



Item 4.1: Review of Requirements for Annual Audit of Financial Statements

Sean Taylor

Vice President and Chief Financial Officer

Urgent Finance & Audit Committee and Board of
Directors Meeting

ERCOT Public

July 23, 2021

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.”

<VOTES> following presentation

