

From: Cherry, Brian K
Sent: 6/13/2014 9:30:03 AM
To: Clanon, Paul (paul.clanon@cpuc.ca.gov)
Cc:
Bcc:
Subject: Re: Impasse between DWA and PG&E over audit recommendation for a post audit

Perhaps you can use this suggestion constructively and suggest that a workshop be convened by Audit and the IOUs to discuss the development of consistent standards, procedures, and processes for the retention and quality control of documentation for GO 156 spend among the utilities, prime and sub-prime contractors. .

From: Kajopaiye, Kayode [mailto:kayode.kajopaiye@cpuc.ca.gov]
Sent: Friday, June 13, 2014 9:15 AM
To: Clanon, Paul
Cc: Kahlon, Raminder; Cherry, Brian K; Cherry, Brian K
Subject: Impasse between DWA and PG&E over audit recommendation for a post audit

Good Morning Paul:

As you ponder over what to do regarding the above subject, it would not be a bad idea to suspend the language below from D.11-05-019 to save scarce audit resources. I will not plan another audit of the program for another industry unless you give me the direction to do so. Let me know if you've any questions. I am available to meet with you at any time to discuss this option. I appreciate the support that you've provided to the audit group.

"In order to provide additional confidence in the accuracy of the reports, we add a requirement that a minimum of one random audit of an annual GO 156 report be conducted every two years. Beginning in 2012, the Commission's Division of Water and Audits, Utility, Audit, Financial, and Complaint Branch, (Audit Division) will segregate reporting companies by industry and, beginning with energy companies, followed by telecommunications and water in subsequent two-year periods, will determine the random selection process and audit methodology to be used. The Audit Division will conduct the audit and report its findings to the Commission by letter to the Executive Director. Nothing in this requirement shall be construed to limit in any way, the Commission's authority to undertake additional audits at any time for other reasons."

Kay