



Item 12.5: Internal Control Management Program Report

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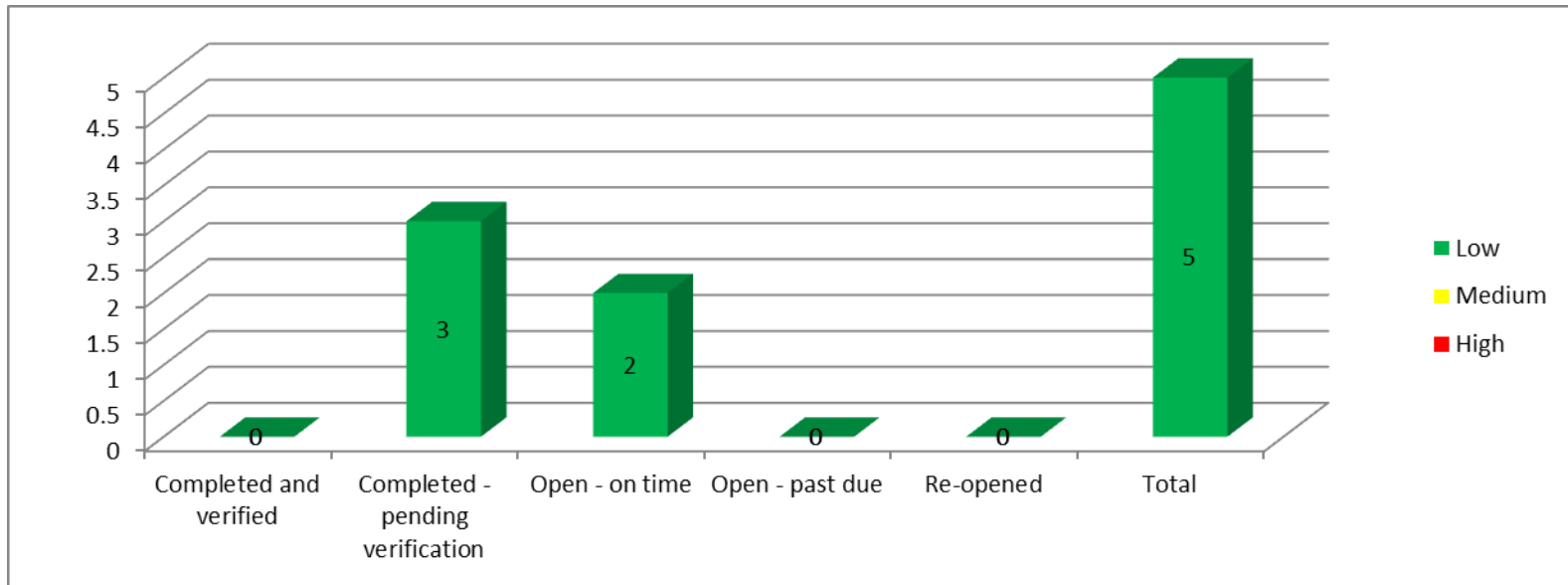
Business Process Controls and Risk Manager

Finance & Audit Committee Meeting

ERCOT Public

March 18, 2013

Management Action Plans at February 28, 2013



One internal audit report has been issued in 2013 with a “Controlled” audit rating.

There were no audit management action plans that were considered late or are at risk for late implementation in this quarter.

Audit Program Update

Audits Completed

(last 3 months)

Internal Audits

- Business Continuity Plan (Including Disaster Recovery Plan)
- Annual Employee and Contractor Ethics Compliance (ERCOT-Wide)
- Audit of Renewable Energy Credits (REC) Program Protocols and Processes

Open Audits

Internal Audits

- Annual Report on the Fraud Prevention, Monitoring, and Testing Program
- Consulting Activity on ERCOT Social Media Strategy
- Audit of Telecommunications Billings
- Consulting Activity on Market Participant Prepay Management Process
- Consulting Activity on SharePoint Management, Access, and Content
- Review of the Capacity, Demand, and Reserves (CDR) Report and the Seasonal Assessment of Resources Adequacy (SARA) Report
- Consulting and Advisory Services - Enterprise Risk Management
- Annual Audit of Compliance with “Must” and “Shall” Requirements in the Protocols

Planned Audits

(next 3 months)

Internal Audits

- Review of Mitigation Efforts for Network Model Errors
- Audit of Compliance with ERCOT’s Procedures for Federal Visa and Permanent Residency Program for Foreign Nationals
- Review of Diligent Board Books Process and Procedures
- Debt Covenant Compliance

External Audits

- Audit of the 2012 Financial Statements
- 2012-2013 SSAE16 Audit (Phase I)
- 2012 401k Audit