

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY  
Minutes of the 155<sup>th</sup> Audit and Finance Committee Meeting  
Held on January 24, 2024

Pursuant to a notice and agenda dated January 17, 2024, a copy of which is annexed hereto, the one hundred fifty-fifth (155<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, January 24, 2024 at the NY Green Bank (“NYGB”) Office located at 1333 Broadway, Suite 300, New York, New York and at the Authority’s Albany Office located at 17 Columbia Circle, Albany, New York. The two locations were connected by videoconference.

The following Members of the Committee were present:

Jay Koh, *Committee Chair* attended from NYGB

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

Sherburne Abbott attended from NYGB

Sadie McKeown attended from NYGB

Member Frances Resheske 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.

Committee Chair Koh called the meeting to order and noted the presence of a quorum. Notice of this meeting was provided to the Committee Members and to the press on January 17, 2024.

Committee Chair Koh indicated that the first item on the agenda concerned the approval of the minutes of the one hundred fifty-fourth (154<sup>th</sup>) meeting held on October 4, 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-fourth (154<sup>th</sup>) meeting held on October 4, 2023, were approved.

Committee Chair Koh indicated that the next item on the agenda was a report on the Authority's most recent risk assessment. Chief Financial Officer Pam Poisson provided the Committee with an update on the Authority's recent risk and controls review.

CFO Poisson explained that consistent with the Authority's Internal Control Manual and New York State Comptroller Standards for Internal Controls, the Authority regularly reviews risks and controls to help ensure that risks are understood and that appropriately matched controls are in place to mitigate those risks. The most recent Risk and Controls Self-Assessment ("RCSA") was designed to help protect the Authority from potential threats and vulnerabilities that may threaten achievement of the Authority's mission; the ability to integrate activities; plans; attitudes; policies; systems and efforts; and keep internal controls well-matched to risk. This effort included a concurrent assessment of potential process streamlining opportunities. By performing this assessment, the Authority was able to uncover not only traditional risks, but also bottlenecks and drivers of re-work that may also pose a risk.

CFO Poisson noted that overall, the Authority remains well-controlled, with process documentation for critical functions that are updated regularly and accessible to staff; expanded employee controls training in place; streamlining opportunities; and strong controls in areas typically seen as high exposure for many organizations, such as cyber risk, financial risk, public health, and reputation. Now, the Authority is focusing its concentration on the risks identified through this assessment to better align goals and work scope; ensure sufficient resource capacity; implement a more sustainable delivery model; and update technology systems.

Next, CFO Poisson indicated that the Authority has made progress addressing the risks identified in the assessment by supplementing existing ongoing controls with new additions to further mitigate risk and provided the Committee with examples of such additions.

Lastly, CFO Poisson reported that the RCSA did not uncover major threats to ongoing operations and indicated that it helped improve the Authority's understanding of opportunities to improve effectiveness in support of achieving our mission outcomes. In addition, CFO Poisson noted that the working group that oversaw the RCSA will continue to meet regularly to ensure ongoing progress and focus, and the Internal Controls Officer will ensure that risk assessments are conducted on a regular cycle as defined in the Internal Control Manual.

In response to an inquiry from President and CEO Doreen Harris, Executive Vice President Williams explained that the Authority will do a yearly reforecast of program activity to understand what changes have been experienced, and how to introduce that into new projections that will be put forward. Executive Vice President Williams also advised that the new annual forecasts will be the adjustment to the guiding outcomes of the program.

In response to an inquiry from Member McKeown regarding market participant feedback, Executive Vice President Williams indicated that a program could obtain informal and formal evaluations from market participants over the course of a year that could be included in a program's forecast.

In response to an inquiry from the Chair, Executive Vice President Williams indicated that the Authority would provide follow-up regarding ways to induce more feedback with respect to programmatic outcomes and market influences.

Committee Chair Koh indicated that the next item on the agenda was to receive a report from the Director of Internal Audit, Mary Peck.

Director Peck provided the Committee with an update on recent activities including the continuous monitoring project confirming that invoices are being reviewed and approved in

compliance with the Authority's procedure; an ongoing review of the NYSERDA Enterprise Information System ("NEIS"); the audit of the NY Green Bank's Anti-Money Laundering Policy Monitoring; Large Scale Renewables proposal, evaluation, and award processes; and the audit of the Employee Onboarding Process.

Director Peck also discussed the Risk Portfolio and Rotational Audit Plan. Regarding the Risk Portfolio, Director Peck noted that the RCSA will direct all future audit activities. With respect to the Rotational Audit Plan, Director Peck explained that it was revised in January 2024 and structured to align with the functional units and primary business practices contained within the Authority's Internal Control Manual.

Lastly, Director Peck noted that the Institute of Internal Auditors ("IIA") is in the process of changing the audit standards that will be effective in 2025. As such, all internal documents will need to be reviewed and updated for alignment upon issuance of the new standards.

In response to an inquiry from the Chair, Director Peck explained that the review of the Authority's grants is a new addition to the State Comptroller's review and certification.

In response to an inquiry from the Chair, Director Peck stated that there is no concern regarding NEIS user access points.

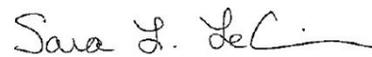
In response to an inquiry to the Chair, Director Peck indicated that it is too early to determine whether the revisions to the Internal Control Manual ("ICM") have resulted in more efficiencies. In addition, CFO Poisson advised that the Authority is working to develop more training on the ICM.

In response to an inquiry from Committee Chair Koh, Director Peck confirmed that the Authority continues to monitor standards and guidance to ensure that we are keeping in line with what the State and larger organizations have opined on.

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

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members, 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**

January 17, 2024

TO THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEE:

PLEASE TAKE NOTICE that the one hundred fifty-fifth (155<sup>th</sup>) meeting of the AUDIT AND FINANCE COMMITTEE of the New York State Energy Research and Development Authority (“Authority”) will be held at the NY Green Bank Office located at 1333 Broadway, New York, New York, and at 17 Columbia Circle, Albany, New York, on Wednesday, January 24, 2024, commencing at 10:00 a.m., for the following purposes:

1. To consider the Minutes of the 154<sup>th</sup> meeting held on October 4, 2023.
2. To receive a report on the Authority’s most recent risk assessment.
3. To receive a report from the Director of Internal Audit.
4. 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 Committee

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