

ERCOT

Finance and Audit Committee

2016 Annual Meeting Planner and Future Agenda Items

Task Description	Charter Page #	Strategic Pillar *				Committee Meeting Date					
		1	2	3	4	2-08	4-18	6-13	8-08	10-10	12-12
1 Elect Committee Chair and Vice Chair	2					FA					
2 Designate a Committee secretary	7					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					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	FA			
18 Review risk management policies and practices	3	X	X	X	X	FA	FA	FA			
19 Review Credit Work Group activity	2 & 4	X	X	X	X	FA	FA	FA			
20 Forecast adequacy of the budgeted System Administration Fee	na	X	X	X	X	FA					
21 Receive CEO report on adequacy of internal controls	3	X	X	X	X	FA					
22 Review financial institutions that are also market participants	6	X	X	X	X	FA					
23 Receive periodic report on strategic IT issues	3	X	X	X	X	BOD					
24 Review IRS Form 990	na	X	X	X	X			BOD			
25 Review and recommend proposed budget	3 & 4	X	X	X	X	Biennial budget considered in 2017					
26 Committee educational topics	na	X	X	X	X	FA	FA	FA			
27 Receive report on cyber security	na	X	X	X	X		BOD				
28 Receive DC4 technology refresh update	na	X	X	X	X	FA		FA			
29 Review Ethics Point activity	1 & 6	X	X	X	X	FA	FA	FA			
30 Review Internal Audit activity	6 & 7	X	X	X	X	FA	FA	FA			
31 Review effectiveness of internal audit functions	7	X	X	X	X	FA	FA	FA			
32 Review performance of the Chief Audit Executive	6	X	X	X	X						
33 Review and approve annual internal audit plan	6	X	X	X	X						
34 Receive independence report from financial auditors	5	X	X	X	X		FA				
35 Select financial auditor	4	X	X	X	X		FA				
36 Review and accept financial statement audit report	5 & 6	X	X	X	X		FA				
37 Receive independence report from 401(k) Savings Plan auditors	5	X	X	X	X						
38 Select 401(k) Savings Plan auditor	4	X	X	X	X						
39 Review and accept 401(k) audit report	6	X	X	X	X						
40 Receive independence report from SSAE 16 auditors	5	X	X	X	X						
41 Select SSAE 16 auditor	4	X	X	X	X						
42 Review and accept SSAE 16 audit report	6	X	X	X	X						

"FA" designates items addressed in meetings of the Finance and Audit Committee
 "BOD" designates items addressed in meetings of the Board of Directors.

2016 Strategic Pillars

- Operational Reliability** - Anticipate and communicate potential reliability issues through improved enterprise wide planning processes, probability scenario analyses and grid impact evaluations.
- 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.
- 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.
- 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.