



**NY Power
Authority**

Audit Committee Meeting Internal Audit Update

09/29/2015

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Executive Summary

- 2015 Status: 14 of 31 audits have been issued as of 9/29/15. 3 reports have been issued since 7/30/15.

2015 Internal Audit Report	Report Rating	
First Energy Cost Validation (CON15001)	Improvement Needed	
O&M Cross Functionality (OPR15230)	Improvement Needed	
Physical Security (OPR15900)	Satisfactory	

- The following changes have been made to the 2015 IA plan:

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Operations	NERC CIP 5 Collaboration	Postponed: Timing	Name changed to NERC CIP V5 Policy and Procedures Assessment. New audit to assess the overall CIP V5 organizational structure. Deferred to FY 2016 due to readiness of the organization.	2016	-1
Operations	Cyber Security - Maturity Assessment (C2M2)*	Postponed: Timing	Cyber Security - Maturity Assessment (C2M2) with OT. Previous assessment only focused on IT. Deferred to FY 2016 due to organizational changes in Operations.	2016	-1
Enterprise Shared Services	CIP VERSION 5 Transition and Implementation Plan*	Name, Timing	Name previously changed to BES (Bulk Electric System) Cyber System Categorization, changed to NERC CIP Initiatives to reflect changes in scope to ad-hoc management support.	Q3	0

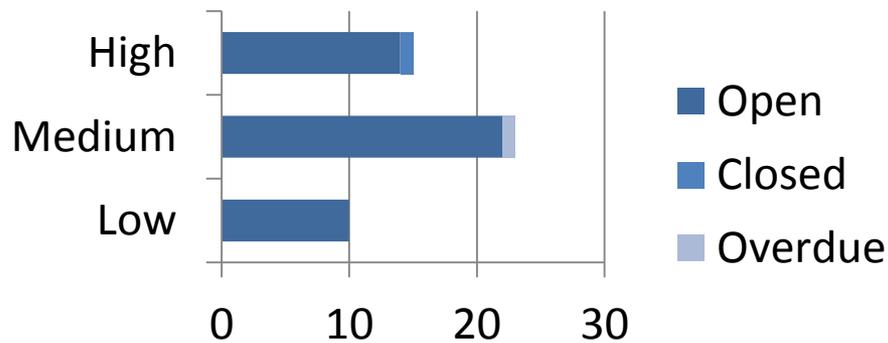
- Note: the remaining hours for the audits moved to 2016 have either been allocated to consulting projects or will result in an E&Y fee reduction.

Status of 2015 Audit Recommendations

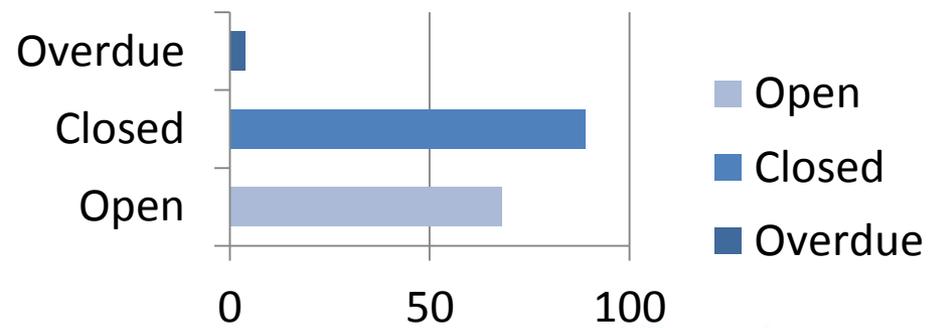
- Below is the status of the 2015 recommendations per rating of the individual findings.
- A Project Team has been created to re-evaluate and formally update issues and recommendations prior to 2015.
- 26% of 2014 & Prior open recommendations have been completed since 7/30/15.

2015 Remediation	Total	High	Medium	Low
At 7/30/15	37	13	16	8
Added in Period	10	2	6	2
Closed in Period	1	1	0	0
Open @ End of Period	46	14	22	10

2015 Open Recommendations



2014 & Prior Open Recommendations



*As ratings have been established for 2015 reports onwards, recommendations prior to 2015 do not include monitoring of the recommendations per ratings.

Transformation Status

People	
Activity	Status
Staffing	●
Hired: 11	
Open: 5	
Departures: 5	
Creation of on-boarding program	●
Training and development program creation	●
NERC CIP V5 Training	
Work-paper Documentation Training	
Develop guest auditor program	●
Launch customer feedback evaluations	●
Develop learning plans / training programs supporting competency & career mapping	●
Update job descriptions and core competencies	●
Office Site Team Building Meeting	●

Process	
Activity	Status
Execute 2015 Plan	●
2016 Audit Plan Development	●
Design Risk Assessment Process	
Execute 2016 RA	
Develop 2016 Audit Plan	
Revise IA Charter	●
Develop department templates	●
Analytics	●
Design analytics program	
Pilot analytics program	
Launch analytics program	
Recommendation Status	●
Formalize Follow-up Process	
Review/Validate 2014 & earlier Recommendations	
Develop Quality Assurance Process	●

Other	
Activity	Status
Re-Branding	●
Lunch and Learns	
Fordham - Beta Alpha Site Presentation	
Networking	●
NYISO Market Participant Advisory Council	
NYSSCA Local Events	
Quarterly Meeting with local CAE of Peers	
2016 IT & SME Co-Source Partner RFP	●

Technology	
Activity	Status
Toolset	●
Document requirements analysis	
Consult with Risk Alignment and Controls Committee	
Build FY16 budget for technology and tool enhancement	
Select toolset and procure/design customization	●
Conduct training and education on use of tool and pilot initial audits	●

Legend

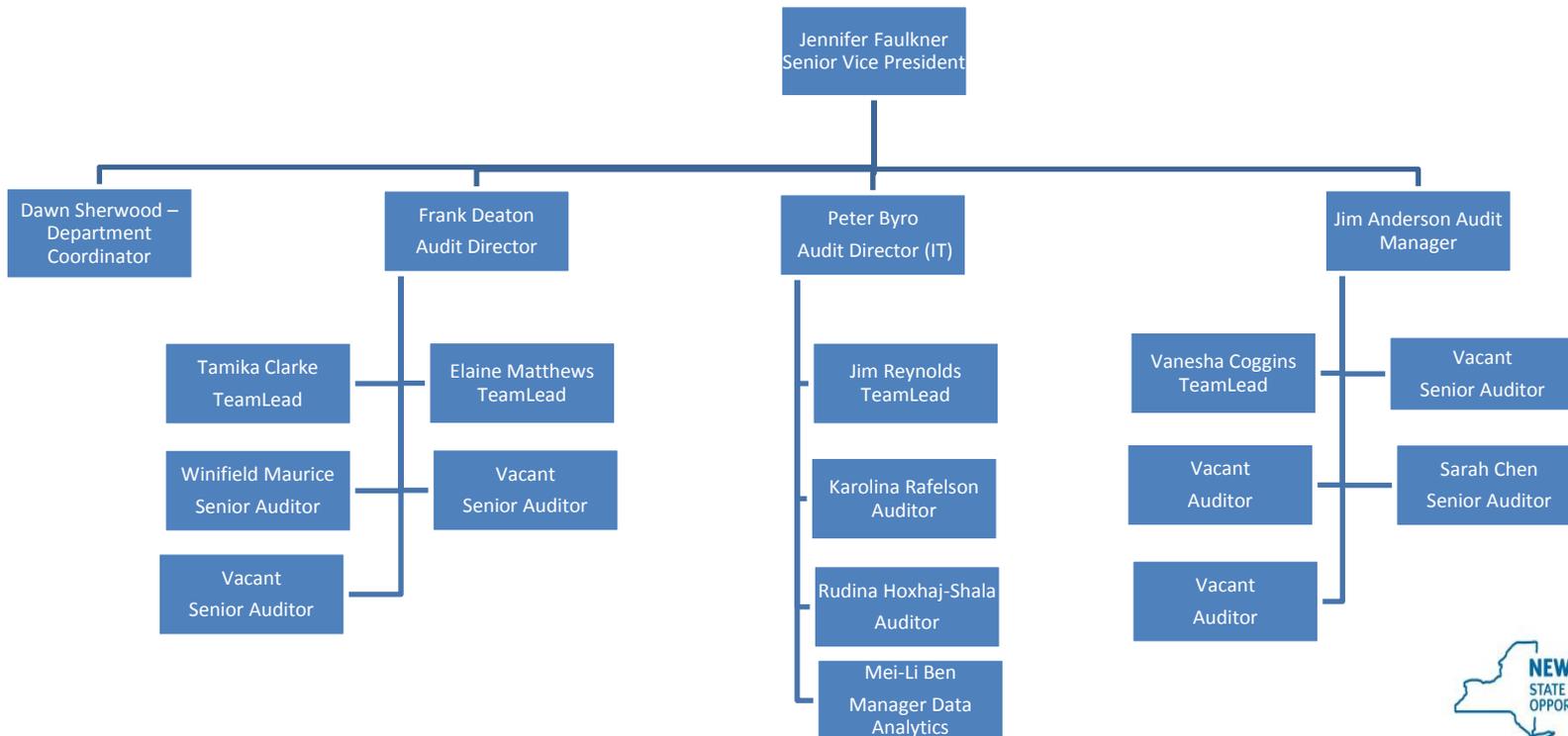
● Completed
 ● On track
 ● Not started
 ● At risk
 ● Will not complete

Recruiting Update

➤ Recruiting Status Update

	IT Director	Mgr Data Analytics	Sr. Auditors	Auditors
Positions Open	1	1	2	2
Verbally Accepted	1	1	0	1

➤ New Organization Chart



Appendix A – 2015 IA Plan

Ref	Audit #	Audit	Business Unit	Audit Type	Date Issued
Report Issued: 14					
1	IS015380	IT Project Management Office (PMO)	Enterprise Shared Services	Audit	5-13-15
2	FIN15440	Strategic Plan Governance and Execution	Business Services	Consultative	5-21-15
3	FIN15400	Compensation & Benefits	Enterprise Shared Services	Audit	6-04-15
4	IS015320	Cyber Security - Network Discovery	Enterprise Shared Services	Audit	6-09-15
5	OPR15140	Fleet Operations	Enterprise Shared Services	Audit	6-10-15
6	FIN15450	Cost Accounting Study	Business Services	Consultative	6-12-15
7	IS015390	Records Management	Enterprise Shared Services	Audit	6-26-15
8	OPR15220	Construction Projects	Business Services	Audit	7-10-15
9	OPR15260	Fraud Awareness Risk Assessment	Law Department	Consultative	7-14-15
10	IS015310	Cyber Security - Maturity Assessment with IT	Enterprise Shared Services	Audit	7-15-15
11	FIN15900	Niagara Finance & Accounting	Business Services	Audit	7-15-15
12	CON15001	First Energy Cost Validation	Law Department	Audit	7-30-15
13	OPR15230	O&M Cross Functionality	Operations	Audit	9-16-15
14	OPR15900	Physical Security	Operations	Audit	9-29-15
Fieldwork Complete – Report Pending Issuance: 5					
15	IS015340	Access Control Repository	Enterprise Shared Services	Audit	
16	FIN15420	Budgeting and Forecasting	Business Services	Audit	
17	FIN15460	Disposal of Personal Property	Economic Development & Efficiency	Audit	
18	OPR15009	Licensing Operations	Public & Regulatory Affairs	Audit	
19	FIN15115	Travel & Entertainment	Enterprise Shared Services	Audit	

Appendix A – 2015 IA Plan

Fieldwork In Progress: 7					
20	OPR15210	Contractor Tenure	Business Services	Audit	
21	FIN15430	Energy Efficiency Controls	Economic Developm't & Efficiency	Consultative	
22	FIN15251	Purchasing/Warehousing - BG	Business Services	Audit	
23	IS015116	Asset Accounting/Maximo Post Implementation	Enterprise Shared Services	Audit	
24	IS015350	Data Loss Prevention	Enterprise Shared Services	Audit	
25	OPR15250	FERC Dam Safety	Operations	Audit	
26	OPR15003	NERC CIP Initiatives	Operations	Audit	
Audit Planning In Progress: 2					
27	IS015720	Incident Response Plan Phase 2	Enterprise Shared Services	Audit	
28	FIN15260	Energy Settlements, Scheduling and Load Forecasting	Economic Developm't & Efficiency	Audit	
Planning not started: 3					
29	FIN15410	Meter to Cash	Business Services	Audit	
30	IS015410	Enterprise Architecture Review	Enterprise Shared Services	Consultative	
31	OPR15130	HR Succession Planning	Operations	Consultative	