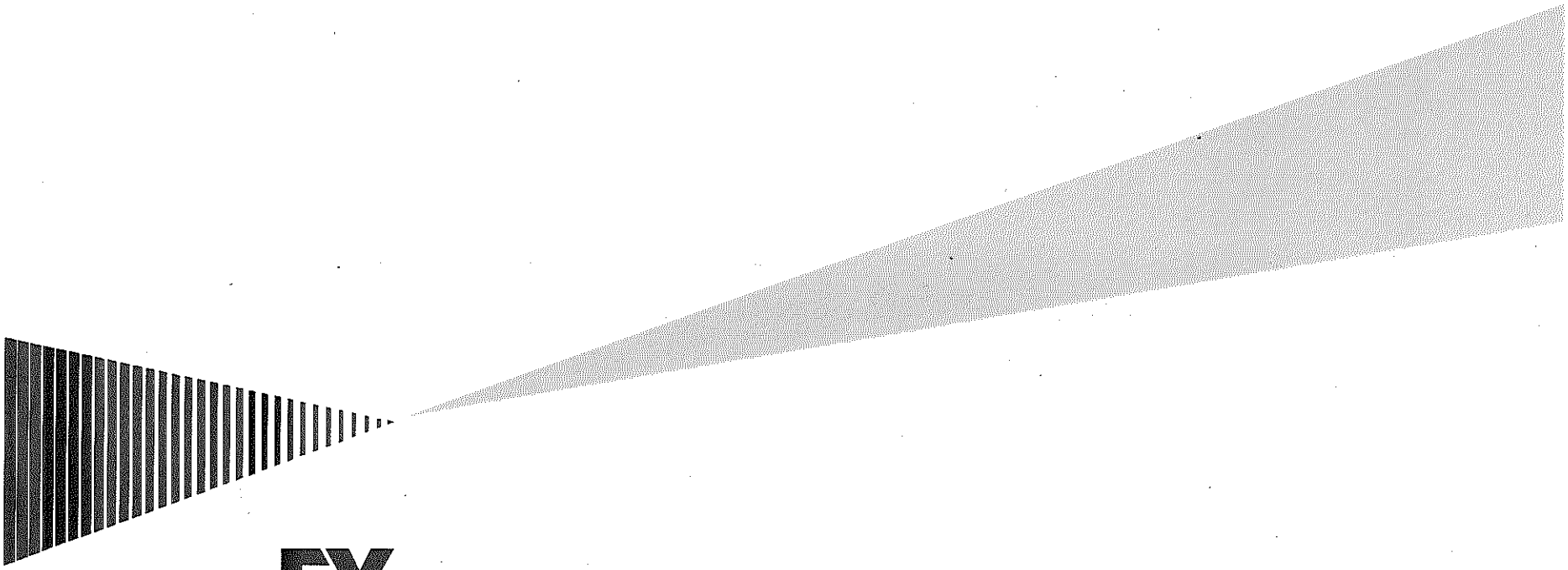
New York Power Authority

Internal Audit Update

July 29, 2014



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Building a better working world

Agenda

- Status of recent IA activities
- IA Department interim organization (revised)
- Status & approval of 2014 IA Plan
- Questions on recently issued IA reports
- Appendix – 2014 IA Plan

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Status of recent IA activities

- Detailed internal audit plan pending final approval by the Audit Committee as required per the department policy and internal audit standards
- Receiving continued cooperation from NYPA Senior Staff and Department Managers with regard to the IA Teaming arrangement with EY
- Interim report issuance process underway including streamlined management and Audit Committee reporting
  - Issued two (2) open 2013 IA reports providing closure of 2013 audits
  - Issued four (4) 2014 IA reports to date
- Revised IA Department governance structure in place
  - Search for vacant CAE, Supervisory Senior Auditor, and Supervisory Senior IT Auditor underway
  - Supervisory Senior Auditor vacancy is recent as of May 20, 2014 and Supervisory Senior IT Auditor vacancy as of July 1, 2014
- NYPA prepared response to the External Quality Assessment of the IA activity conducted by the IIA from December 2013

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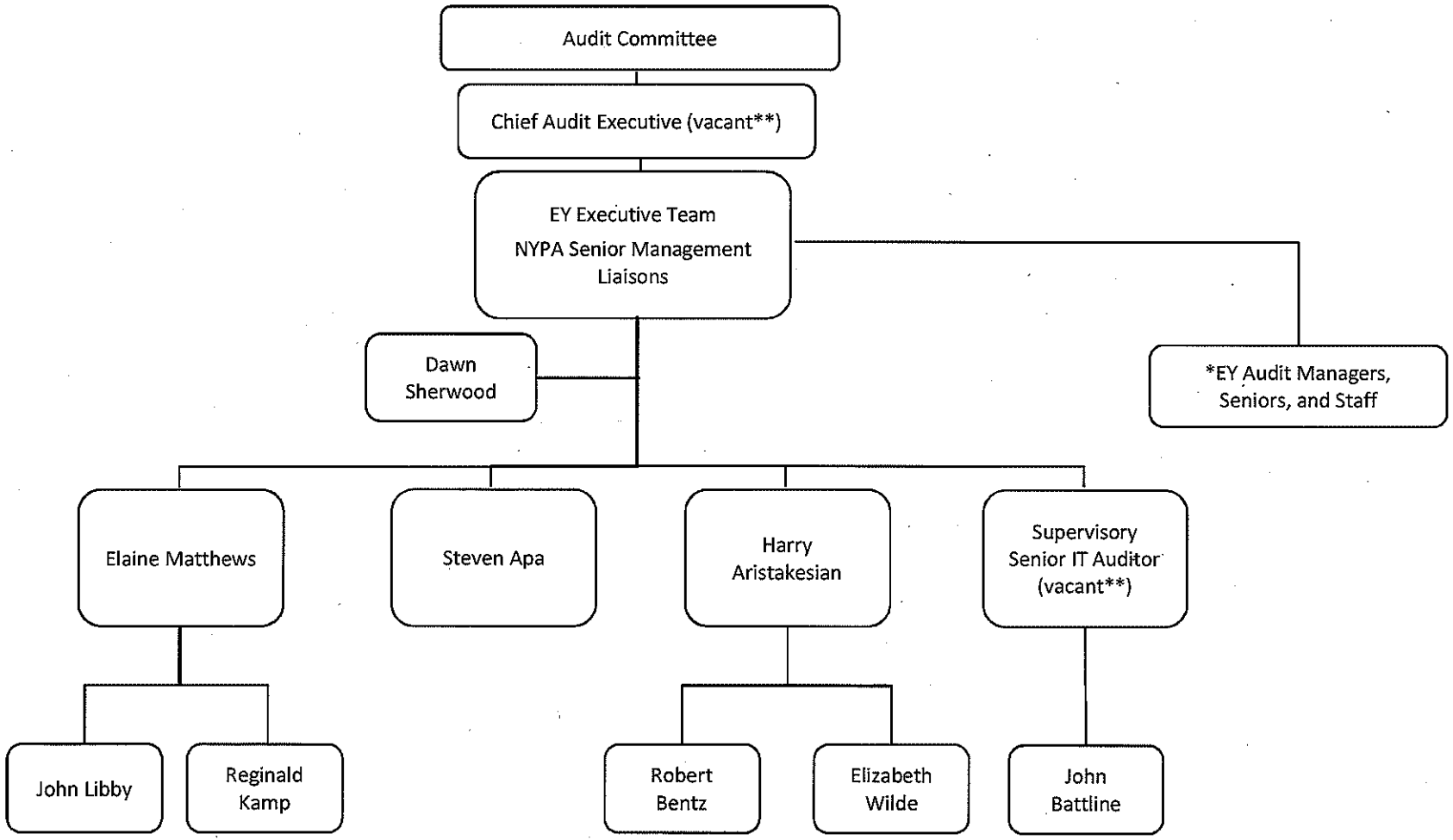
IA department interim organization (revised)



**EY Managers, Seniors/Staff, or Subject-Matter Resources may be involved in any staffing combination in the execution of certain audits. EY will be involved from an overall engagement management perspective and in scoping of upcoming audits and conducting review of reports prior to issuance by the NYPA Senior Management Liaison.*

***In addition to the CAE and Supervisory Senior IT Auditor vacancies, there is another requisition open for a Supervisory Senior Auditor.*

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Status & approval of 2014 IA Plan

Detailed internal audit plan is pending final approval by the Audit Committee as required per the department policy and internal audit standards. The following is a status update for the 39 audits in the 2014 IA Plan.

Status	Number of Audits
Report Issued	4
Fieldwork Complete – Report Pending Issuance	1
Fieldwork in Progress	9
Audit Planning	13
Not Started	12
Total	**39**

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Questions on recently issued IA reports

As part of the 2013 and 2014 Internal Audit Plans, the Internal Audit Department has recently completed the following audits:

- Headquarters Business Expense (FIN13425) – 2013
- Headquarters Procurement Consulting Contracts (FIN13101) – 2013
- Patch Management (IS014730) – 2014
- Revenue Requirements – Hydro Customers (OPR14007) - 2014

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Appendix - 2014 IA Plan

Ref.	Audit #	Audit	Business Unit	Audit Type	Issuance Date
Report Issued: 4					
1	OPR14016	Physical Security – St. Lawrence	Operations	Operational/Financial	2/11/14
2	OPR14110	Environmental, Health & Safety Audit Programs	Operations	Operational/Financial	2/28/14
3	IS014730	Patch Management	Enterprise Shared Services	Information Technology	6/26/14
4	OPR14007	Revenue Requirements – Hydro Customers	Business Services	Operational/Financial	7/10/14
Fieldwork Complete – Report Pending Issuance: 1					
5	FIN14100	Headquarters Accounts Payable	Business Services	Operational/Financial	
Fieldwork In Progress: 9					
6	FIN14950	Purchasing/Warehousing – Niagara	Enterprise Shared Services	Operational/Financial	
7	FIN14106	Generation Resource Management	Operations/Energy Resource Management	Operational/Financial	
8	OPR14006	Northern Region O&M	Operations	Operational/Financial	
9	FIN14241	Western NY Economic Development Fund	Economic Development & Energy Efficiency	Operational/Financial	
10	OPR14017	Central Region O&M	Operations	Operational/Financial	
11	OPR14070	Operational Planning - Asset Investment Planning	Operations	Operational/Financial	
12	FIN14113	Headquarters ProCard Expenses	Various	Operational/Financial	
13	IS014701	ITAC Process/IT Capital Projects	Enterprise Shared Services	Information Technology	
14	IS014217	Virus Protection & Response	Enterprise Shared Services	Information Technology	

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Appendix - 2014 IA Plan, cont'd

Ref.	Audit #	Audit	Business Unit	Audit Type	Issuance Date
Audit Planning: 13					
15	FIN14305	Energy Efficiency Projects – Statewide Program	Economic Development & Energy Efficiency	Operational/Financial	
16	OPR14200	Power System Operations/Energy Control Center	Operations	Operational/Financial	
17	IS014740	Cyber Security	Operations/Enterprise Shared Services	Information Technology	
18	OPR14130	Succession Planning/Retention Programs	Enterprise Shared Services	Operational/Financial	
19	OPR14050	Human Resources Operations	Enterprise Shared Services	Operational/Financial	
20	FIN14627	Customer Revenues - Niagara	Business Services	Operational/Financial	
21	OPR14060	Enterprise Risk Management	Business Services	Operational/Financial	
22	OPR14080	Employee Information Concerns Line	Law	Operational/Financial	
23	FIN14600	Purchasing/Warehousing – St. Lawrence	Enterprise Shared Services	Operational/Financial	
24	IS014750	Network ITGC Review - Security & Change Management	Enterprise Shared Services	Information Technology	
25	IS014760	General Controls over SCADA - Northern & Central	Enterprise Shared Services	Information Technology	
26	FIN14120	Cash Management & Treasury Operations	Business Services	Operational/Financial	
27	OPR14090	Social Media Governance	Enterprise Shared Services	Operational/Financial	

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Appendix - 2014 IA Plan, cont'd

Ref.	Audit #	Audit	Business Unit	Audit Type	Issuance Date
Not Started: 12					
28	FIN14105	Energy Efficiency Operations – Built Smart NY	Economic Development & Energy Efficiency	Operational/Financial	
29	FIN14263	NYISO Energy Settlements – Generation	Marketing	Operational/Financial	
30	OPR14101	Headquarters Procurement	Enterprise Shared Services	Operational/Financial	
31	OPR14002	Public Authorities Law Compliance	Law/Various	Operational/Financial	
32	FIN14295	SENY Cost of Service/ Long Term Agreements	Business Services	Operational/Financial	
33	FIN14260	Customer Load Forecasting	Economic Development & Energy Efficiency	Operational/Financial	
34	OPR14111	Quality Assurance/Code Compliance	Operations	Operational/Financial	
35	IS014720	IT Incident Response Plan	Enterprise Shared Services	Information Technology	
36	IS014207	Mobile Device Security & Controls	Enterprise Shared Services	Information Technology	
37	IS014710	Infrastructure Virtualization	Enterprise Shared Services	Information Technology	
38	OPR14095	Energy Trading Process & Controls Assessment	Business Services	Operational/Financial	
39	IS014210	IT Disaster Recovery - Governance	Enterprise Shared Services	Information Technology	

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