



INTERNAL AUDIT UPDATE

Finance & Audit Committee

December 14, 2022

AGENDA

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AUDIT AND ACTION PLAN STATUS DESCRIPTIONS

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2022 AUDIT PLAN AND OTHER AUDIT ACTIVITIES

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OPEN MANAGEMENT ACTION PLANS

AUDIT AND ACTION PLAN STATUS DESCRIPTIONS

Audit Report Opinion Descriptions (Page 4)

Report Opinions	Report Opinion Descriptions
Effective	Controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives will be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally, however, controls are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives will be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives will be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate or effective to provide reasonable assurance that risks are being managed and objectives will be met.

Management Action Plan Status Descriptions (Page 5)

Management Action Plan Status	Management Action Plan Status Descriptions
Satisfactory	Satisfactory action plan in place, key milestones on track, reasonable confidence that the action plan will be executed timely and properly
Some concerns	Some concerns (doubts) that the action plan will be executed timely or properly
Unsatisfactory	Unsatisfactory significant slippage in actions or requires re-planning

2022 AUDIT PLAN AND ACTIVITIES STATUS

#	Business Unit	Audit Title	Audit Status	Report Rating
1	PSEG Long Island	PSEG Long Island Third Party Risk Management	*Reporting	
2	PSEG Long Island	PSEG Long Island Expenditure Support	Completed	Some Improvement Needed
3	PSEG Long Island	PSEG Long Island SAP Invoice Payments Cost Element Tagging	Scheduled	
4	PSEG Long Island	PSEG Long Island Vendor Contracts Review	Reporting	
5	PSEG Long Island	PSEG Long Island Nine Mile Point 2 Monthly Invoicing Oversight	In-Progress	
6	PSEG Long Island	PSEG Long Island Vegetation Management	Scheduled	
7	PSEG Long Island	Storm Compliance - Outage Management System - Business Continuity (Manual Work Arounds)	Deferred	
8	PSEG Long Island	PSEG Long Island Information Technology Vendor Selection and Management	Scheduled	
9	PSEG Long Island	PSEG Long Island Inventory Material Controls during Storm Events	Completed	Some Improvement Needed
10	PSEG Long Island	Follow-up Review of the PSEG Long Island Capital Construction Project Lifecycle Audit	*Completed	N/A

***Note – Audit Status Changed since November 16, 2022, Finance and Audit Committee Meeting.**

Other Audit Activities

Safety Assessment: Provided support to LIPA Transmission & Distribution department for the review of PSEG Long Island's Safety Practices.

2022 Management Audit: Provided Data Requests to NorthStar Consulting, as requested.

Data Lake Access: Collaborated with LIPA Finance by providing expertise/assistance with obtaining access to PSEG Long Island's data lake.

OPEN MANAGEMENT ACTION PLANS

Audit Name	Report Rating	Total # of Open Observations	# of Open High-Risk Observations*	Business Unit	Action Plan Status (High-Risk Observations)
PSEG Long Island Workforce Management Productivity Audit (Audit Issued 2021)	Major Improvement Needed	2	2	PSEG Long Island	Due: 12/31/2022
PSEG Long Island Storm Compliance – Crew Guides Audit (Audit Issued 2021)	Some Improvement Needed	1		PSEG Long Island	
PSEG Long Island SAP Property Records Audit (Audit Issued 2022)	Some Improvement Needed	1		PSEG Long Island	
PSEG Long Island Inventory Material Controls during Storm Events Review (Audit Issued 2022)	Some Improvement Needed	2	1	PSEG Long Island	Due: 3/31/2023
PSEG Long Island Expenditures Support Audit (Audit Issued 2022)	Some Improvement Needed	2	1	PSEG Long Island	Due: 1/16/2023
Follow-up Review of the PSEG Long Island Capital Construction Project Lifecycle Audit (Audit Issued 2022)	N/A	5		PSEG Long Island	

*Note – High-Risk observations require immediate Management attention.