

CDM Plan and Program Approval Process Review Update

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Overall Assessment

- IESO has processes, protocols and tools to execute the CDM plan and program approval process
- Opportunities were identified to strengthen and streamline the process
- In considering the collective quantity of observations, the overall risk rating is **moderate**

Background

- CDM Plan and Program review is an internal process audit
- Audit is part of the IESO annual Internal Audit service plan
 - risk based plan
- Audit scope:
 - Provide reasonable assurance that the processes used to review and approve LDC conservation plans and programs comply with the applicable directives and have appropriate controls to mitigate identified risks and achieve the process objectives. [*Design and Operating Effectiveness Review - External*]
- Retained Deloitte LLP to conduct the audit

Observation Summary

- There were 16 moderate and 18 low findings
- There were no high findings

Sub-process	Observation count		
	Moderate	Low	Total
Overall	1	1	2
Plan and Program in-take	6	4	10
Plan and Program review	0	5	5
Plan and Program approvals	8	7	15
Communicating with LDCs	1	1	2
Total	16	18	34

Strengthen

- Establishing internal deadlines for CDM plan and program reviews to enable the prioritization of assessments;
- Establishing a central repository of previous decisions and communications with LDCs to improve consistency of decision-making;
- Proactively scanning for and identifying triggers for CDM plan submissions (including mergers and acquisitions of an LDC, and approvals of LDC programs);
- Developing guidance on how to complete CDM plan and program assessment tools;
- Establishing guidelines for documenting key CDM plan and program reviews and approvals (including review and approval of assessment scorecards);
- Establishing a process to formally close-out CDM plan and program reviews, including quality assurance checks on materials to be uploaded to IESO's website and archiving out-dated materials);
- Implementing formal reporting on CDM plan reviews.

Streamline

- Eliminating duplicate tracking logs;
- Rightsizing the number of administrative reviews performed on key CDM plan and program review documents;
- Automating existing manual processes to review CDM plans for version changes and completeness.

Management Response

- The CDM Plan and Program review protocols represent an evolving process since the Conservation First Framework began in 2015. The majority of the observations noted in this report have been identified by the IESO CDM Plan and Program review teams and are being actively addressed.
- The Program review process was streamlined significantly in mid-2016 with the introduction of the new business case template and the twenty day timeline for program reviews. An update to the template to address feedback received from users is planned to be released in fall 2017.
- The Conservation & Corporate Relations business unit is developing of an automated CDM Plan management system as part of the CDM-IS project which will address many of the observations identified in the report. In the short term, by fall 2017, internal CDM Plan review protocols will be updated and a CDM Plan Dashboard will be developed to support the management of CDM Plan reviews which will improve the process for both LDCs and the IESO.

Questions?