

Internal Audit Update

Finance & Audit Committee Meeting
September 27, 2017





2016 Audit Plan Status

#	Entity Audited	2016 Audit/Review	Expected Completion Date	Status
1	PSEG LI	Continuous Auditing Processes	3rd Quarter	Completed
2	PSEG LI	2016 Cost Allocations	2nd Quarter	Completed
3	PSEG LI	Customer Refunds	2nd Quarter	Completed
4	PSEG LI	FEMA Project Billing & Close Out	4th Quarter	Reporting
5	PSEG LI	New Business Cycle Time	4th Quarter	Moved to 2017
6	PSEG LI	Purchase Cards	2nd Quarter	Completed
7	PSEG LI	Purchased Power Contract Compliance - Feed In Tariff	2nd Quarter	Completed
8	PSEG LI	Purchased Power Contract Compliance - PPA	3rd Quarter	Completed
9	PSEG LI	SAP Financial Reporting	2nd Quarter	Completed
10	PSEG LI	Storm Invoices 2015	3rd Quarter	Completed
11	PSEG LI	Large Generator Interconnection Agreements*	2nd Quarter	Completed
12	PSEG LI	Operations Services Agreement (OSA) – Days Sales Outstanding Metric*	2nd Quarter	Completed
13	PSEG LI	Operations Services Agreement (OSA) – Net Write Off Per \$100 Billed Revenue Metric*	2nd Quarter	Completed
14	PSEG LI	CGI OMS Over Count and Corrective Action Plan*	3rd Quarter	Completed
15	PSEG LI	2016 OSA Performance Metrics (Interconnection Cycle Time %, Long Term Estimates, % AMI Measured Energy)*	4th Quarter	Completed
16	LIPA	LIPA Internal Control Testing of Key Controls	4th Quarter	Completed
17	LIPA	Minority and Women-Owned Business Enterprises (MWBE) Compliance & Reporting	4th Quarter	Completed
18	LIPA	LIPA Enterprise Risk Management (ERM) Assessment	3rd Quarter	Completed

*Added to 2016 Audit Plan



2017 Audit Plan Status

#	Entity Audited	2017 Audit	Expected Completion Date	Status
1	PSEG LI	2017 Affiliate Cost Allocations	2nd Quarter	In-Progress
2	PSEG LI	2017 A&R OSA Performance Metrics	3rd Quarter	In-Progress
3	PSEG LI	Cross-Application Time Sheet (CATS) Time Reporting	3rd Quarter	In-Progress
4	PSEG LI	Customer Rate Assignment & Migration	4th Quarter	Planning
5	PSEG LI	FEMA Project Billing & Close Out	4th Quarter	Not Started
6	LIPA/PSEG LI/NGG	Joint-Use Property Tax Payments and PILOTS	2nd Quarter	Completed
7	PSEG LI	Operating & Capital Budgeting Process	1st Quarter	Completed
8	PSEG LI	New Service Installation Order Process (Customer Order Fulfillment)	2nd Quarter	In-Progress
9	PSEG LI	Street Lighting Billing	3rd Quarter	Deferred to 2018
10	PSEG LI	Storm Invoices 2016	4th Quarter	In-Progress
11	LIPA	Cyber Security Review	1st Quarter	Completed
12	LIPA	Debt Management	2nd Quarter	Completed
13	LIPA	LIPA Enterprise Risk Management (ERM) Assessment	4th Quarter	In-Progress
14	LIPA/UDSA	LIPA/UDSA Internal Control Testing of Key Controls	4th Quarter	Planning
15	NGG A&R PSA	Pension/OPEB Costs Review	3rd Quarter	Completed

Status of the Implementation of Management's Action Plans



2016			
	# of Observations	# Management Action Plans Completed	# Open Action Items
LIPA Audits of PSEG LI	52	51	1
LIPA Internal Audits	2	2	0
PSEG LI Internal Audits	25	23	2
2017			
	# of Observations	# Management Action Plans Completed	# Open Action Items
LIPA Audits of PSEG LI	8	2	6
LIPA Internal Audits	11	5	6
PSEG LI Internal Audits	6	3	3