThirdLine is the Government Command Center for:

- Assess Risk
- Detect Fraud
- Stop Human Error
- Decrease Waste
- Discover Cost Savings

- Monitor Operations
- Find Bottlenecks
- Train Employees
- Allocate Roles and Permissions appropriately
- Self-Service Reporting

WHY THIRDLINE?

From Day 1, we have set out to be the best at one thing:

Help local governments and school districts continuously monitor operations to mitigate fraud, waste, inefficiency, mistakes, and abuse in the Tyler Enterprise ERP system.

ThirdLine is the ideal continuous monitoring solution for Broken Arrow because:

- We have studied, mapped, and analyzed the Munis ERP system for years.
- We have built a single platform with low barriers to entry yet high value propositions for ERP admins, internal auditors, financial managers, IT, and department leaders.
- There is no other roles, permissions and segregation of duty software product built for Tyler Enterprise ERP.
- We have proven to stop true instances of fraud, waste, and abuse at local municipalities approaching ~$1M.

Integration with Tyler Enterprise ERP (Munis)

Data from Tyler Munis can be hard to access and understand. We integrate 8+ Tyler Munis modules, and as a result ThirdLine integrates quickly, securely, and seamlessly with your instance of Tyler Munis. The integration does not require access to your live database.

Quantity and Quality of Analytics

Hundreds of ThirdLine analytics work together and run continuously to flag every transaction in your ERP system to provide view of your organization's risk across processes and at different levels—by employee, by vendor, and more. Our method eliminates false positives and only see what matters. **You get access to the whole analytics library, including new analytics developed by collaboration with other Munis ERP governments.**

1 Platform for Audit + Management

ThirdLine is the bridge between audit and management: Auditors can use ThirdLine to expedite audits and recommends controls. Managers can monitor performance and test if the recommended controls are reducing risk across the organization.

SCOPE

Broken Arrow is seeking cloud-based software that will aid in the administration of Tyler Enterprise ERP Roles & Permissions.

ROLES, PERMISSIONS, AND SEGREGATION OF DUTIES

Limit your organization's exposure to fraud through clearly defined access. Easily manage your organization's data, roles, and the users who have them. Identify and resolve active permission conflicts and high-risk permissions among employees, approvers, and departments. ThirdLine's Segregation of Duties maps 55 analytics to Segregation of Duties conflicts. Use ThirdLine to find:

- Terminated Employees with Enabled ERP access
- Roles with inherent Segregation of Duty Conflicts
- Users with multiples Roles with Segregation of Duty Conflicts
- Users & Roles with High Risk Permissions
- Audit Log History of all roles & permission changes

MISSION LAUNCH - Week 0

We identify your most significant challenges, define success, and make goals.

PLATFORM CONFIGURATION - Weeks 0-4

We work with your IT team to automate a nightly refresh of data into the ThirdLine's AWS environment. We provide the SQL to get what we need from the Tyler Enterprise ERP. No data discovery needed from your IT.

USER TRAINING - Weeks 5-12

We teach users how to solve high-priority problems using ThirdLine through a tailored training program with 4 virtual meetings over 2 months.

ONGOING SUPPORT - Weeks 12+

We provide ongoing support and asses progress based on the goals set during Mission Launch.

Problems you said you have:

Terminated employees with access to the ERP
Payroll and HR do not communicate with you about employees that are terminated or inactive.

ISACA Segregation of Duty Issues
The ISACA standards recommend separating risky permissions among diˉerent people, but you are no expert in segregation of duties.

Not following Principle of Least Privilege
There are too many employees with so many roles. It's hard to know how to limit their access.

It shouldn't all be on you
You have to balance knowing what a departmental role needs and if it is a segregation of duty issue. How can you know everything?

How ThirdLine software helps:

Monitor terminated employee access
ThirdLine continuously reviews employee data to inform you if terminated employees still have access to your ERP.

50+ Conflict Analytics Let ThirdLine review the thousands of possible permission combinations in your ERP to see if employees have ERP access that can lead to fraud.

Easily see which Permissions are causing the biggest issues Grant minimum access to users necessary with ThirdLine's analysis of all super user permissions in your ERP.

Communication with department managers
ThirdLine helps you communicate conflicts with management so they can help you best fix the roles & permissions that shouldn't be granted.

Terminated Employees
Who have access to your ERP system

Roles with internal conflict issues

Principle of Least Privilege Access

Super User Permissions

Analytics 55 Segregation of Duty Conflict Analytics

Easily visualize the conflict source

Segregation of Duties

⚠️ **3 Terminated Users with Active Accounts**
An active user account has been detected on a terminated employee. Please review and take action.

5 0% of All Roles **Roles Creating Conflicts**

3 Roles with Internal Conflicts | 0% of All Roles

1 High Risk Permissions | 0% of All Roles

0 Super User Permissions | 0% of All Roles

Know what your users can do

Top Risk By (Conflict) (Role) (Employee)

Conflict

Maintain Purchase Order – PO Approval Permissions allow the possibility for a user to maintain a purchase order and reease or approve it.

Create Contracts – Approve Own Contracts
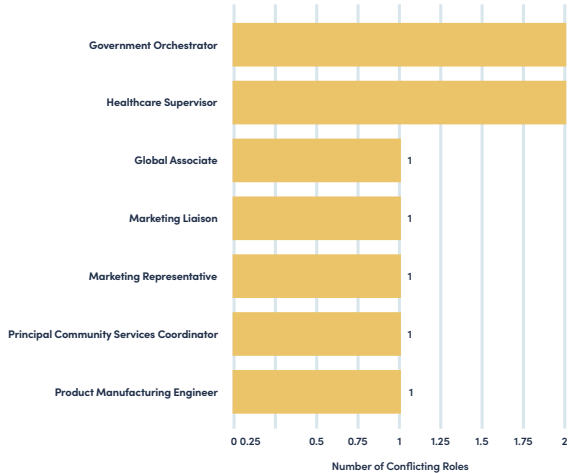Permissions allow the possibility for a user to create and approve their own contracts

Maintain Employee (PA) Master Data – Payroll Maintenance Permissions allow the possibility for a user to ... without proper authorization

– Process Payroll Permissions allow the possibility for a ... d the process payroll

Permissions allow the possibility for a user to process AP payments and the ability to ... t

View By (Role) (Department)

Role	Number of Conflicting Roles
Government Orchestrator	2
Healthcare Supervisor	2
Global Associate	1
Marketing Liaison	1
Marketing Representative	1
Principal Community Services Coordinator	1
Product Manufacturing Engineer	1

0 0.25 0.5 0.75 1 1.25 1.5 1.75 2
Number of Conflicting Roles

Role		Conflicts			Permissions		
Name	Status	Internal to Role	Creating Conflict?	High Risk	Super User	Total	
Retail Specialist	Active	⚠️ Internal	⚠️ Yes	⚠️ 7	1	101	
Technology Administrator	Active			⚠️ 17	1	99	
Community Services Executive	Active			⚠️ 7	1	106	
Administration Director	Active			⚠️ 33	2	338 74	
Administration Administrator	Active			⚠️ 14	1		
International Education Producer	Active			⚠️ 10	1	131	
Investor Analyst	Active			⚠️ 28	1	266	

COST

This proposal is for an annual software subscription for one year that is refreshed quarterly.

Broken Arrow is purchasing ThirdLine's roles, permissions, and segregation of duty software product and services. Broken Arrow will have access to the software for 12 months from the first User Training date.

Broken Arrow may select between 1-year (renewable) or 3-year, discounted (renewable) contract. As Broken Arrow is a government close to ThirdLine's headquarters and began discussion over 12 monhts ago, they are receiving a significant discount. List Price for the ThirdLine Roles & permissions product is $19,950/year. Broken Arrow will receive a 75% discount.

	FY ending 6/30/2025	FY ending 6/30/2026	FY ending 6/30/2027
Roles & Permissions & Segregation of Duties			
Implementation Cost	$4,500		
Annual Subscription with multi-year discount	$4,480	$4,480	$4,480
Total Cost	$8,980	$4,480	$4,480

Other Optional Services

1. SILVER: ONGOING SUPPORT - BI-WEEKLY (TWICE / MONTH) VIRTUAL MEETING FOR BEST PRACTICE AND SUPPORT FOR RBAC: $9,999 / YEAR.

2. GOLD: ASSISTANCE IN ENTERPRISE ERP SYSTEM CONVERSION TO ROLE-BASED ACCESS: $24,999

COST

The total investment for a 1 year subscription is $8,980, and $17,940 over the 3 year subscription period.

SECURITY

The security of your data is paramount. The following describes our process of obtaining your data, and how we protect it once we receive it.

Process

ThirdLine will work with your IT to automate a nightly or weekly export of data:

1. We provide SQL scripts and assist the IT department in automating a job that can export the required Munis data on a continuous basis.

2. ETL and analytics processes are completed within Amazon Web Services.

3. The ThirdLine app imports summarized analytics data.

4. The app web traffic is encrypted and uses SSO.

Security

ThirdLine uses AWS S3 private buckets to store all data received from clients. When processing customer data through our analytics platform, we work in AWS where your data never leaves the AWS environment. At ThirdLine, we use MFA to access all our tools.

ThirdLine Users

Authentication and identity management within the ThirdLine analytics platform is handled through an identify provider platform. All users have MFA turned on by default.

Third-Party Verified by TrustCloud.ai

ThirdLine is monitored by TrustCloud. Customers can log in to TrustCloud to see how we are meeting the requirements of SOC 2. At this time, we are working toward a SOC 2 audit.

ThirdLine Support

Help desk support will be available Monday-Friday, 9am-5pm (CST).

HEADQUARTERED IN <u>TULSA, OK</u>, BUILT BYAN AWARD-WINNING TEAM SERVING GOVERNMENTS ACROSS THE U.S.

THE CITY OF TULSA, OK

"What we're doing here is revolutionary, we haven't ever done this before."

- Cathy Carter, Elected City Auditor

THE CITY OF WILMINGTON, DE

"ThirdLine is my new morning routine. Coffee + ThirdLine."
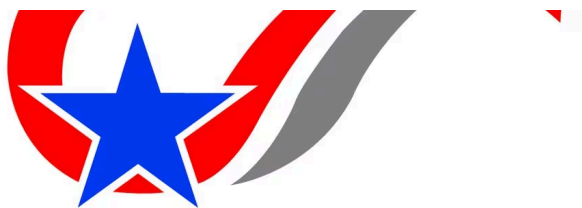
-Cindy, Accounts Payable Supervisor

THE CITY OF CLEARWATER, FL

"ThirdLine met all of the needs including integration with our Tyler Munis ERP system. ThirdLine is specialized in providing analytics on the Munis system. It's the perfect solution"

-Jeh Mohr, City Auditor

CUSTOMERS

CITY OF COLLEGE STATION

TULSA PUBLIC SCHOOLS

SIGNATURE

1. This Proposal adopts and incorporates by reference the terms and conditions of the master agreement between the parties hereto ("**Master Agreement**"), which will be entered into between ThirdLine, Inc., a Delaware corporation ("**Provider**") and Broken Arrow ("**Customer**" and together with Provider, the "**Parties**," and each, a "**Party**"), as it may be amended from time to time. This Proposal is effective beginning on the Mission Launch date ("**Effective Date**") and will remain effective for 12 months after the User Training date of each module ("**Expiration Date**"), unless earlier terminated in accordance with the Master Agreement. Transactions performed under this Proposal will be conducted in accordance with and be subject to the terms and conditions of this Proposal and the Master Agreement. The contract can auto-renew after this time period at an annual inflation rate of 5%. Capitalized terms used but not defined in this Proposal shall have the meanings set out in the Master Agreement. The Master Agreement is attached as a reference.

2. Please read the proposal on the previous pages to make sure you understand all the details involved with us working together. It's really important to us that everything is transparent and understood from the beginning so that we lay a solid foundation for a great working relationship.

3. If you have any questions at all, please let us know. We're happy to clarify any points and there may be some items that we can sort out together. We're committed to finding the best way to work together.

4. If you'd like to speak to us by phone, don't hesitate to call. 918-956-8673.

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City of Broken Arrow Representative

_____
David Osborn, ThirdLine

ThirdLine VERIFIED

SIGNATURE