Oncor Electric Delivery
PUC Docket No. 38929
Internal Audit Reports Issued by Year
CJ 7-10

2009		
Business	**Audit No.**	**Audit Title**
Oncor Electric Delivery	2008-261	ACIS Interface

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ACIS Interface
Audit Number 2008-261

Audit Report

This report is intended solely for the use of the management of Oncor. It may be susceptible to misinterpretation if used by any other group or individual.

BACKGROUND

The development of a new interface into Oncor's Automated Contractor Invoicing System (ACIS) was initiated during 2008 based on a request from one of Oncor's major contractors, Flowers Construction (Flowers). The primary benefit of this request was to improve the invoice submittal process by designing, building and implementing a new process using a flat file interface to feed invoice data into ACIS more efficiently.

Flowers currently uses the J.D. Edwards accounting software to manage their invoice processing and back office activities. Currently the interface between this software and Oncor's ACIS application is a web interface that is time consuming and very labor intensive. Flowers performed some preliminary design work to enable their J.D. Edwards software to export a flat interface file which will be a one way data feed into ACIS.

OBJECTIVES

Objectives	Assessment*
The objectives of the audit were to assess that the controls within the new J.D. Edwards application interface into Oncor's ACIS application are adequate to:	
1. Prevent unauthorized access to the FTP folder,	G
2. Ensure that only valid and complete data is uploaded into ACIS,	G
3. Ensure that invoices are accurately created in ACIS and get created only once, and	Y
4. Ensure that a managed change process exists for the programming scripts.	G

* See legend on last page

SCOPE

The scope of this audit included an assessment of the following:

- Reviewing security to the Oncor network folder where the flat file is loaded,

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- Reviewing testing around the data validation requirements,
- Verifying that error handling and error logging processes exist,
- Reviewing User Acceptance Testing activities and results, and
- Verifying business owner sign off and approval before implementation.

SUMMARY COMMENTS

Our audit indicated that controls around access to the invoice data within the interface are adequate to prevent unauthorized access to the invoice files. The design and testing of the interface data validations and error logging are sufficient to ensure that invoice data received from the vendor is appropriately checked for validity before being uploaded into the ACIS application. In addition, the error notification process to both the application support team and vendor provide detained information to enable timely data corrections and processing of invoices.

During our review of change management activities for the validation scripts in the pre-production environment, Internal Audit (IA) noted that changes to the program scripts were not subject to a formal change management process. However, the business owner confirmed that once the programming code undergoes final user acceptance testing and is moved into the production environment, all programming changes will be managed through CGE's formal change management processes. In addition IA was unable to confirm that a documented strategy for archiving historical invoice data exists.

All pertinent matters related to this audit were discussed with Oncor management. Details of the audit are on file in Internal Audit and are available for review upon request.

Consistent with professional standards and best practices, IA will follow-up to validate existence, effectiveness, and adequacy of the agreed-upon control enhancements. Subsequent modification or omission of agreed-upon control enhancements will be evaluated during the follow-up process and reported as appropriate.

SUMMARY OF AUDIT OBSERVATIONS

The audit issues and the associated management actions are summarized, by objective, in the following table:

Objective 1: Controls prevent unauthorized access to the FTP folder where invoice data is submitted for processing.
No issues were noted

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Objective 2: Controls within the new J.D. Edwards application interface into Oncor's ACIS application are adequate to ensure that only valid and complete data is uploaded into ACIS.
No issues were noted.

Objective 3: Controls in place ensure that invoices are accurately created in ACIS and get created only once.
Finding # 1 Oncor Management has not developed an archive strategy for vendor billing data and the related meta-data. **Management Action:** Based on the audit review, the following action items will be addressed: 1. Communicate with Financial Information Management and obtain retention guidelines with respect to the ACIS transactions. 2. Communicate with the Oncor Legal and obtain retention guidelines with respect to the ACIS transactions. 3. Communicate with the Oncor Information Retention task force to establish a retention guideline / policy as part of the Oncor enterprise effort. 4. Implement recommended retention guidelines and validate implementation. Due to the overall scope of this project and based upon current year environment changes, Technology will try to complete this effort by the end of 2009.

Objective 4: Controls in place ensure that a managed change process exists for the programming scripts.
No issues were noted.

INTERNAL AUDIT

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Legend	
G	Controls are adequately designed and operating effectively; no/minor control issues identified; low risk of impact on operations or financial statements.
Y	Controls are not adequately designed and/or are not operating effectively. Control issues were identified, some of which may be relatively significant; low to moderate risk of impact on operations or financial statements.
R	Controls are not adequately designed and/or are not operating effectively; significant control issues identified; moderate to high risk of impact on operations or financial statements.

REQUEST:

Please provide Exhibits CWJ 7 through 11 in electronic spreadsheet format. Also, provide the supporting source documents and calculations for the data on those exhibits.

RESPONSE:

The following response was prepared by or under the direct supervision of Charles W. Jenkins, the sponsoring witness for this response.

The Information requested is being provided to the propounding party on CD. Oncor will provide other parties an electronic copy upon specific request.