**MINUTES OF THE REGULAR MEETING
OF THE
NYPA AUDIT COMMITTEE**

July 25, 2017

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Minutes of the regular meeting of the New York Power Authority's Audit Committee held via video conference at the New York Energy Manager, Albany, at approximately 8:36 a.m.

The following Members of the Audit Committee were present:

Trustee Eugene Nicandri, Chairman
Trustee John R. Koelmel
Trustee Anthony Picente, Jr.
Trustee Anne M. Kress
Trustee Tracy McKibben

Also in attendance were:

Michael Balboni	Trustee
Dennis Trainor	Trustee
Gill Quiniones	President and Chief Executive Officer
Justin Driscoll	Executive Vice President and General Counsel
Joseph Kessler	Executive Vice President and Chief Operating Officer
Jill Anderson	Executive Vice President and Chief Commercial Officer
Jennifer Sutton	Senior Vice President - Internal Audit
Soubhagya Parija	Senior Vice President and Chief Risk Officer
Kristine Pizzo	Senior Vice President - HR and Enterprise Shared Services
Karen Delince	Vice President and Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics and Compliance Officer
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Baughman	Senior Assistant Corporate Secretary
Gottor, Jaiah	Manager - Network Services
Joseph Rivera	Network Architect
Glen Martinez	Senior Network Analyst

Chairman Eugene Nicandri presided over the meeting. Corporate Secretary Delince kept the Minutes.

<u>Introduction</u>

Chairman Nicandri welcomed committee members and senior staff to the meeting. He said the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to section B(4) of the Audit Committee Charter.

1. **<u>Adoption of the Proposed Meeting Agenda</u>**

Upon motion made by Authority Chairman Koelmel and seconded by Trustee McKibben, the agenda for the meeting was adopted as amended.

2.   <u>Motion to Conduct an Executive Session</u>

       WITHDRAWN

3.   <u>**CONSENT AGENDA**</u>

Upon motion made by Authority Chairman Koelmel and seconded by Trustee McKibben, the Consent Agenda was approved.

a. <u>**Approval of the Minutes of the Regular Meeting held on March 21, 2017**</u>

Upon motion made and seconded, the Minutes of the Committee's Regular Meeting held on March 21, 2017 were approved.

4.   DISCUSSION AGENDA:

   a. NYPA Internal Audit Update

   Ms. Jennifer Sutton, Senior Vice President of Internal Audit, provided an update of the Internal Audit ("IA") activities to the Committee (Exhibit "4a-A"). She said that approximately 20 audits from the Audit Plan have been completed. This represents 44 percent completion of the NYPA and Canal Corporation joint Audit Plan. Internal Audit is making progress with the Plan and the team is tracking to complete the Audit Plan by the middle of December. In addition, Internal Audit is currently engaged in 31 consulting engagements across the organization in different Business Units working on process improvements and strategic initiatives.

Status of Open Remediation Items

IA has launched a SharePoint site to automate the tracking, reporting and follow-up of the status of all of the recommendations. In June, IA introduced another functionality of reporting to senior management to let them know what recommendations were open in their Business Unit. With this process, IA will have the ability to work with management to start following-up and closing items in a timely manner and making sure that those projects are not overdue. IA is still refining that process, but is already seeing significant results.

A number of audit recommendations were due on June 30th. IA was able to close out a significant number of those audits due to the hard work of management to close out these recommendations.

Canal Corporation

IA continues to monitor and manage all of the Canals recommendations manually. At this time, IA is comfortable that Canals is working through the recommendation status and working to close out all of the recommendations that have been identified to date.

Changes to the Audit Plan

IA made a number of changes to the Audit Plan over the past two months, mainly looking at the status of the initiatives that the Business units were working on and identify when is the right time for Internal Audit to provide value for that work.

Although it may appear that IA might have taken a lot out of the Audit Plan, some of them were combined with other audits and others were moved to consulting engagements. Ms. Sutton ended by saying that she feels very comfortable that IA is still managing all of the emerging risks, continuously making adjustments to the Audit Plan and making sure that it has the right Plan in place for NYPA and for Canals and provide value and not impede management's progress in these areas.

In response to a question from Trustee McKibben, Ms. Sutton said that the "Not Started" status of the Audit Phase means that IA staff has not started planning for those audits as yet. For example, IA may be engaged in some informal out-reach and information gathering with stakeholders, but have not actively engaged the team and assigned full-time resources to work on that project as yet.   The 13 items categorized in "Audit Phase" as "Not Started" means that there are 13 audits that IA will probably start focusing their time between August and October; now is not the right time because team is currently engaged in other projects.   In response to further questioning from Trustee McKibben, Ms. Sutton said those results are incorporated in the measurement of the audit status.

In response to a question from Authority Chairman Koelmel, Ms. Sutton said that she is extremely confident that the team will be able to deliver the Audit Plan by the end of December.

In response to further questioning from Authority Chairman Koelmel, Ms. Sutton said that based on the "Report Ratings" category, 10 of the reports were unrated.   She said

Assessments and Consulting does not have audit ratings associated with them because they are more forward looking -- how do you improve in the future rather than you did not comply with something historically. She continued that IA does report findings out of assessments, focusing on priority level and resource requirements. So, for the monthly summaries for the assessments, IA report the high priority and high resource level issues that it has identified, but they do not formally write them.

In response to still further questioning from Chairman Koelmel, Ms. Sutton said, with regard to the "Report Ratings" at this point, more than half of the audits fall in the "unrated" category, to date.

In response to another question from Authority Chairman Koelmel, Ms. Sutton said that the traditional audit type work is about 40 to 50 percent, but may be a bit higher this year because of the addition of the Canal Corporation. IA has about 15-16 audits in the Audit Plan for the Canal Corporation, half of which are related to the migration between Thruway and NYPA. IA is 40 percent done with the Canal Corporation's Plan; another 40 percent are in progress right now. These numbers will change significantly for the next you update. In addition, about 30 to 40 percent is related to assessments and 10 percent to consulting. Ms. Sutton said that even though IA may not have a formal report rating, it is identifying observations and recommendations that management is agreeing to take action upon and are also tracking those and ensuring that management is completing those actions.

Authority Chairman said that a significant portion of the work falls into the "unrated" and "unreported" categories; IA should work on finding a better way to communicate the outcomes of the audits to the members; a way where the feedback to the members can provide transparency and more clarity, so members can monitor unsatisfactory outcomes to ensure the improvements needed.

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Ms. Sutton said that, next year, as part of the implementation of the enterprise governance risk and compliance tool, IA is looking to start standardizing risk levels and assessment levels. To date, no reports issued that have an unsatisfactory rating.

In response to a question from Authority Chairman Koelmel, President Quiniones said he has been tracking the "Status of Open Remediation" with Ms. Sutton and there are very specific reasons why those audits that are "still in progress" remains on that list. He then asked Ms. Sutton to provide more information to the members.

Ms. Sutton said that one of those five audits should be closing soon. IA is actively working with management on the remaining four audits to make sure that they are on progress or tracking towards completion on the due date. She continued that there are three items listed that are significant, long-term projects and management would not be able to remediate and close them out on a short-term manner. There are understandable, practical and reasonable explanations for why these audits have been delayed and IA is comfortable that management is working through the issues and that these items are on track to be completed at the end of the year.   In addition, management is tracking to complete one by the end of September. And, again, IA feels very comfortable, based on conversations with them, that this audit will be closed-out by the end of September.

In response to further questioning from Authority Chairman Koelmel, Ms. Sutton said specific information on the breakdown of those audits is not in the Appendix; however, she can provide the members with a status update after the meeting.

In response to a question from Authority Chairman Koelmel, regarding the status of Open recommendations prior to 2015, Ms. Sutton said when she started the transformation journey for internal audit in 2015, there were had more than 230, recommendations that were open from as early as 2008 because the previous Internal Audit department was not tracking completion status. This represents a significant decrease; and while it's still frustrating for members to see that five are still open, management has done a really great job of closing

these out and working with IA staff to figure out whether or not these recommendations are still valid and taking the actions necessary to make sure to close them out when they are still valid.

In response to further questioning from Authority Chairman Koelmel, Ms. Sutton said that approximately 20% of the audits that are still open relate to year 2015.

In response to a comment from Trustee McKibben, Ms. Sutton said that IA has not broken down the 2015-2017 Issue Remediation Status by year. IA is working closely with management, so even though something may be open from 2015, it does not necessarily indicate that members should be alarmed that it's still open at this point. IA would flag to members on any item that was still open and that was specifically a high-risk issue that they were not comfortable that it had not yet been closed or management was not tracking towards the completion date agreed to. IA has chosen not to break them out by year because they are comfortable that those items, even if there is a long-term recommendation in place, short- term actions have been taken or there are reasonable justifications of other priorities that have come ahead of some of these recommendations to close them out. But I can certainly provide you the breakout by year if that would be something that's interesting to you. However, she will provide specific breakdown for years 2015, 2016 and 2017.

Authority Chairman opined that IA will need to figure out a better way, and, more importantly, rather than focus too much time on how to report out to the members, he would just like to see these audits cleaned up. And if there are actions that cannot be cleaned up, then, they should not be classified as "open items" since open items implies that there's remedial action that could and should be taken. If remedial action cannot be taken, it's not an open item.

Authority Chairman continued that, on the "Needs Improvement" classification, so that the members can have better transparency, should include the areas that are impacted. Also, provide more clarity on the nature of the work, the findings and the recommendations in the consulting engagements, so that members can understand what is a consulting engagement

versus an audit engagement -- if you're making recommendations and providing counsel and advice

In response to a question from Chairman Nicandri, Ms. Sutton said that because of some IT segregation issues, which are completely valid, IA is not able to use the same system that was implemented for NYPA for the Canal Corporation. IA is using a manual process, an Excel manual tracking spreadsheet, for following up and notifying recommendation owners fifteen days before their recommendation is due. IA manually sends them an email the day the recommendation is due, and also sends manual reminders if something becomes overdue and IA did not get a status update from the recommendation owner.

In response to further questioning from Chairman Nicandri, Ms. Sutton said, at this point, there is no a target date for this method to be corrected. It would take significant effort and cost to replicate the process that NYPA has for Canals, IA does not feel it is warranted at this time. As IA moves to implement an EGRC tool, they will be looking at exploring the possibility of creating a system to use for Canals. For the EGRC tool which is one of IA's main strategic goals for this year, IA is now putting together an RFP and documenting the requirements. In Q1of next year, IA will explore what they can do to automate the Canal Corporation's process. However, based on the cost and level of effort, it is not worth it to replicate the NYPA process for Canal Corporation. A team member is responsible for performing that manual tracking and follow up for Canal Corporation, and this manual process is no less of a thorough process than what IA is using for NYPA since the same kind of timelines, follow up dates, procedures and methodology are used to review the close-out of recommendations. IA follows the same methodology for both, using an automated process versus a manual process.

Trustee McKibben said that it is a concern that IA is not putting the Canal Corporation on an audit system that incorporates the standard that NYPA follows. She said that she wanted to make sure that, while IA is concerned about the cost of adopting the same automated system that the Power Authority has, it is not resisting to implement that within the Canal because of cost, but they are aware of all the risk that are involved. NYPA did a thorough analysis of the Canal Corporation when it took it over; therefore, NYPA needs to make sure that it is able to adequately monitor areas of concern through an Audit Plan.

Authority Chairman Koelmel opined that there are management recommendations that come to the Audit Committee. However, he wanted to make sure that the lines are not unduly blurring in terms of decisions management is making relative to what is otherwise intended to be an independent audit process -- whether it is the clean-up of old items and how important they are; the level of work, or the pace at which the members expects the standards to be met. He said that he wanted to be very respectful of management's recommendations, but also wanted to understand and have a good dialog with Ms. Sutton who reports to the Audit Committee. He continued that the committee has to be careful about having a meeting with all of management when members are having an Audit committee discussion. He wanted to make sure that members have appropriate transparency, clarity, and opportunity for dialog in terms of the pace, focus, purpose and scope of the report. In addition, he feels that this is too much of a management committee meeting and not enough of an audit committee meeting; that members are hearing from management rather than Audit, i.e. engaging management rather than Audit. He said that he is pointing this out to reinforce the opinions that are being expressed by the committee members. The committee should therefore step back and reposition itself.

In response to a question from Trustee Kress, with regard to the *2017 IA Reports Issued/Ratings*, Ms. Sutton said, she thinks that we definitely have higher standards here at NYPA in terms of what we expect for an effective control environment than what Canals are

used to. I think that we have spent a lot of time educating Canal staff on what are controls, what

are the processes they need to have in place and helping them figure out what are the things

that they can do to strengthen their processes and controls. The management at Canals is very

receptive to the feedback IA is providing to them. They have a lot of areas where they know that

they need to improve and they are very open and very welcoming of our feedback and input. It

is more of a balance for the Canals management team of how to prioritize all of these areas

where they know they need to improve, and start working through them. At this time IA has no

overdue recommendations for the Canal Corporation.

Next Meeting

Chairman Nicandri said that the next regular meeting of the Audit Committee would be held on September 26, 2017 at the Clarence D. Rappleyea Building in White Plains, New York at a time to be determined.

<u>Closing</u>

Upon motion made by Trustee McKibben and seconded by Authority Chairman Koelmel, the meeting was adjourned by Chairman Nicandri at approximately 9:04 a.m.

Karen Delince

Karen Delince
Corporate Secretary

Audit Committee
Internal Audit Update

7/25/2017

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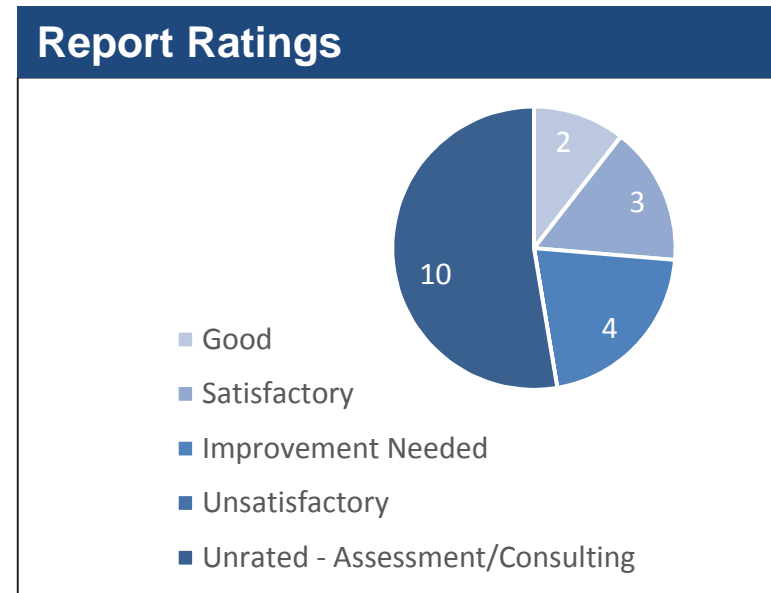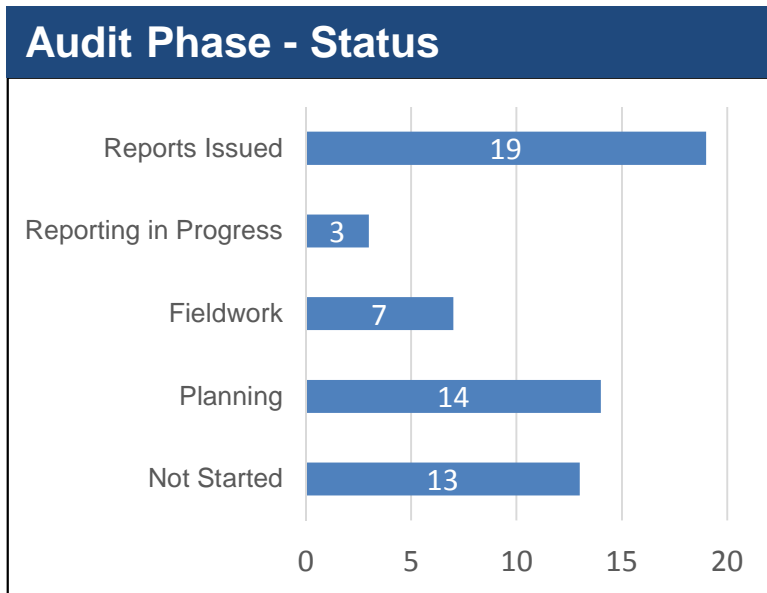- ➤ Changes to 2017 IA Plan

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Executive Summary

Executive Summary

➢ 2017 Plan Status:
- ➢ Nineteen audits have been issued. Three additional reports are in reporting.
- ➢ Twenty-one audits are in the fieldwork or planning stage.
- ➢ No significant risks have been identified on unissued reports at this time.

➢ IA staff is engaged in 31 consulting and partnering arrangements that will result in documented or real time verbal feedback. Engagements are categorized as Process Improvement or Strategic Initiative.

Audit Phase - Status

Phase	Value
Reports Issued	19
Reporting in Progress	3
Fieldwork	7
Planning	14
Not Started	13

Report Ratings

- Good — 2
- Satisfactory — 3
- Improvement Needed — 4
- Unsatisfactory
- Unrated - Assessment/Consulting — 10

*NOTE: Information includes both NYPA and Canal related IA activities

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Status of Open Remediation

➢ Internal Audit is now using SharePoint to track open remediation and as of June has implemented formal periodic reporting to Sr. Leadership.

➢ Open recommendations prior to 2015 are continuously monitored for close-out. As of 7/6/17, five recommendations were still in progress.

➢ IA is evaluating the best method to track Canal remediation status.

➢ IA is comfortable with the progress timelines set forth by process owners for completion of identified issues and is monitoring remediation efforts with a focus on High risk issues.

2015-2017 Issue Remediation Status

	High	Medium	Low
IP - Overdue			
IP - Due within <30 days	17	17	4
IP - Due within <60 days	7	4	
IP - Due within >90 days	24	33	5

*NOTE: Information includes both NYPA and Canal related IA activities

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Changes to 2017 IA Plan

➤ Operational, Strategic, Compliance, Finance and IT audits are continuously evaluated for emerging risks through participation in work streams and discussions with leadership. As a result, the following changes have been made to the 2017 IA Plan (details explaining rational for changes can be found in Appendix B)
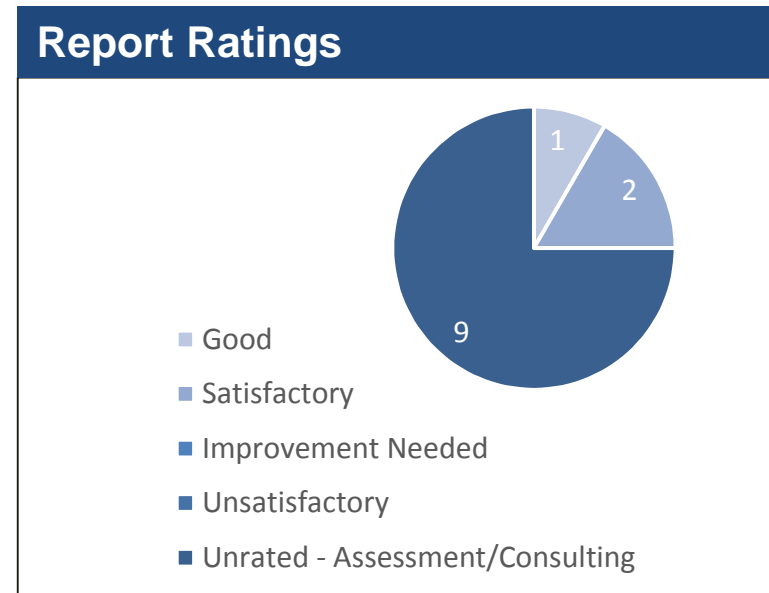
2017 Audit Status	7/6/17
Open 2017 IA Plan	64
Audit Added to 2017 IA Plan **NYPA:** WNY-Customer Compliance Audits (D&M), ABB –Third Party Contract Audits, New York Energy Manager – Program Support **Canals:** Canals – Permit Management, PCI Compliance – Website Assessment	+5
Audits Removed from 2017 IA Plan **NYPA:** Financial Performance Metrics, System Testing Management, Marketing/Sales Culture Survey, Customer Contract Design Review Support, Project Management Methodology Assessment, Business Development Governance, AGILE Strategic Initiative, Niagara SCADA Upgrade, Resource Loaded Scheduling, IT KPI and Metric Development, Office 365, Cyber Security Services Function Design Support, SAP Basis Administration and Success Factors **Canals:** None	-14
Total 2017 Audits	55

NYPA

2017 Audit Plan Status - NYPA

➢ 2017 Plan Status:
  ➢ Twelve audits have been issued. Three additional reports are in reporting.
  ➢ Fourteen audits are in the fieldwork or planning stage.
  ➢ No significant risks have been identified on unissued reports at this time.

➢ IA staff is engaged in 31 consulting and partnering arrangements that will result in documented or real time verbal feedback. Engagements are categorized as Process Improvement or Strategic Initiative.

Audit Phase - Status

Phase	Count
Reports Issued	12
Reporting in Progress	3
Fieldwork	5
Planning	9
Not Started	9

Report Ratings

Good: 1
Satisfactory: 2
Unrated - Assessment/Consulting: 9

- Good
- Satisfactory
- Improvement Needed
- Unsatisfactory
- Unrated - Assessment/Consulting

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Status of Open Remediation - NYPA

➤ Internal Audit is now using SharePoint to track open remediation and as of June has implemented formal periodic reporting to Sr. Leadership.

➤ Open recommendations prior to 2015 are continuously monitored for close-out. As of 7/6/17, five recommendations were still in progress.

➤ IA is evaluating the best method to track Canal remediation status.

➤ IA is comfortable with the progress timelines set forth by process owners for completion of identified issues and is monitoring remediation efforts with a focus on High risk issues.

2015-2017 Issue Remediation Status

	IP - Overdue	IP - Due within <30 days	IP - Due within <60 days	IP - Due within >90 days
High		15	6	22
Medium		17	4	28
Low		4		3

■ High ■ Medium ■ Low

Changes to 2017 IA Plan - NYPA

➢ Operational, Strategic, Compliance, Finance and IT audits are continuously evaluated for emerging risks through participation in work streams and discussions with leadership. As a result, the following changes have been made to the 2017 IA Plan (details explaining rational for changes can be found in Appendix B):
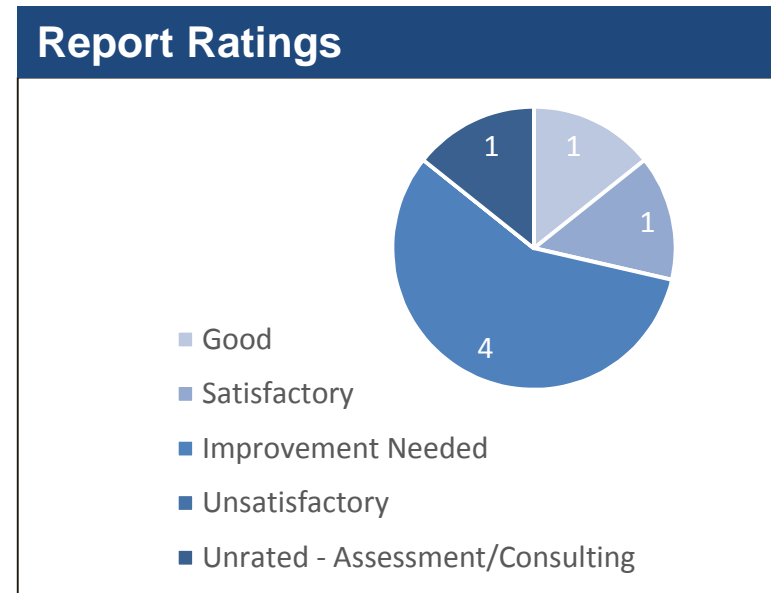
2017 Audit Status	7/6/17
Open 2017 IA Plan	47
Audit Added to 2017 IA Plan: WNY-Customer Compliance Audits (D&M), ABB –Third Party Contract Audits, New York Energy Manager – Program Support	+3
Audits Removed from 2017 IA Plan: Financial Performance Metrics, System Testing Management, Marketing/Sales Culture Survey, Customer Contract Design Review Support, Project Management Methodology Assessment, Business Development Governance, AGILE Strategic Initiative, Niagara SCADA Upgrade, Resource Loaded Scheduling, IT KPI and Metric Development, Office 365, Cyber Security Services Function Design Support, SAP Basis Administration and Success Factors	-14
Total 2017 Audits	36

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Canal Corp.

2017 Audit Plan Status – Canals

➤ 2017 Plan Status:
  ➤ Seven audits have been issued..
  ➤ Seven audits are in the fieldwork or planning stage.
  ➤ No significant risks have been identified on unissued reports at this time.

➤ IA staff is engaged in 31 consulting and partnering arrangements that will result in documented or real time verbal feedback. Engagements are categorized as Process Improvement or Strategic Initiative.

Audit Phase - Status

Phase	Count
Reports Issued	7
Reporting in Progress	
Fieldwork	2
Planning	5
Not Started	4

Report Ratings

- Good: 1
- Satisfactory: 1
- Improvement Needed: 1
- Unsatisfactory: 4
- Unrated - Assessment/Consulting: 1

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Changes to 2017 IA Plan - Canals

➢ Operational, Strategic, Compliance, Finance and IT audits are continuously evaluated for emerging risks through participation in work streams and discussions with leadership. As a result, the following changes have been made to the 2017 IA Plan (details explaining rational for changes can be found in Appendix B):
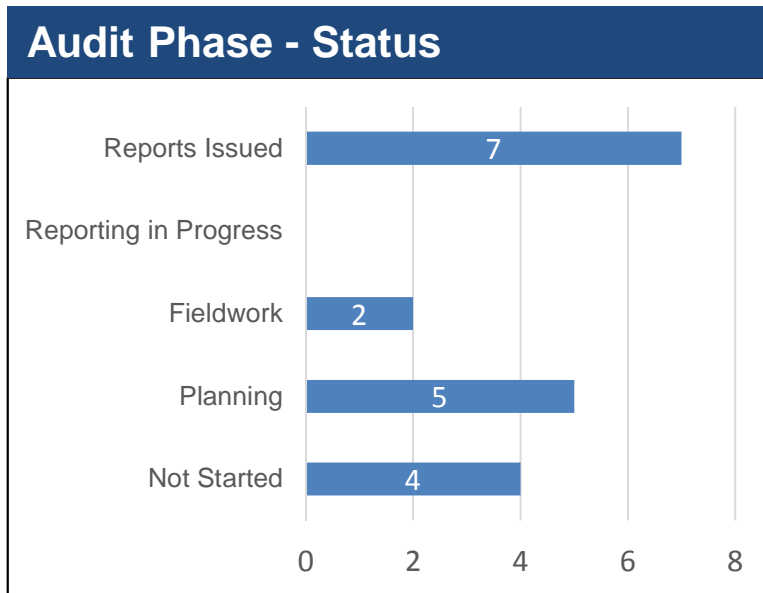
2017 Audit Status	7/6/17
Open 2017 IA Plan	17
Audit Added to 2017 IA Plan: Canals – Permit Management, PCI Compliance – Website Assessment	+2
Audits Removed from 2017 IA Plan	0
Total 2017 Audits	19

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Appendix

Appendix A – 2017 IA Plan

Ref.	Entity	Audit	Business Unit	Audit Type	Date Issued
Deliverable Issued: 19					
1	NYPA	HTP First Energy Additional Follow-up	Utility Operations	Consulting	3-17-17
2	NYPA	Customer Compliance Audits	Commercial Operations	Audit	3-21-17
3	NYPA	Contributions, Sponsorships and Events	Entity-Wide	Audit	3-29-17
4	NYPA	BG SCADA Pre/Post Implementation	Technology	Audit	3-30-17
5	NYPA	Business Resiliency Governance Assessment	Entity-Wide	Assessment	4-3-17
6	NYPA	Enterprise Risk – Top Risk Action Plan Follow-up	Entity-Wide	Assessment	4-12-17
7	NYPA	Transitional Position Utilization Assessment	HR & Enterprise Shared Services	Assessment	4-26-17
8	NYPA	NERC CIP Audit Prep Support 1	Utility Operations	Consulting	5-12-17
9	NYPA	Customer Credit	Entity-Wide	Assessment	6-5-17
10	NYPA	Muni/Coop Regulation Audit	Commercial Operations	Audit	6-9-17
11	NYPA	Transmission Cost of Service	Entity-Wide	Audit	6-14-17
12	NYPA	Western NY – Customer Compliance Audits (D&M)	Commercial Operations	Audit	6-30-17
13	Canals	Canals Non-SAP Applications and Infrastructure	Technology	Audit	4-5-17
14	Canals	Canals Invoice Review	Business Services	Audit	4-12-17
15	Canals	PCI Compliance	Technology	Audit	6-14-17
16	Canals	Pre/Post Day 1 Balance Review	Business Services	Audit	6-20-17
17	Canals	P-Cards	Entity-Wide	Assessment	6-27-17
18	Canals	SAP Migration Phase 2	Technology	Audit	6-29-17
19	Canals	Physical Asset Verification	Entity-Wide	Audit	6-30-17
Reporting - Fieldwork Complete: 3					
20	NYPA	HTP Operations	Commercial Operations	Audit	
21	NYPA	Ariba System Implementation – Contract Lifecycle Mgmt Module	Technology	Audit	
22	NYPA	Deferred Asset Accounting	Business Services	Audit	
Fieldwork In Progress: 7					
23	NYPA	Cyber Security Roadmap Consulting Support	Technology	Consulting	
24	NYPA	Operating System Security	Technology	Audit	
25	NYPA	SDLC Improvement Support	Technology	Consulting	
26	NYPA	NERC CIP Audit Prep Support 2	Utility Operations	Consulting	
27	NYPA	Siemens - Third Party Contract Audit	Entity-Wide	Audit	
28	Canals	Canals TSA Management	Technology	Audit	
29	Canals	User Access Management	Technology	Audit	
Audit Planning In Progress: 14					
30	NYPA	Direct Expenses	Entity-Wide	Assessment	

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Appendix A – 2017 IA Plan

	Entity	Audit	Business Unit	Audit Type	Date Issued
31	NYPA	New York Energy Manager – Technology Security Review	Commercial Operations	Assessment	
32	NYPA	ISO 55000 Framework Design Support	Utility Operations	Consulting	
33	NYPA	Customer Energy Solutions Redesign Support	Commercial Operations	Consulting	
34	NYPA	Generator Meter to Cash	Entity-Wide	Audit	
35	NYPA	Physical Security Investments Assessment	Utility Operations	Assessment	
36	NYPA	Telecom Cost Recovery Project	Technology	Audit	
37	NYPA	Post-Retirement Benefits Assessment	Business Services	Assessment	
38	NYPA	ABB – Third Party Contract Audit	Entity-Wide	Audit	
39	Canals	Rizzo Study Follow-up	Utility Operations	Assessment	
40	Canals	Pension/Other Post Retirement Benefits	Business Services	Audit	
41	Canals	Expenditure Authorization Procedure (EAP) Compliance	Entity-Wide	Audit	
42	Canals	Canals Governance	Entity-Wide	Assessment	
43	Canals	Canals – Permit Management	Entity-Wide	Audit	
Planning Not Started: 13					
44	NYPA	Enterprise Portfolio Management Design Assessment	Entity-Wide	Assessment	
45	NYPA	Hydro Forecast Process	Utility Operations	Audit	
46	NYPA	Employee Data Protection	HR & Enterprise Shared Services	Audit	
47	NYPA	IT Disaster Recovery (DR)	Technology	Audit	
48	NYPA	LPGP LEM	Utility Operations	Audit	
49	NYPA	Indirect Expenses – Cost Allocations	Entity-Wide	Audit	
50	NYPA	2016 OSC Audit – Remediation Follow-up	Entity-Wide	Audit	
51	NYPA	New York Energy Manager – Program Support	Commercial Operations	Consulting	
52	Canals	EH&S Study Follow-up	Utility Operations	Assessment	
53	Canals	IT Incident Management	Technology	Audit	
54	Canals	OSC Audit Follow-up	Entity-Wide	Audit	
55	Canals	Canals Crisis Management	Entity-Wide	Audit	
56	Canals	PCI Compliance – Website Assessment	Technology	Assessment	

Appendix B - Changes to 2017 IA Plan – NYPA

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Commercial Operations	WNY – Customer Compliance Audits (D&M)	Added to Plan	Evaluate the customer's reported jobs and capital investments that fall under the Western New York Power Contracts.	Q2	+1
Entity-Wide	ABB – Third Party Contract Audit	Added to Plan	Perform a second third party vendor audit based on the team's vendor risk assessment.	Q2	+1
Commercial Operations	New York Energy Manager – Program Support	Added to Plan	Split New York Energy Manager into two projects. One for an assessment of security for the existing technologies (NYEM Technology Security Review) and one for consulting (NYEM Program Support).	Q4	+1
Technology	SDLC Roadmap Support	Name Change	Change project name to SDLC Improvement Support.	Q3	0
Entity-Wide	Third Party Contract Audits	Name Change	Change project name to Siemens – Third Party Contract Audit.	Q2	0
Commercial Operations	New York Energy Manager	Name Change and Project Type	Change project name to New York Energy Manager – Technology Security Review. Changed from Audit to Assessment. Split New York Energy Manager into two projects. One for an assessment of security for the existing technologies (NYEM Technology Security Review) and one for consulting (NYEM Program Support).	Q2	0

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Appendix B - Changes to 2017 IA Plan

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Entity-Wide	Cost Allocations	Name Change and Scope Change	Change project name to Indirect Expenses – Cost Allocations. Clarify scope and eliminate overlap with other risk management unit activities.	Q3	0
Entity-Wide	Generator Variable Costs	Name Change and Scope Change	Change project name to Direct Expenses. Clarify scope and eliminate overlap with other risk management unit activities.	Q3	0
Entity-Wide	Direct Expenses	Project Type	Changed from an Assessment to an Audit.	Q3	0
Entity-Wide	Transmission Cost of Service	Scope Change	Change to project type.	Q2	0
Technology	Cyber Security Roadmap Consulting Support	Scope Change	For efficiency, recommending reviewing the Cyber Security function design as part of the scope.	Q4	0
Business Services	Financial Performance Metrics	Removed from Plan	Management has not made sufficient progress in implementing financial metrics to support a dedicated audit project. Our plan includes a project that will assess one of the key outcomes of implementing the financial metrics.	N/A	-1

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Appendix B - Changes to 2017 IA Plan

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Technology	System Testing Management	Removed from Plan	No RFP in place – plans to have function in place for 2018.	N/A	-1
Commercial Operations	Marketing/Sales Culture Survey	Remove from Plan	Project would be premature based on the current maturity of the organization and sales culture.	N/A	-1
Entity-Wide	Customer Contract Design Review Support	Remove from Plan	The volume of changes to boiler plate contracts does not warrant a separate project. Combining this project with the 2017-CS-29 – Customer Energy Solutions Redesign Support.	N/A	-1
Entity-Wide	Project Management Methodology Assessment	Remove from Plan	Focus IA resources on the most significant area of change to NYPA which is portfolio management (Enterprise Portfolio Management Design Assessment).	N/A	-1
Entity-Wide	Business Development Governance	Remove from Plan	No longer has the potential value. Will re-evaluate during the 2018 Risk Assessment.	N/A	-1
Entity-Wide	AGILE Strategic Initiative	Remove from Plan	Do not expect enough movement and request to defer this audit until late 2018.	N/A	-1
Entity-Wide	Success Factors System Implementation	Remove from Plan	No longer has the potential value. Will consider this project for a post implementation review to be included in the 2018 audit plan.	N/A	-1

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Appendix B - Changes to 2017 IA Plan

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Utility Operations	Niagara SCADA Upgrade	Remove from Plan	No opportunity for IA to do any substantial audit work. Consider this audit for the 2018 Audit Plan	N/A	-1
Utility Operations	Resource Loaded Scheduling	Remove from Plan	Operations management is not as far along as originally expected. Would like to move to the 2018 Audit Plan.	N/A	-1
Technology	IT KPI and Metric Development	Remove from Plan	IT has not had the time to work on developing IT KPIs and metrics will be developed in Q4. Consider this audit for the 2018 Audit Plan.	N/A	-1
Technology	Office 365	Remove from Plan	Rollout has not happened. Consider this audit for the 2018 Audit Plan.	N/A	-1
Technology	Cyber Security Services Function Design Support	Remove from Plan	Design review has not started.	N/A	-1
Technology	SAP Basis Administration	Remove from Plan	IT's project demand delivery is undergoing re-prioritization and the model for resource allocation to project is shifting. Consider this audit for the 2018 Audit Plan.	N/A	-1

Appendix B - Changes to 2017 IA Plan – Canals

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Entity-Wide	Canals – Permit Management	Added to Plan	Evaluate the permit management process at Canals.	Q3	+1
Technology	PCI Compliance – Website Assessment	Added to Plan	Look at the PCI iFrame website.	Q4	+1
Entity-Wide	Physical Inventory/Asset Verification Audit	Name Change	Changed name to Physical Asset Verification Audit.	Q2	0
Entity-Wide	Canal's Governance	Project Type	Changed from an Audit to an Assessment.	Q3	0

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Appendix C – 2017 IA Reports Issued/Ratings

NYPA:

2017 Internal Audit Report	Report Rating	
BG SCADA Pre/Post Implementation	Good	🟢
Contributions, Sponsorships and Events	Satisfactory	🔵
Muni/Coop Regulation	Satisfactory	🔵
HTP First Energy Additional Follow-up	N/A	
Customer Compliance Audits	N/A	
Business Resiliency Governance Assessment	N/A	
Enterprise Risk – Top Risk Action Plan Follow-up	N/A	
Transitional Position Utilization Assessment	N/A	
NERC CIP Audit Prep. Support	N/A	
Customer Credit Assessment	N/A	
Transmission Cost of Service Assessment	N/A	
Western NY – Customer Compliance Audits (D&M)	N/A	

Canals:

2017 Internal Audit Report	Report Rating	
PCI Compliance	Good	🟢
Canals Non-SAP Applications and Infrastructure	Satisfactory	🔵
Pre/Post Day 1 Balance Review	Improvement Needed	🟡
P-Cards	Improvement Needed	🟡
SAP Migration Phase 2	Improvement Needed	🟡
Physical Asset Verification	Improvement Needed	🟡
Canals Invoice Review	N/A	

Audit Committee
Internal Audit Update

7/25/2017

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- ➤ 2017 Audit Plan Status - NYPA
- ➤ Status of Open Remediation
- ➤ Changes to 2017 IA Plan

Canal Corp
- ➤ 2017 Audit Plan Status - Canals
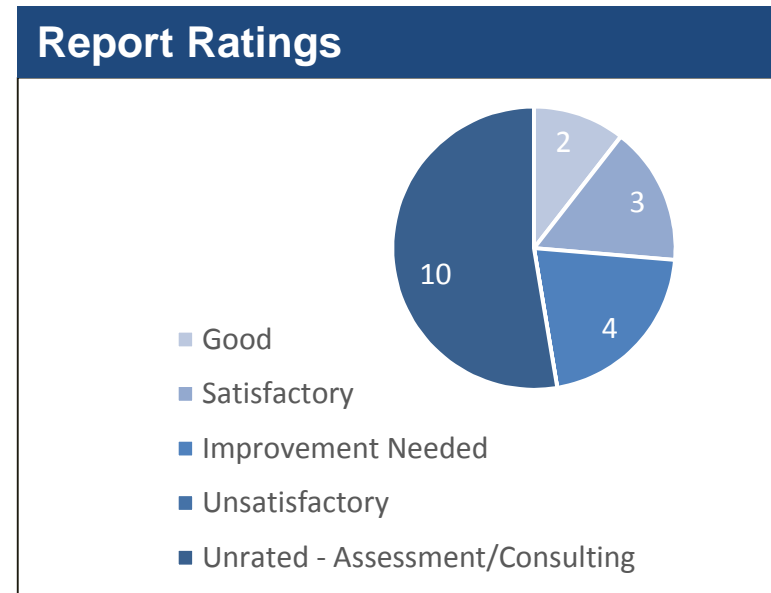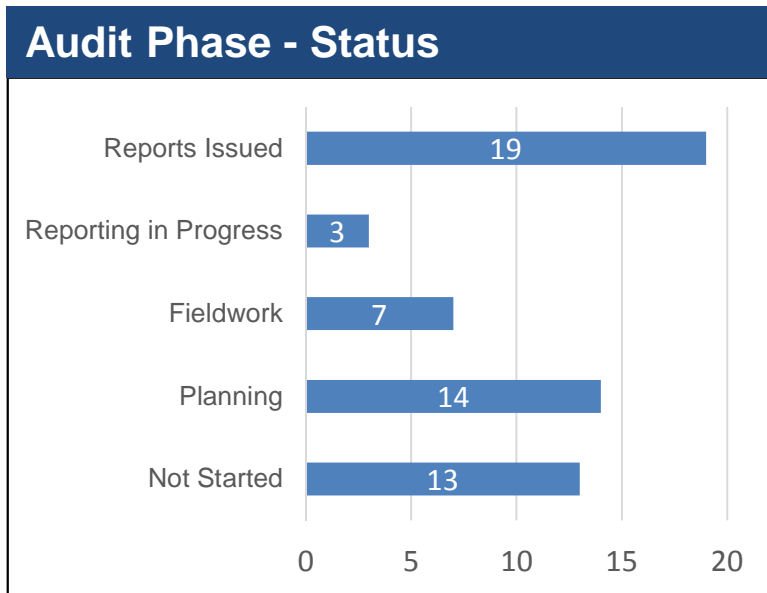- ➤ Changes to 2017 IA Plan

Appendix
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- ➤ Appendix C – 2017 IA Reports Issued/Ratings

NEW YORK STATE OF OPPORTUNITY. | **NY Power Authority**

Executive Summary

Executive Summary

➢ 2017 Plan Status:
  ➢ Nineteen audits have been issued. Three additional reports are in reporting.
  ➢ Twenty-one audits are in the fieldwork or planning stage.
  ➢ No significant risks have been identified on unissued reports at this time.

➢ IA staff is engaged in 31 consulting and partnering arrangements that will result in documented or real time verbal feedback. Engagements are categorized as Process Improvement or Strategic Initiative.

Audit Phase - Status

Phase	Count
Reports Issued	19
Reporting in Progress	3
Fieldwork	7
Planning	14
Not Started	13

Report Ratings

Pie chart values:
- Good: 2
- Satisfactory: 3
- Improvement Needed: 4
- Unsatisfactory: (not shown)
- Unrated - Assessment/Consulting: 10

*NOTE: Information includes both NYPA and Canal related IA activities

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Status of Open Remediation

➤ Internal Audit is now using SharePoint to track open remediation and as of June has implemented formal periodic reporting to Sr. Leadership.

➤ Open recommendations prior to 2015 are continuously monitored for close-out. As of 7/6/17, five recommendations were still in progress.

➤ IA is evaluating the best method to track Canal remediation status.

➤ IA is comfortable with the progress timelines set forth by process owners for completion of identified issues and is monitoring remediation efforts with a focus on High risk issues.

2015-2017 Issue Remediation Status

Stacked bar chart, y-axis from 0 to 70.

Category	High	Medium	Low
IP - Overdue			
IP - Due within <30 days	17	17	4
IP - Due within <60 days	7	4	
IP - Due within >90 days	24	33	5

Legend: ■ High ■ Medium ■ Low

*NOTE: Information includes both NYPA and Canal related IA activities

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Changes to 2017 IA Plan

➤ Operational, Strategic, Compliance, Finance and IT audits are continuously evaluated for emerging risks through participation in work streams and discussions with leadership. As a result, the following changes have been made to the 2017 IA Plan (details explaining rational for changes can be found in Appendix B)
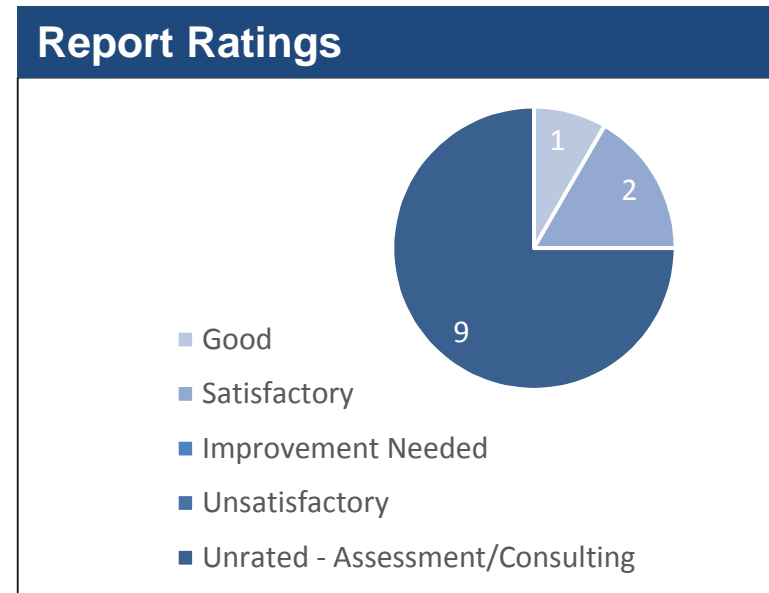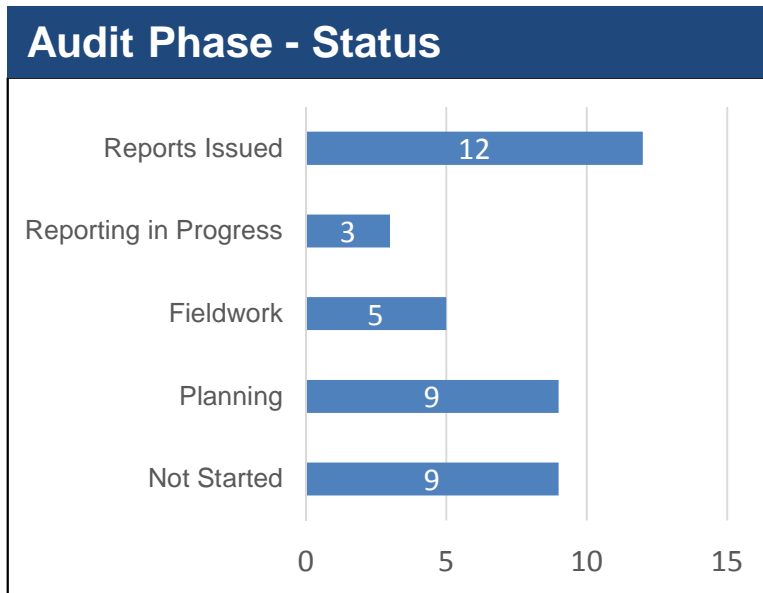
2017 Audit Status	7/6/17
Open 2017 IA Plan	64
Audit Added to 2017 IA Plan **NYPA:** WNY-Customer Compliance Audits (D&M), ABB –Third Party Contract Audits, New York Energy Manager – Program Support **Canals:** Canals – Permit Management, PCI Compliance – Website Assessment	+5
Audits Removed from 2017 IA Plan **NYPA:** Financial Performance Metrics, System Testing Management, Marketing/Sales Culture Survey, Customer Contract Design Review Support, Project Management Methodology Assessment, Business Development Governance, AGILE Strategic Initiative, Niagara SCADA Upgrade, Resource Loaded Scheduling, IT KPI and Metric Development, Office 365, Cyber Security Services Function Design Support, SAP Basis Administration and Success Factors **Canals:** None	-14
Total 2017 Audits	55

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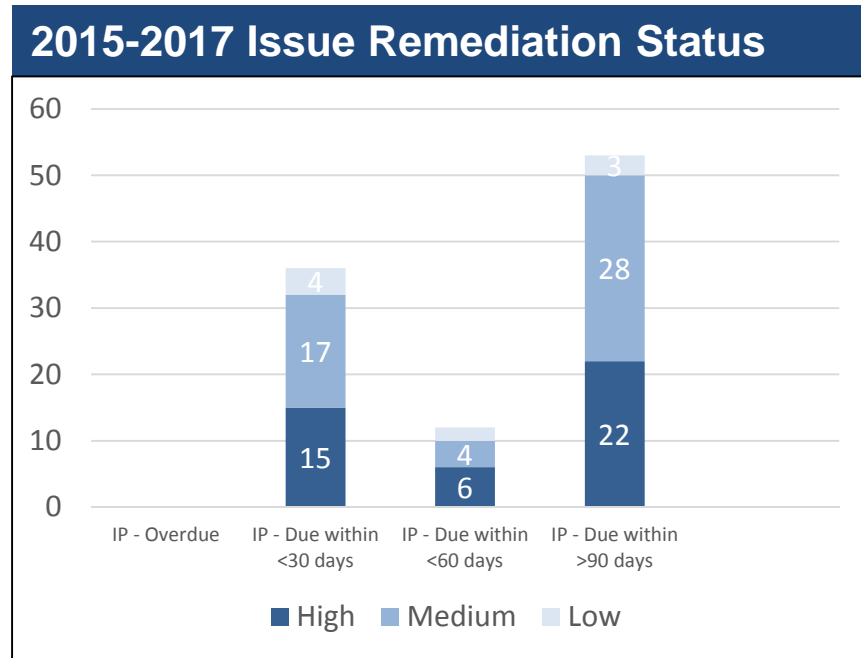
NYPA

2017 Audit Plan Status - NYPA

➤ 2017 Plan Status:
  ➤ Twelve audits have been issued. Three additional reports are in reporting.
  ➤ Fourteen audits are in the fieldwork or planning stage.
  ➤ No significant risks have been identified on unissued reports at this time.

➤ IA staff is engaged in 31 consulting and partnering arrangements that will result in documented or real time verbal feedback. Engagements are categorized as Process Improvement or Strategic Initiative.

Audit Phase - Status

Report Ratings

- Good
- Satisfactory
- Improvement Needed
- Unsatisfactory
- Unrated - Assessment/Consulting

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Status of Open Remediation - NYPA

➤ Internal Audit is now using SharePoint to track open remediation and as of June has implemented formal periodic reporting to Sr. Leadership.

➤ Open recommendations prior to 2015 are continuously monitored for close-out. As of 7/6/17, five recommendations were still in progress.

➤ IA is evaluating the best method to track Canal remediation status.

➤ IA is comfortable with the progress timelines set forth by process owners for completion of identified issues and is monitoring remediation efforts with a focus on High risk issues.

2015-2017 Issue Remediation Status

Category	High	Medium	Low
IP - Overdue			
IP - Due within <30 days	15	17	4
IP - Due within <60 days	6	4	
IP - Due within >90 days	22	28	3

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Changes to 2017 IA Plan - NYPA

➢ Operational, Strategic, Compliance, Finance and IT audits are continuously evaluated for emerging risks through participation in work streams and discussions with leadership. As a result, the following changes have been made to the 2017 IA Plan (details explaining rational for changes can be found in Appendix B):
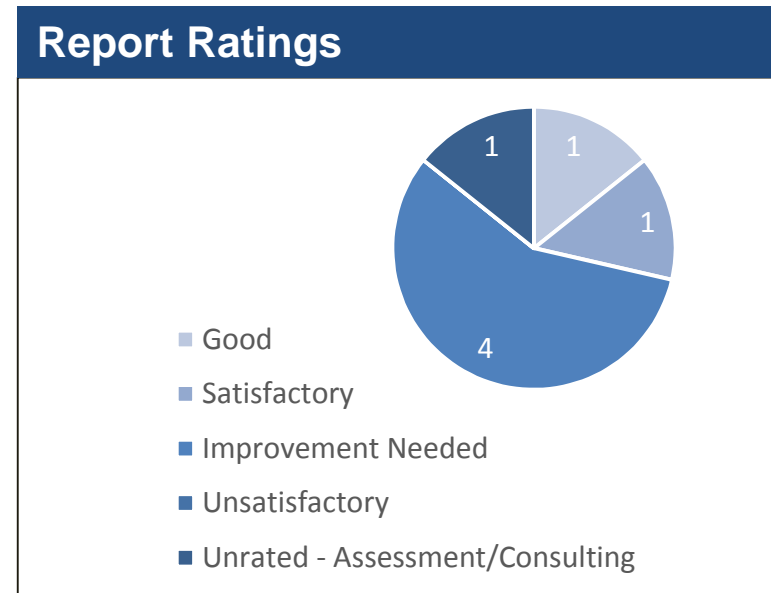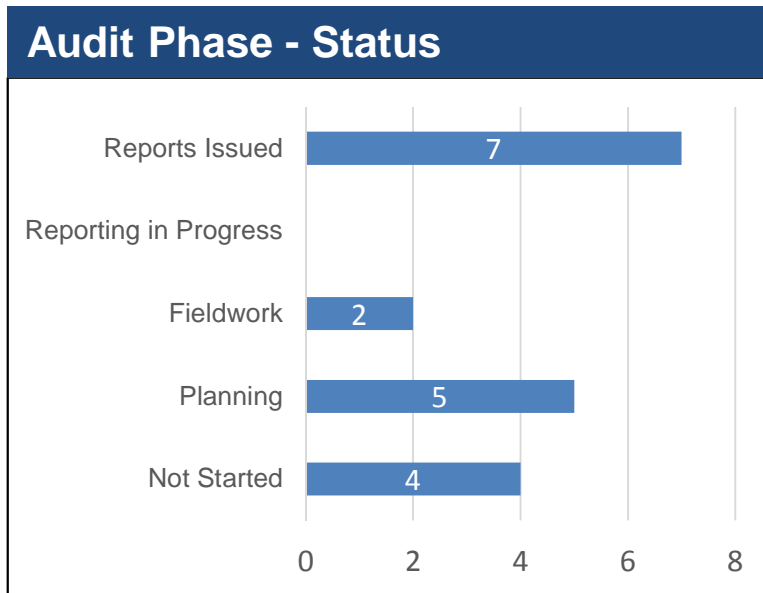
2017 Audit Status	7/6/17
Open 2017 IA Plan	47
Audit Added to 2017 IA Plan: WNY-Customer Compliance Audits (D&M), ABB –Third Party Contract Audits, New York Energy Manager – Program Support	+3
Audits Removed from 2017 IA Plan: Financial Performance Metrics, System Testing Management, Marketing/Sales Culture Survey, Customer Contract Design Review Support, Project Management Methodology Assessment, Business Development Governance, AGILE Strategic Initiative, Niagara SCADA Upgrade, Resource Loaded Scheduling, IT KPI and Metric Development, Office 365, Cyber Security Services Function Design Support, SAP Basis Administration and Success Factors	-14
Total 2017 Audits	36

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Canal Corp.

2017 Audit Plan Status – Canals

- ➢ 2017 Plan Status:
    - ➢ Seven audits have been issued..
    - ➢ Seven audits are in the fieldwork or planning stage.
    - ➢ No significant risks have been identified on unissued reports at this time.

- ➢ IA staff is engaged in 31 consulting and partnering arrangements that will result in documented or real time verbal feedback. Engagements are categorized as Process Improvement or Strategic Initiative.

Audit Phase - Status

Phase	Value
Reports Issued	7
Reporting in Progress	
Fieldwork	2
Planning	5
Not Started	4

Report Ratings

- Good — 1
- Satisfactory — 1
- Improvement Needed — 4
- Unsatisfactory
- Unrated - Assessment/Consulting — 1

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Changes to 2017 IA Plan - Canals

➢ Operational, Strategic, Compliance, Finance and IT audits are continuously evaluated for emerging risks through participation in work streams and discussions with leadership. As a result, the following changes have been made to the 2017 IA Plan (details explaining rational for changes can be found in Appendix B):

2017 Audit Status	7/6/17
Open 2017 IA Plan	17
Audit Added to 2017 IA Plan: Canals – Permit Management, PCI Compliance – Website Assessment	+2
Audits Removed from 2017 IA Plan	0
Total 2017 Audits	19

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Appendix

Appendix A – 2017 IA Plan

Ref.	Entity	Audit	Business Unit	Audit Type	Date Issued
Deliverable Issued: 19					
1	NYPA	HTP First Energy Additional Follow-up	Utility Operations	Consulting	3-17-17
2	NYPA	Customer Compliance Audits	Commercial Operations	Audit	3-21-17
3	NYPA	Contributions, Sponsorships and Events	Entity-Wide	Audit	3-29-17
4	NYPA	BG SCADA Pre/Post Implementation	Technology	Audit	3-30-17
5	NYPA	Business Resiliency Governance Assessment	Entity-Wide	Assessment	4-3-17
6	NYPA	Enterprise Risk – Top Risk Action Plan Follow-up	Entity-Wide	Assessment	4-12-17
7	NYPA	Transitional Position Utilization Assessment	HR & Enterprise Shared Services	Assessment	4-26-17
8	NYPA	NERC CIP Audit Prep Support 1	Utility Operations	Consulting	5-12-17
9	NYPA	Customer Credit	Entity-Wide	Assessment	6-5-17
10	NYPA	Muni/Coop Regulation Audit	Commercial Operations	Audit	6-9-17
11	NYPA	Transmission Cost of Service	Entity-Wide	Audit	6-14-17
12	NYPA	Western NY – Customer Compliance Audits (D&M)	Commercial Operations	Audit	6-30-17
13	Canals	Canals Non-SAP Applications and Infrastructure	Technology	Audit	4-5-17
14	Canals	Canals Invoice Review	Business Services	Audit	4-12-17
15	Canals	PCI Compliance	Technology	Audit	6-14-17
16	Canals	Pre/Post Day 1 Balance Review	Business Services	Audit	6-20-17
17	Canals	P-Cards	Entity-Wide	Assessment	6-27-17
18	Canals	SAP Migration Phase 2	Technology	Audit	6-29-17
19	Canals	Physical Asset Verification	Entity-Wide	Audit	6-30-17
Reporting - Fieldwork Complete: 3					
20	NYPA	HTP Operations	Commercial Operations	Audit	
21	NYPA	Ariba System Implementation – Contract Lifecycle Mgmt Module	Technology	Audit	
22	NYPA	Deferred Asset Accounting	Business Services	Audit	
Fieldwork In Progress: 7					
23	NYPA	Cyber Security Roadmap Consulting Support	Technology	Consulting	
24	NYPA	Operating System Security	Technology	Audit	
25	NYPA	SDLC Improvement Support	Technology	Consulting	
26	NYPA	NERC CIP Audit Prep Support 2	Utility Operations	Consulting	
27	NYPA	Siemens - Third Party Contract Audit	Entity-Wide	Audit	
28	Canals	Canals TSA Management	Technology	Audit	
29	Canals	User Access Management	Technology	Audit	
Audit Planning In Progress: 14					
30	NYPA	Direct Expenses	Entity-Wide	Assessment	

Appendix A – 2017 IA Plan

	Entity	Audit	Business Unit	Audit Type	Date Issued
31	NYPA	New York Energy Manager – Technology Security Review	Commercial Operations	Assessment	
32	NYPA	ISO 55000 Framework Design Support	Utility Operations	Consulting	
33	NYPA	Customer Energy Solutions Redesign Support	Commercial Operations	Consulting	
34	NYPA	Generator Meter to Cash	Entity-Wide	Audit	
35	NYPA	Physical Security Investments Assessment	Utility Operations	Assessment	
36	NYPA	Telecom Cost Recovery Project	Technology	Audit	
37	NYPA	Post-Retirement Benefits Assessment	Business Services	Assessment	
38	NYPA	ABB – Third Party Contract Audit	Entity-Wide	Audit	
39	Canals	Rizzo Study Follow-up	Utility Operations	Assessment	
40	Canals	Pension/Other Post Retirement Benefits	Business Services	Audit	
41	Canals	Expenditure Authorization Procedure (EAP) Compliance	Entity-Wide	Audit	
42	Canals	Canals Governance	Entity-Wide	Assessment	
43	Canals	Canals – Permit Management	Entity-Wide	Audit	
Planning Not Started: 13					
44	NYPA	Enterprise Portfolio Management Design Assessment	Entity-Wide	Assessment	
45	NYPA	Hydro Forecast Process	Utility Operations	Audit	
46	NYPA	Employee Data Protection	HR & Enterprise Shared Services	Audit	
47	NYPA	IT Disaster Recovery (DR)	Technology	Audit	
48	NYPA	LPGP LEM	Utility Operations	Audit	
49	NYPA	Indirect Expenses – Cost Allocations	Entity-Wide	Audit	
50	NYPA	2016 OSC Audit – Remediation Follow-up	Entity-Wide	Audit	
51	NYPA	New York Energy Manager – Program Support	Commercial Operations	Consulting	
52	Canals	EH&S Study Follow-up	Utility Operations	Assessment	
53	Canals	IT Incident Management	Technology	Audit	
54	Canals	OSC Audit Follow-up	Entity-Wide	Audit	
55	Canals	Canals Crisis Management	Entity-Wide	Audit	
56	Canals	PCI Compliance – Website Assessment	Technology	Assessment	

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Appendix B - Changes to 2017 IA Plan – NYPA

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Commercial Operations	WNY – Customer Compliance Audits (D&M)	Added to Plan	Evaluate the customer's reported jobs and capital investments that fall under the Western New York Power Contracts.	Q2	+1
Entity-Wide	ABB – Third Party Contract Audit	Added to Plan	Perform a second third party vendor audit based on the team's vendor risk assessment.	Q2	+1
Commercial Operations	New York Energy Manager – Program Support	Added to Plan	Split New York Energy Manager into two projects. One for an assessment of security for the existing technologies (NYEM Technology Security Review) and one for consulting (NYEM Program Support).	Q4	+1
Technology	SDLC Roadmap Support	Name Change	Change project name to SDLC Improvement Support.	Q3	0
Entity-Wide	Third Party Contract Audits	Name Change	Change project name to Siemens – Third Party Contract Audit.	Q2	0
Commercial Operations	New York Energy Manager	Name Change and Project Type	Change project name to New York Energy Manager – Technology Security Review. Changed from Audit to Assessment. Split New York Energy Manager into two projects. One for an assessment of security for the existing technologies (NYEM Technology Security Review) and one for consulting (NYEM Program Support).	Q2	0

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Appendix B - Changes to 2017 IA Plan

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Entity-Wide	Cost Allocations	Name Change and Scope Change	Change project name to Indirect Expenses – Cost Allocations. Clarify scope and eliminate overlap with other risk management unit activities.	Q3	0
Entity-Wide	Generator Variable Costs	Name Change and Scope Change	Change project name to Direct Expenses. Clarify scope and eliminate overlap with other risk management unit activities.	Q3	0
Entity-Wide	Direct Expenses	Project Type	Changed from an Assessment to an Audit.	Q3	0
Entity-Wide	Transmission Cost of Service	Scope Change	Change to project type.	Q2	0
Technology	Cyber Security Roadmap Consulting Support	Scope Change	For efficiency, recommending reviewing the Cyber Security function design as part of the scope.	Q4	0
Business Services	Financial Performance Metrics	Removed from Plan	Management has not made sufficient progress in implementing financial metrics to support a dedicated audit project. Our plan includes a project that will assess one of the key outcomes of implementing the financial metrics.	N/A	-1

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Appendix B - Changes to 2017 IA Plan

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Technology	System Testing Management	Removed from Plan	No RFP in place – plans to have function in place for 2018.	N/A	-1
Commercial Operations	Marketing/Sales Culture Survey	Remove from Plan	Project would be premature based on the current maturity of the organization and sales culture.	N/A	-1
Entity-Wide	Customer Contract Design Review Support	Remove from Plan	The volume of changes to boiler plate contracts does not warrant a separate project. Combining this project with the 2017-CS-29 – Customer Energy Solutions Redesign Support.	N/A	-1
Entity-Wide	Project Management Methodology Assessment	Remove from Plan	Focus IA resources on the most significant area of change to NYPA which is portfolio management (Enterprise Portfolio Management Design Assessment).	N/A	-1
Entity-Wide	Business Development Governance	Remove from Plan	No longer has the potential value. Will re-evaluate during the 2018 Risk Assessment.	N/A	-1
Entity-Wide	AGILE Strategic Initiative	Remove from Plan	Do not expect enough movement and request to defer this audit until late 2018.	N/A	-1
Entity-Wide	Success Factors System Implementation	Remove from Plan	No longer has the potential value. Will consider this project for a post implementation review to be included in the 2018 audit plan.	N/A	-1

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Authority

Appendix B - Changes to 2017 IA Plan

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Utility Operations	Niagara SCADA Upgrade	Remove from Plan	No opportunity for IA to do any substantial audit work. Consider this audit for the 2018 Audit Plan	N/A	-1
Utility Operations	Resource Loaded Scheduling	Remove from Plan	Operations management is not as far along as originally expected. Would like to move to the 2018 Audit Plan.	N/A	-1
Technology	IT KPI and Metric Development	Remove from Plan	IT has not had the time to work on developing IT KPIs and metrics will be developed in Q4. Consider this audit for the 2018 Audit Plan.	N/A	-1
Technology	Office 365	Remove from Plan	Rollout has not happened. Consider this audit for the 2018 Audit Plan.	N/A	-1
Technology	Cyber Security Services Function Design Support	Remove from Plan	Design review has not started.	N/A	-1
Technology	SAP Basis Administration	Remove from Plan	IT's project demand delivery is undergoing re-prioritization and the model for resource allocation to project is shifting. Consider this audit for the 2018 Audit Plan.	N/A	-1

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Appendix B - Changes to 2017 IA Plan – Canals

Business Unit	Audit Name	Change	Rationale	Est. Start	Impact to IA Plan
Entity-Wide	Canals – Permit Management	Added to Plan	Evaluate the permit management process at Canals.	Q3	+1
Technology	PCI Compliance – Website Assessment	Added to Plan	Look at the PCI iFrame website.	Q4	+1
Entity-Wide	Physical Inventory/Asset Verification Audit	Name Change	Changed name to Physical Asset Verification Audit.	Q2	0
Entity-Wide	Canal's Governance	Project Type	Changed from an Audit to an Assessment.	Q3	0

NEW YORK STATE OF OPPORTUNITY. | NY Power Authority

Appendix C – 2017 IA Reports Issued/Ratings

NYPA:

2017 Internal Audit Report	Report Rating	
BG SCADA Pre/Post Implementation	Good	🟢
Contributions, Sponsorships and Events	Satisfactory	🔵
Muni/Coop Regulation	Satisfactory	🔵
HTP First Energy Additional Follow-up	N/A	
Customer Compliance Audits	N/A	
Business Resiliency Governance Assessment	N/A	
Enterprise Risk – Top Risk Action Plan Follow-up	N/A	
Transitional Position Utilization Assessment	N/A	
NERC CIP Audit Prep. Support	N/A	
Customer Credit Assessment	N/A	
Transmission Cost of Service Assessment	N/A	
Western NY – Customer Compliance Audits (D&M)	N/A	

Canals:

2017 Internal Audit Report	Report Rating	
PCI Compliance	Good	🟢
Canals Non-SAP Applications and Infrastructure	Satisfactory	🔵
Pre/Post Day 1 Balance Review	Improvement Needed	🟡
P-Cards	Improvement Needed	🟡
SAP Migration Phase 2	Improvement Needed	🟡
Physical Asset Verification	Improvement Needed	🟡
Canals Invoice Review	N/A	

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