

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY  
Minutes of the 154<sup>th</sup> Audit and Finance Committee Meeting  
Held on October 4, 2023

Pursuant to a notice and agenda dated September 21, 2023, a copy of which is annexed hereto, the one hundred fifty-fourth (154<sup>th</sup>) meeting of the Audit and Finance Committee (the “Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (the “Authority”) was convened at 10:00 a.m. on Wednesday, October 4, 2023 at the Authority’s Albany Office located at 17 Columbia Circle, Albany, New York and the NY Green Bank (“NYGB”) Office located at 1333 Broadway, Suite 300, New York, New York. The two locations were connected by videoconference.

The following Members of the Committee were present:

Richard Kauffman, *Chair of the Authority* attended from NYGB

Sherburne Abbott attended from NYGB

Sadie McKeown attended from NYGB

Frances Resheske attended from NYGB

Committee Chair Jay Koh was unable to attend.

Also present were Doreen Harris, President and CEO; John Williams, Executive Vice President for Policy and Regulatory Affairs; Peter J. Costello, General Counsel and Secretary to the Authority; Pam Poisson, Chief Financial Officer; Anthony J. Fiore, Chief Program Officer; Sara LeCain, Senior Counsel and Secretary to the Committee and various other staff of the Authority.

The Chair called the meeting to order and noted the presence of a quorum. Notice of the meeting was provided to the Committee Members on September 21, 2023 and to the Press on September 25, 2023. The Chair noted that Committee Chair Jay Koh was unable to attend the meeting, therefore the Chair led the meeting.

The Chair indicated that the first item on the agenda concerned the approval of the minutes of the one hundred fifty-third (153<sup>rd</sup>) meeting held on June 26, 2023.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the minutes of the one hundred fifty-third (153<sup>rd</sup>) meeting held on June 26, 2023, were approved.

The Chair indicated that the next item on the agenda was to consider a resolution recommending proposed amendments to the Authority's Internal Control Manual ("ICM") and asked the Authority's Chief Financial Officer ("CFO") Pam Poisson to discuss this item.

CFO Poisson stated that Public Authorities Law, Article 9, Title 8, Section 2931, requires the Authority to establish and maintain a system of internal controls. Staff regularly reviews and proposes updates to the ICM for the Members' approval to ensure that the ICM stays current and relevant. CFO Poisson further stated that an advisory team consisting of Senior Legal Counsel; the Director of Internal Audit; the Vice President of Operations; and the CFO, undertook a review and update of the ICM. The updates were further reviewed by other Officers. The proposed updates included adding content specifically focused on important entity-level controls such as strategic planning, financial planning, integrated goal setting, performance management, and a recently improved decision framework. The updates also addressed policy development functions and removed duplicative content already addressed separately and thoroughly in supporting internal manuals such as the Personnel Handbook.

In response to an inquiry from the Chair, CFO Poisson explained that the Authority reviewed the ICMs of several other comparable organizations and received input from the Authority's independent auditors. KPMG, LLP.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

## Resolution No. 500

RESOLVED, that the amendments to the Authority's Internal Control Manual as presented at this October 4, 2023 meeting, with such non-substantive, editorial changes and grammatical changes as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, are hereby recommended for approval and adoption by the Board.

The Chair indicated that the next item on the agenda was to consider a resolution recommending proposed amendments to the Authority's Investment Guidelines and Operative Policy. CFO Poisson discussed this item, explaining that the Members were requested to adopt a resolution approving two (2) amendments to the Authority's Investment Guidelines and Operative Policy. The first proposed amendment would expand the list of permitted investments to diversify holdings within the Authority's portfolios in an effort to improve expected returns without additional risk. The second proposed amendment would provide the Controller and Assistant Treasurer the authority to execute investment management operational functions, if delegated by the CFO, in the CFO's absence.

In response to an inquiry from the Chair on investment management decisions, CFO Poisson explained that it would be a two (2) step process: first the Authority would recommend in its upcoming Fiscal Year 2024-2025 Budget ("2024-2025 Budget") the specific proposed allocation among different instrument types based on recommendations of the investment advisor, then the Authority would provide directions to New York State Department of Taxation and Finance ("Tax and Finance") within those parameters. Controller and Assistant Treasurer Peter Mahar indicated that the Authority would be working in partnership with the Authority's Investment Advisor.

In response to an inquiry from the Chair, CFO Poisson indicated that the Authority would be recommending limitations in each of the asset categories as part of the 2024-2025 Budget and stated that staff would provide more detail in follow up to the Board.

In response to an inquiry from the Chair with respect to the use of the term "rating", CFO Poisson clarified that the term was a reference to externally published credit ratings. In addition,

Controller and Assistant Treasurer Mahar confirmed CFO Poisson's interpretation. Lastly, CFO Poisson will seek clarification on the language in the specific listing of available investments from Tax and Finance.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the following resolution was adopted.

#### Resolution No. 501

RESOLVED, that the "Investment Guidelines, Operative Policy and Instructions (October 2023)," as presented at this October 4, 2023 meeting are hereby recommended for approval by the Board.

The Chair indicated that the next item on the agenda was a report from the Director of Internal Audit Mary Peck. Director Peck provided the Committee with an update on Internal Audit's recent activities and completed audit reports.

In response to an inquiry from the Chair regarding the phrase "generally working" used to describe the internal controls and overpayment processes, Director Peck stated that this is a technical term and indicated that there are no concerns at this time with the Authority processes.

In response to an inquiry from the Chair, Director Peck indicated that the Authority uses an outside certified public accounting firm to assist with the whistleblower fraud and abuse hotline.

In response to an inquiry from the Chair, Director Peck confirmed that the Board has not received a report on any matters that have been reported through the whistleblower fraud and abuse hotline.

In response to an inquiry from Member McKeown regarding which fraud and abuse reports are reported to the Board, General Counsel Costello explained that those reports which need to be sent to the Inspector General or Office of the State Comptroller, would be brought to the Board.

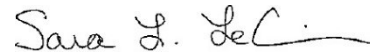
In response to an inquiry from the Chair, General Counsel Costello stated that three (3) staff members look at the whistleblower reports and then the reports that go to the Inspector General's Office are discussed with the Authority's President and CEO.

In response to an inquiry from the Chair regarding the whistleblower report intake and assessment, General Counsel Costello indicated that Director Peck and General Counsel Costello review the reports.

The Chair indicated that the last item on the agenda was other business. There being no other business, the Chair called for a motion to adjourn.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sara L. LeCain".

Sara L. LeCain  
Secretary to the Committee



**NYSERDA**

**KATHY HOCHUL**  
Governor

**RICHARD L. KAUFFMAN**  
Chair

**DOREEN M. HARRIS**  
President and CEO

**NOTICE OF MEETING AND AGENDA**

September 21, 2023

TO THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEE:

PLEASE TAKE NOTICE that the one hundred fifty-fourth (154<sup>th</sup>) meeting of the AUDIT AND FINANCE COMMITTEE of the New York State Energy Research and Development Authority will be held at 17 Columbia Circle, Albany, New York, and at the NY Green Bank Office located at 1333 Broadway, New York, New York, on Wednesday, October 4, 2023 commencing at 10:00am., for the following purposes:

1. To consider the Minutes of the 153<sup>rd</sup> meeting held on June 26, 2023.
2. To consider and act upon a resolution recommending approval of amendments to the Authority’s Internal Control Manual.
3. To consider and act upon a resolution recommending approval of amendments to the Authority’s Investment Guidelines.
4. To receive a report from the Director of Internal Audit.
5. To transact such other business as may properly come before the meeting.

Members of the public may attend the meeting at any of the above locations or via the video conference which can be accessed at <https://www.nyserdera.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.

The Authority will be posting a video and a transcript of the meeting to the web as soon as practicable after the meeting. The video and transcript will be posted at <http://www.nyserdera.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.

Sara L. LeCain  
Secretary to the Audit and Finance Committee

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