



**AMENDED APPENDIX F**

Finding No.	Finding Description	Management Action Plan	Immediate and Short Term Items Completed	Future Action Items
<b>Section 1 – Application of the APH, FAQ’s and Other OEB Regulatory Guidelines</b>				
1	<ul style="list-style-type: none"> <li>Lack of documented management review and/or reconciliation regarding DVA</li> </ul>	1.1.5	<ul style="list-style-type: none"> <li>Reviewed DVA Chart of Accounts</li> <li>Improved Standard Operation Procedures - new and improvement of existing, including month end journal checklist</li> <li>Internalized IESO settlement responsibilities</li> <li>Changed management hierarchy/reporting structure</li> </ul>	<ul style="list-style-type: none"> <li>Complete Chart of Accounts in order to ensure conformity with APH, FAQ and other Board issued guidelines</li> <li>Formalize process to review any change or modifications to DVA Chart of Accounts in order to ensure on-going compliance</li> <li>Finalize any “draft” SOP’s and determine if any further key regulatory functions still require SOP’s</li> <li>Regularly monitor and maintain SOP’s for accuracy</li> </ul>
2	<ul style="list-style-type: none"> <li>Historical non-compliance with APH</li> </ul>	1.2.5	<ul style="list-style-type: none"> <li>Immediately corrected non-compliant accounts identified during the audit</li> <li>Created a “draft” formal policy with respect to adding/removing general ledger accounts in order to ensure compliance with APH, FAQ and other Board issued guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Finalize formal policy with respect to adding/removing general ledger accounts in order to ensure compliance with APH, FAQ and other Board issued guidelines</li> <li>Use formal policy in conjunction with Communication Plan (committed was part of another finding below) that will ensure information related to APH, FAQ and other Board issued guidelines flows to the correct departments and people in a timely manner</li> </ul>
3	<ul style="list-style-type: none"> <li>Late filing of 2 RRR filings</li> </ul>	1.3.5	<ul style="list-style-type: none"> <li>Calendar of filing deadlines created in order to ensure timeliness of filings</li> <li>No quarterly filing submitted late since Audit</li> <li>Additional management review added per Finding one (1) above</li> <li>Created “draft” SOP’s related to key regulatory functions associated with quarterly/annual RRR filings</li> </ul>	<ul style="list-style-type: none"> <li>Formalize lead up process to filing date to ensure that future quarterly/annual filings are consistently made on time</li> <li>Finalize any key regulatory SOP’s and determine if any further key regulatory functions associated with quarterly/annual RRR filings still require SOP’s</li> </ul>



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<b>Section 2 – Management Oversight and Governance Regarding DVA's</b>				
1	<ul style="list-style-type: none"> <li>Need to strengthen Management oversight and control over regulatory activities for regulatory accounting</li> </ul>	2.1.5	<ul style="list-style-type: none"> <li>Personnel realignment and reorganization</li> <li>Maintained and expanded scope of industry peer group involvement</li> <li>Staff undertook additional training, with a focus on regulatory accounting</li> <li>Retained services of 3<sup>rd</sup> party (KPMG) in order to support Phase 1 and 2 of OEB Audit</li> <li>Created Regulatory Staff Training Tracker with detailed listing of all training course undertaken and future courses to be attended</li> <li>Completed transition of duties and responsibilities relating to IESO 1598 away from 3<sup>rd</sup> party currently undertaking same to our own internal regulatory department</li> <li>Engaged industry experts to review COS application as needed</li> </ul>	<ul style="list-style-type: none"> <li>Continue work with external 3<sup>rd</sup> parties in order to review key organizational processes and controls when drafted and finalized</li> <li>Make staff training an integral part of development of internal regulatory expertise – ongoing</li> <li>Individual management documentation of their review of any regulatory filings – on going and as required</li> <li>Finalize and implement Financial System Access Policy regarding financial system access permissions and ensure each existing employee is reviewed to ensure proper controlled access to regulatory books of accounts and general ledgers</li> </ul>
2	<ul style="list-style-type: none"> <li>Need to have specific audit procedures on regulatory information and accounts including DVA's by external auditors</li> <li>Need to error proof all data sources and inputs to RSVA accounts</li> </ul>	2.2.5	<ul style="list-style-type: none"> <li>Immediately directed external auditors to enhance scope of work in order to include RSVA review to ensure that testing of regulatory accounts was included</li> <li>Commenced identification and error-proofing all data sources and systems</li> </ul>	<ul style="list-style-type: none"> <li>Improve RFP for audit services to ensure proper and competent RSVA scope of review and audit of regulatory accounts</li> <li>Develop automated RSVA software system that will limit manual data entry, help reduce errors and create efficiencies with respect to RSVA data sources and inputs to RSVA accounts</li> </ul>
3	<ul style="list-style-type: none"> <li>Need to improve communication within EPLC regarding regulatory requirements</li> </ul>	2.3.5	<ul style="list-style-type: none"> <li>Developed draft Communication Plan that details information flow within organization</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate Communication Plan and improve as necessary</li> <li>Ensure implementation, integration and finalization of Communication Plan</li> </ul>
4	<ul style="list-style-type: none"> <li>Formalize management and approval process for regulatory accounting activities and regulatory books of accounts</li> </ul>	2.4.5	<ul style="list-style-type: none"> <li>Ensured account compliance detailed in Section 1 - Finding two (2) above</li> <li>Developed draft Adding/Removing general ledger regulatory accounts policy</li> <li>Developed Communication Plan</li> </ul>	<ul style="list-style-type: none"> <li>Finalize and implement change management and approval process policies</li> </ul>



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5	<ul style="list-style-type: none"> <li>Cross training/back up for regulatory accounting activities</li> </ul>	2.5.5	<ul style="list-style-type: none"> <li>Personnel realignment and reorganization</li> </ul>	<ul style="list-style-type: none"> <li>Make staff training an integral part of development of internal regulatory expertise – ongoing</li> </ul>
6	<ul style="list-style-type: none"> <li>Control access and segregation of duties of various staff relating to regulatory books/general ledger</li> </ul>	2.6.5	<ul style="list-style-type: none"> <li>Terminated system access for certain personnel</li> <li>Developed draft Financial System Access policy for formal management review and authorization of financial system access</li> </ul>	<ul style="list-style-type: none"> <li>Finalize and implement Financial System Access Policy regarding financial system access permissions and ensure each existing employee is reviewed to ensure proper controlled access to regulatory books of accounts and general ledgers</li> </ul>
7	<ul style="list-style-type: none"> <li>Staff risk assessment</li> </ul>	2.7.5	<ul style="list-style-type: none"> <li>Personnel realignment and reorganization</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
8	<ul style="list-style-type: none"> <li>Appropriateness of spreadsheet checks used to create DVA balances</li> </ul>	2.8.5	<ul style="list-style-type: none"> <li>Hard coded cells were immediately removed</li> <li>Commenced review of entire process leading up to and including RSVA calculation which includes detailed review of presently existing controls and enhancing and securing present visual validation checks within spreadsheets</li> </ul>	<ul style="list-style-type: none"> <li>Automating the process to reduce potential errors</li> </ul>
9	<ul style="list-style-type: none"> <li>Insufficient safeguards or processes in place to prevent unauthorized users to access excel spreadsheets used for regulatory activities</li> </ul>	2.9.5	<ul style="list-style-type: none"> <li>Access limited to RSVA files within the finance drive to only Regulatory personnel</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Section 3 – Staff Competencies and Training Regarding Regulatory Accounting</b>				
1	<ul style="list-style-type: none"> <li>Enhancing key regulatory personnel experience and knowledge</li> </ul>	3.1.5	<ul style="list-style-type: none"> <li>Strategic use of third party service providers to assist while internal expertise is being properly developed</li> <li>Engaged industry experts throughout 2018 COS application</li> </ul>	<ul style="list-style-type: none"> <li>Engage 3<sup>rd</sup> party service providers to review finalized key organizational process and controls</li> </ul>



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2	<ul style="list-style-type: none"> <li>Improve regulatory accounting training;</li> </ul>	3.2.5	<ul style="list-style-type: none"> <li>Staff undertook additional training, with a focus on regulatory accounting</li> <li>Staff involved in industry peer groups</li> </ul>	<ul style="list-style-type: none"> <li>Make staff training an integral part of development of internal regulatory expertise – ongoing</li> </ul>
3	<ul style="list-style-type: none"> <li>Internalize functions/preparation of IESO Form 1598</li> </ul>	3.3.5	<ul style="list-style-type: none"> <li>Drafted detailed IESO 1598 Filing Instructions SOP</li> <li>Internalized IESO settlement responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
4	<ul style="list-style-type: none"> <li>Reduce dependency on consultants and third parties to meet regulatory needs</li> </ul>	3.4.5	<ul style="list-style-type: none"> <li>Completed. Internalized regulatory accounting and reporting in-house</li> </ul>	<ul style="list-style-type: none"> <li>Identify any other regulatory accounting tasks being undertaken by third parties and determine a plan to potentially internalize</li> </ul>
<b>Section 4 - Lack of Documentation for Regulatory Accounting Systems, Process, Procedures, Controls, and Oversight for DVA's</b>				
1	<ul style="list-style-type: none"> <li>Lack of Standard Operating Procedures for key regulatory activities</li> </ul>	4.1.5	<ul style="list-style-type: none"> <li>Improved Standard Operation Procedures - new and improvement of existing, including month end journal checklist</li> </ul>	<ul style="list-style-type: none"> <li>Finalize any “draft” SOP's and determine if any further key regulatory functions still require SOP's</li> <li>Regularly monitor and maintain SOP's for accuracy</li> </ul>
2	<ul style="list-style-type: none"> <li>Need to improve documentation that quarterly/annual RRR's to pivot table and general ledger reconciliation had been performed or reviewed</li> </ul>	4.2.5	<ul style="list-style-type: none"> <li>Created Historical RRR filing workbook to help staff at all levels trend and better understand RRR data</li> <li>Established RRR departmental focus groups to review, explain and detail the regulatory reporting obligations of each department</li> </ul>	<ul style="list-style-type: none"> <li>RRR departmental focus groups establishing SOP's for majority of RRR sections</li> </ul>