

How an energy company leveraged automation to reduce compliance risk and boost process efficiency*

Client's challenge

In the course of preparing for its first Sarbanes Oxley audit, a leading regional energy provider uncovered potentially significant weaknesses in how it provided users with access to its IT systems and applications. For years, the company's various functions, from human resources to payroll administration, had been addressing access control and user management in a fragmented, uncoordinated manner—one often dependent upon manual tasks, verbal authorizations and even access permissions provided on a word-of-mouth basis.

From a compliance standpoint, the company's executives were concerned about the potential weakness or absence of key internal controls as well as the difficulty in ensuring that segregation-of-duty restrictions were being followed—especially since, with over 300,000 customers and about 50,000 internal users, control over user provisioning and access management clearly represented a potentially significant window of exposure. But beyond the risks to compliance, executives were also aware that business operations were incurring high costs, process inefficiencies and delays in providing new employees with timely access to key applications—impacts that they knew represented missed opportunities to capture the benefits of automation.

PwC Advisory solution

As the business advisor supporting the company's Sarbanes readiness effort, PricewaterhouseCoopers had extensive knowledge about the company's operations and, in fact, was responsible for bringing these user access issues to the company's attention. At the company's request, PwC developed the business case analysis for a user access model, defined the company's technical requirements for an identity management solution with a robust user provisioning tool, and presented the company with a list of potential solution providers. Based on this analysis, the company's executives chose the Sun Identity Management solution because it met the company's requirements and, of the four market-leading solutions under consideration, was one of only two that included a useful Sarbanes-audit tool. Also, since implementation of the Sun solution was expected to be relatively straight-forward, the executives believed the Sun solution would help reduce overall deployment costs.

In addition to assisting the company with implementation of the Sun Identity Management solution, the PwC team also developed knowledge sharing and awareness programs that helped the company introduce fundamental changes to how its IT and compliance organizations leveraged the new technology and embraced new business processes to reduce costs and improve efficiencies.

At first, the scope of this initiative focused primarily on sustaining compliance with Sarbanes Oxley through automation and other strategies—a key priority especially given the company’s dependence on over twenty major Sarbanes-sensitive applications fed by data from hundreds of feeder applications. But once the technology footprint had been established and the anticipated cost- and efficiency-related benefits began to emerge, the energy provider asked PwC to help it expand these new capabilities to additional cost and revenue centers across the enterprise such as streamlining health administration and provisioning for current employees, retired employees and pensioners and the company’s large contingent workforce.

Impact on client’s business

Today, the Identity Management solution has helped the company meet its Sarbanes sustainability objectives with respect to all user management processes. The elapsed time required for the company to provision a new employee has been reduced from three weeks to one or two days. Automated workflows and processes have significantly reduced error rates, strengthened internal controls, improved auditability, and lessened the risk of conflicts with segregation-of-duty requirements. And while many of the executives’ compliance and risk management objectives have been met, ongoing application of these technologies to other operational areas continues to lower costs, improve efficiencies and free up internal resources to focus on other more strategic priorities.

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