

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 |
| 1 Elect Committee Chair and Vice Chair | 2 | | | | | FA | | | | | |
| 2 Designate a Committee secretary | 8 | | | | | FA | | | | | |
| 3 Review and assess adequacy of Committee charter | 6 | | | | | FA | | | | | |
| 4 Review and approve internal audit charter | 6 | | | | | FA | | | | | |
| 5 Approve Credit Work Group charter | 3 | | | | | FA | | | | | |
| 6 Appoint Credit Work Group Chair and Vice Chair | na | | | | | FA | | | | | |
| 7 Review and recommend investment corporate standard | 4 | | | | | FA | | | | | |
| 8 Review and recommend financial corporate standard | 4 | | | | | FA | | | | | |
| 9 Handling of complaints regarding financial matters | 1 & 6 | | | | | FA | | | | | |
| 10 Policy on hiring former employees of the independent auditor | 5 | | | | | FA | | | | | |
| 11 Policy on independent auditor selection | 4 & 5 | | | | | FA | | | | | |
| 12 Review and recommend market credit risk corporate standard | 4 | | | | | FA | | | | | |
| 13 Review and recommend ERCOT creditworthiness standards | 4 | | | | | Performed when revisions are proposed | | | | | |
| 14 Approve annual education plan | na | | | | | FA | | | | | |
| 15 Preapprove non-audit services from independent auditor | 5 | | | | | FA | | | | | |
| 16 Undertake annual self-evaluation | 8 | | | | | | | | | | |
| 17 Review financial performance | 5 | X | X | X | X | FA | FA | | | | |
| 18 Review risk management policies and practices | 3 | X | X | X | X | FA | FA | | | | |
| 19 Review Credit Work Group activity | 2 & 4 | X | X | X | X | FA | FA | | | | |
| 20 Receive CEO report on adequacy of internal controls | 3 | X | X | X | X | FA | | | | | |
| 21 Review financial institutions that are also market participants | 6 | X | X | X | X | FA | | | | | |
| 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 | FA | FA | | | | |
| 26 Review Internal Audit activity | 6 & 7 | X | X | X | X | FA | FA | | | | |
| 27 Review Ethics Point activity | 1 & 6 | X | X | X | X | FA | FA | | | | |
| 28 Review effectiveness of internal audit functions | 7 | X | X | X | X | FA | FA | | | | |
| 29 Review performance of the Chief Audit Executive | 7 | X | X | X | X | FA | | | | | |
| 30 Review and approve annual internal audit plan | 6 | X | X | X | X | | | | | | |

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|---|----------------|---|-------------------|--------------------|---|---|---|------------------------|------|------|------|-------|-------|
| | | | | 1 | 2 | 3 | 4 | 2-10 | 4-07 | 6-09 | 8-11 | 10-13 | 12-08 |
| 31 | External Audit | Receive independence report from financial auditors | 5 | X | X | X | X | | FA | | | | |
| 32 | | Select financial auditor | 4 | X | X | X | X | | FA | | | | |
| 33 | | Review and accept financial statement audit report | 6 | X | X | X | X | | FA | | | | |
| 34 | | Receive independence report from 401(k) Savings Plan auditors | 5 | X | X | X | X | | | | | | |
| 35 | | Select 401(k) Savings Plan auditor | 4 | X | X | X | X | | FA | | | | |
| 36 | | Review and accept 401(k) audit report | 6 | X | X | X | X | | | | | | |
| 37 | | Receive independence report from SSAE 16 auditors | 5 | X | X | X | X | | | | | | |
| 38 | | Select SSAE 16 auditor | 4 | X | X | X | X | | | | | | |
| 39 | | Review and accept SSAE 16 audit report | 6 | X | X | X | X | | | | | | |
| <p>"FA" designates items addressed in meetings of the Finance and Audit Committee "BOD" designates items addressed in meetings of the Board of Directors.</p> <p>2014 Strategic Pillars</p> <p>1. Operational Reliability - Anticipate and communicate potential reliability issues through improved enterprise wide planning processes, probability scenario analyses and grid impact evaluations.</p> <p>2. Flexible Market Design – 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. Data Transparency & Access - 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. Committee Strategic Alignment - 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> | | | | | | | | | | | | | |

Item 8

ERCOT Public