

IESO Audit Committee

Proposed Fiscal 2018 Activity Schedule

Audit Committee Responsibilities	Feb	Apr	June	Aug	Oct	Dec
3.1 Financial Reporting						
(a) Review and discuss with management all unaudited financial statements, operating and capital results, including significant budget variances and investment and debt management strategies and results, as required	D		S	S	S	S
(b) Review and recommend audited corporate financial statements and financial information contained within the Annual Report	D					
(c) Review all proposed significant accounting policies and practices as required.						
(d) Review and recommend the Business Plan including its operating and capital budgets				S		
(e) Review and recommend capital and lease obligations above \$4 million, as required						
(f) Review information benchmarking the IESO's effectiveness in its financial management of resources, as required						
(g) Review the costs and adequacy of IESO's insurance coverage, including coverage for directors and officers.				S		
(h) Review the accounting assumptions for Pension and OPEB as well as the Pension Accounting Policy in advance of the audited corporate financial statements.						S
3.2 Pension Plan						
(a) Review and recommend amendments, where appropriate, to fund mission, objectives, policies, governance structure, reporting framework and Pension Management Committee (PMC) terms of reference, as required						
(b) Review the plan administration budget and Pension Budgeting Policy		D				
(c) Review and recommend actuarial valuation and related actuarial assumptions, on the recommendation of the plan actuary (next valuation scheduled for January 1, 2020).						
(d) Review and recommend funding targets and contributions.			S			
(e) Review and recommend audited pension plan financial statements.			S			
(f) Review and recommend SERP Reserve Allocation			S			
(g) Review and recommend appointment of PMC members at least tri-annually (next January 2020)						
(h) Monitor compliance with regulations, policies & procedures, and compliance with and effectiveness of governance reporting framework		D				
(i) Review Pension Plan, SERP Reserve and Manager Performance	D	D	S	S	S	S

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(j) Review and recommend Pension Plan and SERP Amendments, as required						
3.3 Internal Controls and Risk Assessment						
(a) Risk management update		D	S		S	S
(b) Internal Controls update (see sections 3.4 and 3.5 below)	D	D	S	S	S	S
3.4 Internal Audit						
(a) Review and approve the annual Internal Audit Plan and activities, including the process for establishing said Plan and the resources and organizational structure of Internal Audit.						S
(b) Review Internal Audit Reports, Findings and Recommendations, including management actions status reports and in-camera meetings with chief audit executive	D	D	S	S	S	S
(c) Review and approve the Internal Audit Charter	D					
(d) Review Internal Audit Annual Report, including effectiveness of the Internal Audit function	D					
(e) Review the performance of the chief audit executive and concur with his or her annual compensation and salary adjustment.						S
(f) Declare organizational independence of the internal audit activity					S	
3.5 External Auditors						
(a) Review and recommend proposed audit scope, approach and fees for financial statement audits					S	
(b) Review and approve non-audit services performed by External Auditor as required	D			S		
(c) Review with the External Auditor the conduct of the audit, including in-camera meeting to discuss any required matters (February – Corporate Financial Statements; April – Pension Plan Financial Statements)	D	D				
(d) Review performance and/or recommend reappointment/appointment of External Auditors (Corporate Financial Statements and Pension Plan Financial Statements)				S		
(e) Review results of Dispatch Algorithm Review, as required.						

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3.6 Compliance						
(a) Meet with key management, external & internal audit, legal counsel to understand important regulatory issues, and potential company impact, as required						
(b) Review and assess process for monitoring IESO's compliance with its obligations, including instances of non-compliance			S			S
(c) Review process for communicating and monitoring Code of Conduct and monitoring compliance. Review any conflicts of interest and related-party transactions						S
3.7 Other Activities						
(a) Review and assess the performance of the Audit Committee and its Charter						S
(b) In camera meeting with Internal Legal Counsel, and review of the status of pending or threatened material litigation (as required)	D	D	S	S	S	S
(c) Review and recommend refinancing of corporate note payable and credit facility, as required	D					S
(d) IESO Information Technology update		D				S
(e) Review Non-Competitive Procurement contracts awarded by Management			S			S
(f) Annual report on External Legal services procurements			S			
(g) Other matters as delegated to the Committee by the Board or Board Chair, as required						
(h) Annual review of Audit Committee Activities						S
(i) Treasury Reporting	D	D	S	S	S	S
(j) Treasury Policy Review			S			
(k) Debt or credit line renewals (next scheduled December 2019)						

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