GENERAL SESSION MINUTES
AUDIT COMMITTEE MEETING
November 13-14, 2014
ISO Headquarters
Folsom, California

November 13, 2014

The Audit Committee of the ISO Board of Governors convened the general session meeting at approximately 8:45 a.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the Audit Committee were in attendance:

Ash Bhagwat, Chair
Dave Olsen

The following members of the executive team were present at times throughout the meeting: Steve Berberich, Keith Casey, Karen Edson, and Roger Collanton

GENERAL SESSION

The following agenda items were discussed in general session:

DECISION ON GENERAL SESSION MINUTES

Governor Olsen moved for approval of the Audit Committee's general session minutes for the July 15-16, 2014 meeting. The motion was seconded by Governor Bhagwat and approved 2-0-0.

PUBLIC COMMENT

There was no public comment offered at this time.

BRIEFING ON THE 2014 FINANCIAL STATEMENTS AUDIT SCOPE

Laura Coletti, with PricewaterhouseCoopers, provided an overview of the objectives of the 2014 financial statements audit and reviewed a graph that depicted PwC's communications framework. Ms. Coletti described how PwC's

audit strategy was based on a top-down, risk-based approach for planning and conducting the audit. She next provided a summary overview of the key audit areas, and the procedures that were planned to address them. She described how PwC would be utilizing functional experts to evaluate key areas. Ms. Coletti stated that they considered both quantitative and qualitative factors in their assessment of materiality. She provided an overview of the timing of the audit and stated that they were targeting May 2015 to present the final report to the Audit Committee. Ms. Coletti reviewed the perspectives on fraud risk and responsibilities as well as other required auditor communications. Ms. Coletti also discussed the upcoming Code of Conduct Agreed Upon Procedures process and stated that they were on track to provide the final report to the Audit Committee in March 2015. Brief discussion followed regarding the status of Oracle R-12 implementation.

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 9:00 a.m.