

# GRU Badge Access and Physical Key Management Audit

**Public Version \***

**November 17, 2021**



*\*Note: This report matches the full report with the exception of security details and security audit issues which have been removed.*



## City of Gainesville Office of the City Auditor

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## INTRODUCTION

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Gainesville Regional Utilities (GRU) is a multi-service utility owned by the City of Gainesville. GRU provides comprehensive utility services to more than 100,000 customers in Gainesville and surrounding areas. GRU services include electric, natural gas, water, wastewater and telecommunications.

The mission of GRU is “to provide safe, reliable, competitively priced utility services in an environmentally responsible manner to enhance the quality of life in our community.” GRU management determines permissions for access with badges, fobs and keys to GRU higher risk properties as part of its mission to provide safe and reliable services.

## BACKGROUND

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GRU utility operations utilize 31 locations to provide service to its customers. For purposes of this report, these locations are grouped in three categories: water, energy supply and energy delivery, and administration.

### *Water*

GRU has one water treatment plant and two wastewater treatment facilities. The Murphree Water Treatment Plant treats and supplies water to all of Gainesville. GRU taps into the Floridan Aquifer for the water supply. Kanapaha Water Reclamation Facility is one of two facilities in Florida that is permitted to discharge drinking-water-quality reclaimed water directly into the aquifer.

### *Energy Supply and Energy Delivery*

GRU provides electricity to the community from four power plants and 18 substations and tie lines. The two main power plants are the Kelly Generating Station and Deerhaven Generating Station. These plants, along with the South Energy Center plant, have the capacity of generating over 600 megawatts of electricity. The Deerhaven Renewable Generating Station, located on the same grounds as the Deerhaven Generating Station, is a biomass plant fueled by clean wood waste.

### *Administration*

GRU provides administrative services to its customers and to GRU plants from five locations. GRUCom provides internet, networking, and data center services.

GRU management is tasked with the responsibility of providing safe and reliable service to customers in Gainesville and surrounding areas in compliance with North American Electric Reliability Corporation (NERC) standards. To achieve this objective, access to higher risk locations is restricted to authorized personnel using mainly badges and physical keys.

NERC is a non-profit international regulatory authority that establishes and enforces reliability standards and monitors effectiveness and efficiency of energy production and delivery in order to reduce risks to the reliability and security of the electric power grid.

GRU manages its compliance with NERC reliability standards for all applicable electric energy facilities. Bulk Electric Systems (BES) assets are assessed and categorized based on the adverse impact to BES reliability that would occur if the asset was unavailable, degraded, or misused.

## SCOPE AND METHODOLOGY

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The scope of this engagement was to assess the adequacy of badge access controls and management of physical keys to ensure the risk of unauthorized access to GRU buildings and warehouses is adequately managed. The audit period reviewed was January 1, 2020 to June 30, 2021. During this engagement, we interviewed GRU management and staff, observed operations, and performed tests of controls on a risk-based sample of locations, reports and other support documents. Specifically, the audit team:

### Governance

- Reviewed the adequacy and completeness of policies and procedures governing authorized access to GRU buildings.
- Assessed the adequacy of management oversight related to adherence of badge and key access policies and procedures, and monitoring of badge and key usage.

### Management of Badge, Key, and Physical Access to Higher Risk Properties

- Reviewed the adequacy of controls to deter unauthorized physical access.
- Reviewed separation of duties for provisioning and managing badge and key assignments.
- Assessed the adequacy of physical key management for access to higher risk properties.
- Assessed the effectiveness of badge access management and processes to ensure authorized access.

Cybersecurity controls and security camera processes were not in scope for this engagement. The audit scope did not include a review of NERC requirements.

## RESULTS AND CONCLUSION

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GRU has opportunities for improvement to better design and strengthen controls around management of badge and physical key access. Our findings and recommendations, management action plans, and specific security details and security audit issues have been removed to protect the security of the City of Gainesville. These nonpublic portions of the report, findings, recommendations, and management action plans were provided to the appropriate City leadership and are exempt from disclosure under Florida Statutes Section 119.071 and Section 281.301 as it relates to revealing security systems and issues. Remediation of findings will strengthen GRU's badge access and physical key management program. These findings will be tracked as confidential but otherwise will be subject to the City Auditor audit issue follow up process.

We would like to thank GRU leadership, management and personnel for their cooperation and professionalism throughout this audit.

## GOVERNMENT AUDITING STANDARDS COMPLIANCE

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We conducted this audit engagement in accordance with *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. Those standards require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

## INTERNAL AUDIT TEAM

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