Requirements Outlined in In-Scope TB/MBC Directives

Review of the design and implementation of controls to address process objectives and risks to provide reasonable assurance that process objectives and key risks are addressed **at a point in time**. This review does not provide assurance that the controls are operating effectively (i.e. appropriately and consistently) for a period of time. This approach provides a **moderate** level of assurance.

Requirement	Review Procedure	Review Result	Potential Gap
1.0 Accounting Advice Directive			
1.1 All high risk accounting, financial disclosure, financial reporting or financial management issues must be brought to the attention of the Office of the Provincial Controller, Fiscal and Financial Policy Division, Ministry of Finance.	A. IESO has defined "high risk" as it relates to accounting, financial disclosure, financial reporting or financial management issues. B. Inquire if the IESO has brought to the attention of the Office of the Provincial Controller, Fiscal and Financial Policy Division, Ministry of Finance any "high risk" financial/accounting issues. If this has occurred, obtain evidence.	A. The IESO has a defined "high risk" as it relates to accounting, financial disclosure, financial reporting or financial management issues [1.1, Finance Policy, Paragraph 24] B. Ongoing work with Office of the Provincial Controller re Fair Hydro Plan.	None
1.2 Ministries and Crown Agencies must provide a written request on a timely basis to the Office of the Provincial Controller when accounting advice is sought.	A. Inquire if the IESO has requested accounting advice from the Office of the Provincial Controller. If request was made, obtain evidence and confirm it was provided in a timely basis **(e.g. 15 days before period-end).*	A. Based on a discussion with the CFO and Controller, IESO has worked with the Office of the Provincial Controller a new accounting standard in 2017 [1.7a and b evidence of seeking accounting advice re accounting standard]	None
1.3 Chief Administrative Officers are responsible for ensuring sound accounting advice is provided to decision-makers.	A. Based on review of minutes from the Audit Committee of the Board of Directors (Audit Committee), confirm that the CFO attends the Audit Committee meetings. B. Obtain evidence of accounting advice provided by the Chief Financial Officer to decision-makers at IESO.	A. The CFO is an attendee of the AC meetings. As evidence, the CFO is listed as an attendee on the AC Agenda [1.2 & 1.3, Minutes of the AC Agenda]. Further, the CFO provides a report summarizing key financial information and results [1.4, CFO Report to the Audit Committee]. B. The CFO is responsible for providing accounting advice to the decision makers at IESO. As evidence, extensive discussion between the CFO, CEO and Board of Directors regarding the change of accounting standards. [1.5, Evidence of CFO consultation with CEO and audit committee]	None
1.4 Chief Administrative Officers are responsible for bringing high risk issues to the attention of the Office of the Provincial Controller on a timely basis.	A. Inquire if IESO has reported any high-risk issues to the Office of the Provincial Controller in a timely basis.	A. The CFO is responsible for bringing high risk issues to the attention of the Office of the Province Controller. Throughout the year, the CFO will meet with representatives of the Ministry to provide an update on IESO's operations and any issues that the organization is dealing with. An exampleatray of an issue that was discussed in 2017 relates to negotiations with the PWU Provided by the CFO is evidence of communication with the Ministry [1.6, Evidence of CFO consultation with Ministry]	None
1.5 Ministries and other government organizations are responsible for providing to the Office of the Provincial Controller on a timely basis all relevant information and documentation including but not limited to legislation, legal agreements, Memorandums of Understanding (MOU) in draft or final form.	A. Inquire if IESO has requested any changes to the MOU, relevant legislation, or relevant legal agreements **(with the Ministry).* B. If a request was made, obtain evidence and confirm it was provided in a timely basis **(e.g. 10 days once it has been finalized).*	A. this requirement is not applicable as no such event occurred in 2017	None
1.6 Ministries and other government organizations seeking accounting advice from the Office of the Provincial Controller on issues with a high level of accounting risk should provide at a minimum, the following information and documentation: a. Description of nature, purpose, terms and conditions of the program, including the substance of the underlying	A. Based on the sample retrieved in 1.1.B, confirm that all required information and documentation was provided.	A. The IESO had extensive discussions with Ministry around the adoption of a new accounting standard [1.7a and b evidence of seeking accounting advice re accounting standard]	None

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Requirement	Review Procedure	Review Result	Potential Gap
events, costs and revenues (including cash flow patterns and methods of estimation); b. Relevant legal agreements, memorandum of understanding, legislation and regulations (draft or final); and c. Factors impacting timing of response from the Office of the Provincial Controller.			
3.6 Internal Audit is responsible for: a. Reporting on the consistency of the ministry or agency risk management practices with this policy; b. Helping managers identify and assess risk and the effectiveness, efficiency and economy of existing measures to manage risk; c. Helping managers assess and design action plans for more effective risk management; and d. Helping the Deputy Minister, Executive Management Committee and the Chief Administrative Officer to meet their requirements under this policy. e. Providing assurance about the effectiveness of the ministry or agency risk management practices.	A. Based on review of the IESO Risk Management Policy, confirm that the role of Internal Audit has been defined and is aligned with 3.0 Risk Management Policy Directive.	A. (a to e) Internal Audit completes a risk based Internal Audit Plan [3.6] on an annual basis for approval from the Audit Committee of the Board of Directors. The Internal Audit Plan considers all IESO functions, departments, projects and process [3.7, IA Charter]. Internal audit is independent and provides the IESO objective assurance and consulting activity designed to add value and improve an organization's operations and systems of control [3.7, IA Charter].	• Role of Internal Audit is not defined in the ERM policy. This gap continues from 2016. •

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