INTERNAL AUDIT UPDATE

Finance & Audit Committee

November 16, 2022
AGENDA

01  2022 Audit Plan Status

02  Open Management Action Plans
2022 AUDIT PLAN STATUS

Refer to Appendix A for detailed listing of 2022 Audits
OPEN MANAGEMENT ACTION PLANS

** PSEG Long Island SAP Property Records (LIPA) Audit – 1 / PSEG Long Island SAP Property Records Audit – 1

2020 Open Management Action Plans

- Observation - High Risk: 1
- Observation - Moderate Risk*: 1
- Observation - Low Risk: 0
- Process Improvement Opportunity: 0

LIPA Audits of LIPA: 1
LIPA Audits of PSEG LI: 0

** PSEG Long Island Workforce Management Productivity Audit

2021 Open Management Action Plans

- Observation - High Risk**: 2
- Observation - Moderate Risk: 0
- Observation - Low Risk: 0
- Process Improvement Opportunity: 1

LIPA Audits of LIPA: 1
LIPA Audits of PSEG LI: 1

* PSEG Long Island SAP Property Records (LIPA) Audit – 1 / PSEG Long Island SAP Property Records Audit – 1

** PSEG Long Island Workforce Management Productivity Audit
**OPEN MANAGEMENT ACTION PLANS**

**2022 Open Management Action Plans**

- **Observation - High Risk***: 2
- **Observation - Moderate Risk**: 4
- **Observation - Low Risk**: 1
- **Process Improvement Opportunity**: 0

*** PSEG Long Island Inventory Material Controls during Storm Events Review – 1 / PSEG Long Island Expenditures Support Audit – 1
## APPENDIX A – AUDIT PLAN STATUS

<table>
<thead>
<tr>
<th>Audit / Review #</th>
<th>Business Unit</th>
<th>2022 Audit Plan</th>
<th>Audit Status</th>
<th>Report Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island Third Party Risk Management</td>
<td>In-Progress</td>
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<tr>
<td>2</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island Expenditure Support</td>
<td>Completed**</td>
<td>Some Improvement Needed</td>
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<tr>
<td>3</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island SAP Invoice Payments Cost Element Tagging</td>
<td>Scheduled</td>
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<tr>
<td>4</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island Vendor Contracts Review</td>
<td>Reporting</td>
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<tr>
<td>5</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island Nine Mile Point 2 Monthly Invoicing Oversight</td>
<td>In-Progress</td>
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<tr>
<td>6</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island Vegetation Management</td>
<td>Scheduled</td>
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<tr>
<td>8</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island Information Technology Vendor Selection and Management</td>
<td>Scheduled</td>
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<tr>
<td>9</td>
<td>PSEG Long Island</td>
<td>PSEG Long Island Inventory Material Controls during Storm Events</td>
<td>Completed</td>
<td>Some Improvement Needed</td>
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<tr>
<td>10</td>
<td>PSEG Long Island</td>
<td>Follow-up Review of the PSEG Long Island Capital Construction Project Lifecycle Audit</td>
<td>Reporting*</td>
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</tbody>
</table>

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</thead>
<tbody>
<tr>
<td>8</td>
<td>PSEG Long Island</td>
<td>Information Technology Operations Review</td>
<td>Reporting</td>
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<tr>
<td>16</td>
<td>National Grid</td>
<td>National Grid Lease Agreements Operating Costs</td>
<td>In-Progress</td>
<td></td>
</tr>
</tbody>
</table>

Changes since 09/28/2022 Finance and Audit Committee Meeting:
* 2022 Follow-up Review of the PSEG Long Island Capital Construction Project Lifecycle Audit – Reporting
** 2022 PSEG Long Island Expenditure Support – Completed