



Audit Committee Meeting Internal Audit Update

3/29/2016



Table of Contents

- Executive Summary
- Status of Audit Recommendations
- Appendix A – 2016 Audit Plan

Executive Summary

- 2015 Status: 29 of 30 audits have been issued. Resource Planning is in reporting and expected to be issued by March 31st.

- 2016 Status:
 - Thirteen (13) of 51 audit engagements (25%) are currently in progress. Status is as follows:
 - Reporting:
 - Review of Annual Procurement Report (Consulting)
 - Payroll Cycle Audit
 - R&D Spend Audit

 - Fieldwork:
 - NERC CIPv5 Implementation Support (Assessment)
 - Product and Service Marketing Assessment
 - Strategic Asset Management Plan Support (Consulting)
 - Generation Bidding Audit
 - Western Region O&M Audit
 - Vegetation Management Vendor Audit
 - Customer Job Audits (D&M)

 - Planning:
 - Data Analytics Initiative Support (Consulting)
 - Third Party Contract Audits
 - HTP FirstEnergy

Executive Summary

- Internal Audit Team has developed the following workstreams to improve Internal Audit processes and procedures:



- Internal Audit will be hosting two internal trainings:
 - April 5-7, 2016 – MIS Institute Auditing for Electric Utilities
 - May 2-5, 2016 – Institute of Internal Auditors Communication Skills for Auditors. Auditors from other utility companies will be in attendance
- Guest Auditor Program has been launched:
 - Lunch and Learns scheduled
 - Goal of five guest auditors in 2016

Status of 2015 Audit Recommendations

- Below is the status of the 2015 recommendations per rating of the individual findings.

2015 Remediation	Total	High	Medium	Low
Remediation In Progress (IP)	66	16	31	19
IP - Overdue	0	0	0	0
IP – Due within <30 days	28	2	15	11
IP – Due within <60 days	2	0	2	0
IP – Due within >90 days	36	14	14	8
Remediation not Started	0	0	0	0

- Internal Audit is comfortable with the progress timelines set forth by process owners for completion of identified issues and is closely monitoring remediation efforts for High risk issues.

Appendix A – 2016 IA Plan

Ref.	Audit #	Audit	Business Unit	Audit Type	Date Issued
Deliverable Issued: 0					
Fieldwork Complete – Report Pending Issuance: 3					
1	2016-50	Review of Annual Procurement Report	Strategic	Consulting	
2	2016-04	Payroll Cycle	Business Services	Audit	
3	2016-44	R&D Spend	Technology & Innovation	Audit	
Fieldwork In Progress: 7					
4	2016-13	NERC CIPv5 Implementation Support	Operations	Consulting	
5	2016-23	Product and Service Marketing Assessment	Economic Development & Energy Efficiency	Assessment	
6	2016-28	Strategic Asset Management Plan Support	Operations	Consulting	
7	2016-32	Generation Bidding	Wholesale Commercial Operations	Audit	
8	2016-41	Western Region O&M	Operations	Audit	
9	2016-45	Vegetation Management Vendor Audit	Operations	Audit	
10	2016-48	Customer Job Audits (D&M)	Economic Development & Energy Efficiency	Audit	
Audit Planning In Progress: 3					
11	2016-37	Data Analytics Initiatives Support	Entity-Wide	Consulting	
12	2016-49	Third Party Contract Audits	Entity-Wide	Audit	
13	2016-51	HTP FirstEnergy	Operations	Audit	
Planning Not Started: 38					
14	2016-16	Occupational Health & Safety Program	Operations	Audit	
15	2016-18	Vendor Management Governance Assessment	Entity-Wide	Assessment	
16	2016-20	Transmission O&M	Operations	Audit	
17	2016-09	Targeted Network Review	Technology & Innovation	Assessment	
18	2016-10	Patch Management Review	Technology & Innovation	Audit	
19	2016-30	Succession Planning	Entity-Wide	Assessment	
20	2016-31	Lock-out/Tag-Out Compliance	Operations	Audit	
21	2016-33	Fuel Purchasing & Hedging	Wholesale Commercial Operations	Audit	
22	2016-39	Contract Governance and Control	Entity-Wide	Audit	
23	2016-02	Energy Efficiency Finance & Accounting	Economic Development & Energy Efficiency	Audit	
24	2016-03	Past Due Receivables	Business Services	Audit	

Appendix A – 2016 IA Plan

Planning Not Started: 38					
25	2016-05	St. Lawrence – Finance & Administration	Operations	Audit	
26	2016-01	Customer Meter to Cash	Economic Development & Energy Efficiency	Audit	
27	2016-14	Ariba Post Implementation Review	Business Services	Audit	
28	2016-15	End User Computing – Spreadsheets	Entity-Wide	Assessment	
29	2016-17	BG SCADA – Pre/Post Implementation Review	Operations	Audit	
30	2016-08	Program Change Management Review	Technology & Innovation	Audit	
31	2016-19	Strategic Plan Governance – Follow-up	Business Services	Audit	
32	2016	Workforce Planning Strategic Initiative Support	Human Resources & Enterprise Shared Services	Consulting	
33	2016-22	Technical Training	Operations	Audit	
34	2016-24	NERC Reliability Compliance Control	Operations	Assessment	
35	2016-25	CES Technology Solution Support	Economic Development & Energy Efficiency	Consulting	
36	2016-26	Project Management Cycle	Operations	Audit	
37	2016-27	Cloud Governance	Entity-Wide	Assessment	
38	2016-29	Sustainability Assessment	Entity-Wide	Assessment	
39	2016-11	User Access Recertification Review at OS, DB Network, Layers	Technology & Innovation	Audit	
40	2016-12	De-provisioning Review	Technology & Innovation	Audit	
41	2016-34	Performance Management Audit	Business Services	Audit	
42	2016-35	Northern NY Power Proceeds	Economic Development & Energy Efficiency	Audit	
43	2016-36	Cyber Security Rollup/Consolidation	Entity-Wide	Assessment	
44	2016-38	Transmission LEM Project	Operations	Audit	
45	2016-40	Affordable Care Act Compliance Assessment	Human Resources & Enterprise Shared Services	Consulting	
46	2016-42	Contract Tenure	Entity-Wide	Audit	
47	2016-43	Muni/Coop Regulation	Economic Development & Energy Efficiency	Audit	
48	2016-46	Energy Commodity Risk Management GAP Analysis Support	Risk Management	Consulting	
49	2016-06	Clark Energy Center – Finance & Administration	Operations	Audit	
50	2016-07	SENY Purchasing & Warehousing	Operations	Audit	
51	2016-47	Concur (travel & entertainment expense) Pre/Post Implementation Review	Business Services	Audit	