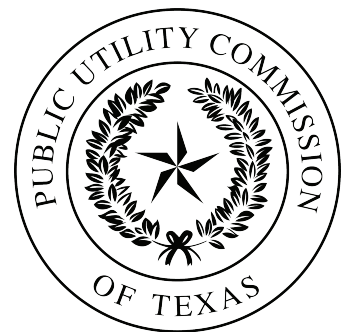


An Internal Audit Report-

Infrastructure Division



Internal Audit Division
Project #2022-100, February 2022

Internal Audit at the Public Utility Commission of Texas performed a compliance audit of the Infrastructure Division. The Infrastructure Division is comprised of two sections, Engineering and Infrastructure Analysis/Mapping. The audit focused on processes and procedures in both sections and looked at compliance in several areas based on the results of a risk assessment performed during this audit engagement. Areas reviewed included the following:

- Contracts and related monitoring activities
- Weather Emergency Preparedness
- Vegetation Management
- HUB Reporting
- Service Quality Reports
- Report on Infrastructure Improvement and Maintenance
- Hurricane Harvey Project Number 47552
- Workflow within the Engineering and Infrastructure Analysis/Mapping Sections
- Weekly meetings and assignments

Summary of Audit Objectives, Scope, and Methodology

The objective of this audit was to determine whether the Infrastructure Division has processes and related controls to help ensure the division is functioning in accordance with applicable requirements and ensures reasonable confidence in the process. The scope of this audit included activities from September 2019 through December 2021. The audit methodology included a review of applicable laws, statutes, and division policy and procedures.

Internal Audit selected criteria from sections of the Texas Administrative Code that governs the Infrastructure Division and used this to develop attributes for testing. In addition, Internal Audit selected a random sample from activity reports maintained within the division and tested the spreadsheets to determine its accuracy and identify any issues with specific controls for managing the workload. In total, testing looked at nine specific areas. Random samples were used to test the controls in place. All documentation reviewed was appropriate and it was determined the policies, procedures, and internal controls in place within the Infrastructure Division are effective. There were no findings or audit issues identified. Adherence to the controls identified gives Internal Audit confidence that both state and agency rules are being followed appropriately and operational controls are working as designed.

During the scope of this audit the Infrastructure Division was tasked with implementing legislation to address grid reliability after Winter Storm Uri. The amount of work completed, and the meticulous approach exhibited by the division is commendable.

Objectives, Scope, and Methodology

Objective

The objective of this audit is to determine whether the Infrastructure Division has processes and related controls to help ensure the division is functioning in accordance with applicable requirements and ensures reasonable confidence in the process.

Scope

The scope of this audit included activities from September 1, 2019, through December 2021.

Methodology

The audit methodology included a review of applicable laws, statutes, and division policy and procedures. The methodology included interviews and a review of support documentation maintained within the division. An analysis of contract oversight within the Infrastructure Division and a review of how the overall workload is managed was also performed.

Sampling Methodology

Sampling was done using nonstatistical samples from databases, spreadsheets, and all means of data collection within the scope of this audit. The samples were used to determine if controls were operating effectively.

Testing

Testing included the following areas:

- Interviewed staff responsible for contract oversight.
- Reviewed contracts and related monitoring activities.
- Weather Emergency Preparedness
- Vegetation Management
- HUB Reporting
- Service Quality Reports
- Report on Infrastructure Improvement and Maintenance
- Hurricane Harvey Project Number 47552
- Workflow between both sections
- Reviewed weekly meetings and how information is shared

The criteria used during the audit was:

- Division policies and procedures

- Texas Administrative Code 25.55
- Texas Administrative Code 25.80
- Texas Administrative Code 25.81
- Texas Administrative Code 25.94
- Texas Administrative Code 25.96


Project Information

Audit fieldwork was conducted from December 2021 through January 2022. This was a compliance audit conducted in accordance with Generally Accepted Government Auditing Standards. Internal Audit believes that the evidence obtained provides a reasonable basis for the conclusions based on the audit objectives.

PUBLIC UTILITY COMMISSION OF TEXAS

Internal Audit Project #2022-100

February 2022



Michael Sanford
Internal Auditor, Public Utility Commission

This report has been provided to the following:

Mr. Peter Lake, Chairman, Public Utility Commission
Mr. Will McAdams, Commissioner, Public Utility Commission
Ms. Lori Cobos, Commissioner, Public Utility Commission
Mr. Jimmy Glotfelty, Commissioner, Public Utility Commission
Mr. Thomas Gleeson, Executive Director, Public Utility Commission

Copies of this report have been distributed to the following in accordance with Government Code §2102.0091:

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