

## 2016 Approved Work Plan

Internal Audit and Corporate Risk Management Department

Approved: February 9, 2016

### Work Plan

2016 Approved Work Plan	
<b>Internal Audit</b>	Conduct and report on the 2016 Audit Plan.
	Monitor and report on status of implementation plans for remediation of prior audit findings.
	Coordinate with the CCC on monitoring activities, as appropriate.
	Update two year internal audit engagement plan.
<b>Risk Management</b>	Conduct and report on the annual NERC corporate enterprise risk assessment.
	Coordinate with the Regional Entities to report on the ERO Enterprise Risk Management Framework. Utilize the plan to conduct oversight activities.
<b>Initiatives and Special Projects</b>	Conduct on-going training for NERC staff on corporate risk management and internal controls.
	Perform quarterly validation of corporate performance management metrics.
	As needed, perform and/or provide guidance to management with initiatives and special projects.

**Two Year Internal Audit Engagement Plan**

<b>2016 Approved Internal Audit Engagement Plan</b>	
<b>Operational Areas</b>	<b>Corporate Areas</b>
<b>Full-scale Audits</b>	
NERC Compliance Monitoring and Enforcement Program and Organization Registration and Certification Program Independent Audit*	
NERC Bulk Electric System Exception Process Audit	
<b>Reviews</b>	
	NERC and Regional Entities Conflict of Interest Review
	NERC and Regional Entities Confidential Information Review
	NERC Fixed Asset Inventory Review

<b>2017 Approved Internal Audit Engagement Plan</b>	
<b>Operational Areas</b>	<b>Corporate Areas</b>
<b>Full-scale Audits</b>	
NERC Standards Independent Audit*	NERC Payroll Audit
<b>Reviews</b>	
NERC and Regional Entities Event Analysis Process Review	NERC Document Management Program Implementation Review
	NERC and Regional Entity Business Continuity Review

*\*Required by the Rules of Procedures, contractual agreement or other mandate*

**Risk Management Activities Detail**

<b>2016 Risk Management Activities</b>	
<b>NERC Enterprise Risk Management</b>	<b>ERO Enterprise Risk Management</b>
<b>Quarter 1</b>	
<ul style="list-style-type: none"> <li>• Report enterprise risk assessment results</li> <li>• Coordinate risk assessment results with audit plan (confirm on-going alignment)</li> </ul>	<ul style="list-style-type: none"> <li>• ERO Enterprise Management Group approval of ERO Enterprise Risk Register and associated Heat Map</li> </ul>
<b>Quarter 2</b>	
<ul style="list-style-type: none"> <li>• Report enterprise risk assessment results to EWRC</li> <li>• Semi-annual review of risk register</li> </ul>	<ul style="list-style-type: none"> <li>• Review risk documents with NERC’s Enterprise-wide Risk Committee</li> <li>• Review risk documents with Regional Boards of Directors</li> </ul>
<b>Quarter 3</b>	
	<ul style="list-style-type: none"> <li>• Review risk documents with Regional Boards of Directors</li> </ul>
<b>Quarter 4</b>	
<ul style="list-style-type: none"> <li>• Conduct enterprise risk assessment with results reported to EWRC in May 2017</li> </ul>	<ul style="list-style-type: none"> <li>• Plan ERO Enterprise risk assessment to commence in Q1 2017</li> </ul>