

ERCOT

Finance and Audit Committee

2014 Annual Meeting Planner and Future Agenda Items

Task Description	Charter Page #	Strategic Pillar *				Committee Meeting Date						
		1	2	3	4	2-10	4-07	6-09	8-11	10-13	12-08	
Annual Committee Organization and Administration	1 Elect Committee Chair and Vice Chair	2					A					
	2 Designate a Committee secretary	8					A					
	3 Review and assess adequacy of Committee charter	6					A					
	4 Review and approve internal audit charter	6					A					
	5 Approve Credit Work Group charter	3					A					
	6 Appoint Credit Work Group Chair and Vice Chair	na					A					
	7 Review and recommend investment corporate standard	4					A					
	8 Review and recommend financial corporate standard	4					A					
	9 Handling of complaints regarding financial matters	1 & 6					A					
	10 Policy on hiring former employees of the independent auditor	5					A					
	11 Policy on independent auditor selection	4 & 5					A					
	12 Review and recommend market credit risk corporate standard	4					A					
	13 Review and recommend ERCOT creditworthiness standards	4					Performed when revisions are proposed					
	14 Approve annual education plan	na					A					
	15 Preapprove non-audit services from independent auditor	5					A					
	16 Undertake annual self-evaluation	8										
Finance & Risk	17 Review financial performance	5	X	X	X	X	A					
	18 Review risk management policies and practices	3	X	X	X	X	A					
	19 Review Credit Work Group activity	2 & 4	X	X	X	X	A					
	20 Receive CEO report on adequacy of internal controls	3	X	X	X	X	A					
	21 Review financial institutions that are also market participants	6	X	X	X	X	A					
	22 Receive periodic report on strategic IT issues	3	X	X	X	X	BOD					
	23 Review IRS Form 990	na	X	X	X	X						
	24 Review and recommend proposed budget	4	X	X	X	X	2014-2015 budget approved in 2013					
25 Committee educational topics	na	X	X	X	X	A						
Internal Audit	26 Review Internal Audit activity	6 & 7	X	X	X	X	A					
	27 Review Ethics Point activity	1 & 6	X	X	X	X	A					
	28 Review effectiveness of internal audit functions	7	X	X	X	X	A					
	29 Review performance of the Chief Audit Executive	7	X	X	X	X	A					
	30 Review and approve annual internal audit plan	6	X	X	X	X						

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External Audit	31	5	X	X	X	X						
	32	4	X	X	X	X						
	33	6	X	X	X	X						
	34	5	X	X	X	X						
	35	4	X	X	X	X						
	36	6	X	X	X	X						
	37	5	X	X	X	X						
	38	4	X	X	X	X						
	39	6	X	X	X	X						
<b>2014 Strategic Pillars</b>												
<p>1. <b>Operational Reliability</b> - Anticipate and communicate potential reliability issues through improved enterprise wide planning processes, probability scenario analyses and grid impact evaluations.</p> <p>2. <b>Flexible Market Design</b> – Work to anticipate changes in market dynamics and systems and respond effectively to changes in market rules and processes that are directed toward maintaining a highly reliable grid and open access to ERCOT markets.</p> <p>3. <b>Data Transparency &amp; Access</b> - Continue to evolve ERCOT’s role as a data and information gateway for electricity markets in Texas recognizing its unique role and the value created for consumers and stakeholders of relevant, quality and timely market and technical intelligence.</p> <p>4. <b>Committee Strategic Alignment</b> - Further evolve the stakeholder committee process to improve strategic alignment of processes and outcomes including the use of strategic alignment and efficiency goals and measures.</p>												