



# INTERNAL AUDIT UPDATE

Finance & Audit Committee

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September 27, 2018

# 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	Combined with 2017 Report
5	PSEG LI	New Business Cycle Time (New Service and Service Change Order Process)	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	Completed
2	PSEG LI	2017 A&R Operations Services Agreement (OSA) Performance Metrics	3rd Quarter	Completed
3	PSEG LI	Cross-Application Time Sheet (CATS) Time Reporting	3rd Quarter	Completed
4	PSEG LI	Customer Rate Assignment & Migration	4th Quarter	Completed
5	PSEG LI	FEMA Project Billing & Close Out	4th Quarter	Reporting
6	PSEG LI/NGG	Joint Property Tax Payments and PILOTS	2nd Quarter	Completed
7	PSEG LI	Operating & Capital Budgeting Process	1st Quarter	Completed
8	PSEG LI	New Service and Service Change Order Process	2nd Quarter	Completed
9	PSEG LI	Street Lighting Billing	3rd Quarter	Deferred
10	PSEG LI	Storm Invoices 2016	4th Quarter	Completed
11	PSEG LI	A&R Operations Services Agreement (OSA) Metrics Benchmarking	New 2nd Quarter 2018	Moved to 2018
12	LIPA	Cyber Security Review	1st Quarter	Completed
13	LIPA	Debt Management	2nd Quarter	Completed
14	LIPA	LIPA Enterprise Risk Management (ERM) Assessment	4th Quarter	Completed
15	LIPA/UDSA	LIPA/UDSA Internal Control Testing of Key Controls	4th Quarter	Completed
16	NGG A&R PSA	Pension/OPEB Costs Review	3rd Quarter	Completed

# 2018 Audit Plan Status

#	Entity	2018 Audit Plan	Proposed Timing	Status
1	PSEG LI	Procurement	Q2	Completed
2	PSEG LI	Customer Credit & Collections	Q3	In-Progress
3	PSEG LI	Non- Product (Miscellaneous) Billing	Q3	Reporting
4	PSEG LI	A&R Operations Services Agreement (OSA) Performance Metrics – 2018	Q4	Planning
5	PSEG LI	Storm Invoices - 2017	Q4	In-Progress
6	PSEG LI	A&R Operations Services Agreement (OSA) Metrics Benchmarking	Q2	In-Progress
7	PSEG LI	Capital Project Performance	Q2	Deferred
8	NGG	Power Supply Agreement (PSA)- Property Tax True-Up	Q3	Completed
9	LIPA	Cybersecurity Review	Q3	Planning
10	LIPA	LIPA Board Policy Governance	Q1	Completed
11	LIPA	LIPA Enterprise Risk Management (ERM) Assessment	Q4	Cancelled
12	LIPA/UDSA	LIPA/UDSA Internal Control Testing of Key Controls	Q4	Planning

# Status of the Implementation of Management's Action Plans

2016			
	# of Audit Observations	# Management Action Plans in Response to Audit Observations Completed	# Management Action Plans in Response to Audit Observations Open
LIPA Audits of PSEG LI	51	50	1
LIPA Internal Audits	2	2	0
PSEG LI Internal Audits	25	25	0
2017			
	# of Audit Observations	# Management Action Plans in Response to Audit Observations Completed	# Management Action Plans in Response to Audit Observations Open
LIPA Audits of PSEG LI	34	29	5
LIPA Internal Audits	11	7	4
PSEG LI Internal Audits	19	17	2
2018			
	# of Audit Observations	# Management Action Plans in Response to Audit Observations Completed	# Management Action Plans in Response to Audit Observations Open
LIPA Audits of PSEG LI	1	0	1
LIPA Internal Audits	0	0	0
PSEG LI Internal Audits	13	8	5