



INTERNAL AUDIT UPDATE

Finance & Audit Committee

September 27, 2023

AGENDA

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AUDIT PLAN AND ACTIVITIES STATUS

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APPENDIX A: AUDIT AND ACTION PLAN STATUS DESCRIPTIONS

AUDIT PLAN AND ACTIVITIES STATUS

Completion Status					
Complete	Reporting	In Process	Planning	Delayed	Not Started

Entity	Audit / Review Name	2023				Comments
		Q1	Q2	Q3	Q4	
PSEG Long Island	Vendor Contracts Review	■				
PSEG Long Island	Third Party Risk Management	■	■			
PSEG Long Island	Vegetation Management	■	■			
PSEG Long Island	SAP Property Records: Follow-Up Audit	■	■	*		Previously named SAP Invoice Payments Cost Element Tagging
LIPA and UDSA	Select Internal Control review	■	■	*		
PSEG Long Island	Marketing and Advertising			*	■	
PSEG Long Island	Locate and Mark			*	■	
PSEG Long Island	IT Vendor Selection and Management			*	■	
PSEG Long Island	Asset Inspection				■	Previously named Fixed Asset Inventory
PSEG Long Island	Non-Product Billing				■	
PSEG Long Island	Customer Service Call Center Review				■	
PSEG Long Island	Storm Compliance / OMS	■				Deferred to future period due to coverage by DoIT and T&D Management
PSEG Long Island	Nine Mile Point 2 Monthly Invoicing Oversight	■				Deferred to future plan year due to staffing changes
Audit Assist Projects						
PSEG Long Island	Rate Change and Implementation Process Review			*	■	
PSEG Long Island	Standardization of Metric Responses			*	■	
PSEG Long Island	Deferred Payment Agreements	■	■	*		

***Note – Audit Status Changed since the June 28, 2023 F&A Committee Meeting.**



OPEN MANAGEMENT ACTION PLANS

Audit Name	Total # of Open Observations	# of Open High-Risk Observations	Business Unit	Action Plan Status
PSEG Long Island Storm Compliance – Crew Guides Audit (Audit Issued 2021)	**1	0	PSEG Long Island	Past Due
PSEG Long Island Vegetation Management (Audit Issued 2023)	9	*1	PSEG Long Island	On Target
PSEG Long Island Third Party Risk Management (Audit Issued 2023)	10	*3	PSEG Long Island	On Target

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

A total of 6 audit observations (2 of which were high risk), were closed since the June 28, 2023, F&A Committee meeting.

All Management Action plan items are independently verified and validated by Internal Audit prior to closure.

****Note** – This past due issue relates to the inefficient use of paper-based Crew Guide Manuals and the use of one-way communication via a Field Mobility (FM) Application. The one-way communication allows for only outgoing instruction to the Field Crew but does not allow input related to work performed or completed in the field, creating inefficiencies and increased risk of errors. This item was reported as a low-risk issue.

The remediation effort was due to be completed by June 30, 2023.



Energy Robotics Agriculture

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Audit Observation Ranking	Description
Low risk	Generally, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives will be met. The observations primarily represent opportunities for improvement or issues with low impact on business activities or the ability to effectively provide our customers with clean, reliable, and affordable energy. Routine Management attention is warranted.
Moderate risk	Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives will be met; however, the overall effects on business activities or the ability to effectively provide our customers with clean, reliable, and affordable energy are deemed to be less damaging than observations rated as high risk. Timely Management attention is warranted.
High risk	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives will be met. These observations may have a significant adverse impact on business activities or the ability to effectively provide our customers with clean, reliable, and affordable energy. Immediate Management attention is required.

Note: Previous Audit Report Opinions have been Eliminated starting January 1, 2023