

Internal Audit Update

Finance & Audit Committee Meeting
July 26th, 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	Planning
3	PSEG LI	Cross-Application Time Sheet (CATS) Time Reporting	3rd Quarter	In-Progress
4	PSEG LI	Customer Rate Assignment & Migration	4th Quarter	Not Started
5	PSEG LI	FEMA Project Billing & Close Out	4th Quarter	Not Started
6	PSEG LI/NGG	Joint-Use Property Tax Payments and PILOTS	2nd Quarter	Completed
7	PSEG LI	Operating & Capital Budgeting Process	1st Quarter	Reporting
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	Planning
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	Not Started
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	49	3
LIPA Internal Audits	2	2	0
PSEG LI Internal Audits	28	24	4
2017			
	# of Observations	# Management Action Plans Completed	# Open Action Items
LIPA Audits of PSEG LI	0	N/A	0
LIPA Internal Audits	10	0	10
PSEG LI Internal Audits	0	N/A	0