



## **Item 7.1: Review of Requirements for Annual Audit of Financial Statements**

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Controller

Finance & Audit Committee Meeting

ERCOT Public  
April 9, 2018

# Review of Requirements for Annual Audit of Financial Statements

## ERCOT Bylaws Requirement

- Each year, the ERCOT Board must select a qualified public accounting firm (Auditor) to audit the financial statements of ERCOT.

## ERCOT Protocol Requirement (§ 1.4.2 in pertinent part)

- “For audits performed by an Appointed Firm, the ERCOT F&A Committee shall directly approve the initiation, scheduling, and reporting of such audits or make recommendations to the ERCOT Board.”

## Finance & Audit Committee Charter Requirement

- “Based on its review and discussions with management, the Chief Audit Executive and the independent auditor, the Committee shall provide a recommendation to the Board whether the Company’s financial statements audit report should be accepted.”

<VOTE> following presentation

