



# Compliance Office Overview



**Barbara Owens**  
***Enterprise Risk and Compliance Officer***  
**Finance and Administration Committee**

February 10, 2016





# Enterprise Risk and Compliance Functions

- Compiling list of mandatory reporting to regulatory third parties.
- Reviewing enterprise risk assessment and validating controls exist to mitigate the risk.
- Continuing to meet with the group of individuals to update the current risk assessment.
- Working on recommendations from external audit agencies to validate the outcome.
- Oversight of responses to external audit agencies.





# Prior Internal Audits

- Several external audit agencies have provided recommendations to be implemented since 2013.
  - State Auditor has 38 recommendations outstanding.
  - Department of Finance provided 11 recommendations
  - Department of General Services has provided 22 recommendations.
  - State Controller Office provided 10 recommendations.
  - Internal Audits provided over 30.
- Currently the CPUC has no formal follow-up procedures regarding internal or external audit follow-up.





# External Audits

- Safety and Enforcement Division audit numbers for 2015:
  - GSRB 73 gas pipeline audits/inspections
  - ESRB 36 audits
- Water Utilities 5 audits
- Telecommunications 8 audits
- Energy Programs 26 audits
- Some of these audits require a response from the external entities but no further testing is performed.
- Some do perform follow-up although the process and procedures is inconsistent throughout the Department.





# Follow-up Process for Audit Findings

- A documented process for follow-up procedures will allow the Compliance Office to track audit recommendations and verify action has been taken.
  - Closes the loop in the audit process to check on the status of the recommendations.
  - A 6-month time frame will be used to perform follow-action review internally.
  - The process will also be review to ensure the initial problem has been resolved.
  - A determination will be made regarding the extent of the risk associated with the issues addressed by the audit.





# QUESTIONS?

