NYSERDA'S 165TH AUDIT AND FINANCE COMMITTEE MEETING
October 21, 2026
Clean Copy of Transcript

Audrey Zibelman:
I call this meeting to order and notice of the meeting and an agenda was forwarded to the Committee members on October 13th, 2026, and the press on October 14, 2026. The meeting is being conducted in person and by video conference. The Authority will post a video and transcript of this meeting on the web. I'm Audrey Zibelman, Chair of the Authority. The Committee's Chair, Jay Koh, was unable to attend the meeting and I will be leading the meeting. We'd like to ask of each of the Committee Members to introduce themselves.

Lindsy Greene:
Lindsay Green, Member of the Authority Member of the Committee.

Audrey Zibelman:
Welcome.

Jennifer Hensley:
Jen Hensley, Member of the Board, Member of the Committee.

Audrey Zibelman:
Thank you. Thanks Lindsay and Jen. And then in addition, I want to note that for the record that we have a quorum, but Shere Abbott is participating by video conference for the extraordinary circumstances exception under the Open Meetings Law and our By-laws. Shere's participation will count for votes, but will not be included in the count four forum. And welcome, Shere. And thank you. So we can get going. The first item on the agenda is the approval of the minutes of the 164th Committee meeting held on June 23rd, 2026. First is, are there any questions on the minutes? May I have a motion in approving them?

Lindsay Greeene:
So moved.

Jennifer Hensley:
Second.

Audrey Zibelman:
Thank you. The minutes have been approved. Next on the agenda is a report of the recent activities of Internal Audit from the Director of an Internal Audit, Jamie Fernandez. Turn it over to Jamie. Welcome.

Jamie Fernandez:
Good morning. I will provide the Committee with a brief update on internal activities, including recent work completed, engagements currently on the way and our upload for the remainder of the year. I'll start with the resource onboarding audit. The field work for this audit was completed in the prior fiscal year, but the final report was issued after our October April meeting, sorry,

after our April meeting. A copy of the final report was shared with the Committee in July 2026 and is included in your package. The objective of this audit was to assess whether controls over the onboarding of employees, contractors, intern and other resources are appropriately designed and are operating effectively to support the timely removal of logical standard access. Overall, Internal Audit concluded that the control environment in this area is partially effective and requires improvement. We identified several practices that are working effectively, including automated deactivation for certain systems, periodic contractor access reviews, and strong compliance with employee exit clearance process.

At the same time, the audit identified opportunities to improve the consistency and timeliness of access revocation and strengthen adherence to the established onboarding process. Management agreed with the findings and has developed corrective action plans, Internal Audit will monitor implementation of those action plans through our regular follow-up processes and will continue to report significant outstanding items to the Committee. Turning to our current audit activity, the NY Green Bank deals and transactions audit is near completion. We have a draft of the report and are aligning with management on the findings and actions. This audit is assessing controls over key stages of the deal processes, including evaluation, approval, closing and initial funding. Currently, we do not have any significant matters that require the Committee's attention. We expect to complete the work shortly and we'll present the results at the next Committee meeting. As reported in April, we also continue to support management through advisory engagements.

Two of these engagements are currently in process. These include the strategic approval process and the NY Green Bank collateral management and monitoring process. I would like now to provide a brief update on Internal Audit resources. As discussed in our previous meeting, Internal Audit is fully staffed and our latest hire, Marco Audi has been fully onboarded since our last meeting.

Additionally, earlier this year we issued a competitive solicitation for professional Internal Audit services. The solicitation closed in August and the evaluation process has been completed. We are now completing the remaining procurement steps and initiating the contracting process. The selected firm will provide specialized audit services to complete engagements noted in the approved fiscal year plan. Specifically, they'll support us in the Information Technology General Controls Audit, Cybersecurity’s Audit, and the External Quality Assessment known as the EQA. We continue to strengthen the way the internal operates, Internal Audit operates. We are updating our methodologies, communication practices, documentation standards, and implementing templates to better align with the Institute of Internal Auditors Global Internal Audit standards and to improve consistency and efficiency. The EQA previously discussed is an important component of our Quality Assurance program and is required by the Internal Auditor Standards. Completion is due by the end of March 2027.

The EQA will provide an independent assessment of our Internal Audit practices and help identify opportunities to continue to strengthen the function. One area we have increased our focus is the status of audit findings and recommendations. We have consolidated Internal Audit findings from the prior five years and established a quarterly process to validate the status of management corrective actions and determine whether identified risk have been appropriately addressed. Our initial population from those five years included 47 open actions as of the end of

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the first quarter. Management has implemented 43 corrective actions. The remaining are mostly from the prior audit discuss. We will continue this quarterly process and report significant overdue or unresolved matters to the Committee. Finally, we remain on track to complete the approved fiscal year audit plan and I am not recommending any changes to the plan. I'd be happy to answer any questions if there are any.

Audrey Zibelman:
Are there any questions from the Board?

Jennifer Hensley:
No. Thank you. I think that's it.

Audrey Zibelman:
Well, thank you very much. All right. Then we'll moving on. Thank you. Next item, I am a novice at this. The next item in the agenda is the Authority's most recent risk assessment and our CFO, Emily Jameson will be giving us, and she's online, will be presenting this item. Welcome Emily. Good morning.

Emily Jamieson:
Can you hear me all right?

Audrey Zibelman:
If you could turn it up just a tad.

Emily Jamieson:
All right. Is that better? I can try projecting more. Okay. Good morning. I'd like to provide a brief update on NYSERDA's 2026 Risk and Control Self-Assessment. This assessment builds on the last risk assessment, which was completed in 2022 and presented to the Board in the January 2023 Board meeting. The 2022 risk assessment identified recurring themes around staff capacity, roles and responsibilities, approval processes, systems, training, and operational efficiency. More importantly, that work led to a number of improvements, including implementing organization-wide goals, strengthening resource planning, streamlining the internal control manual, introducing the decision framework and strategic approval process, improving centralized procedures, expanding cloud-based technology, establishing an AI policy and review process, and we began major systems modernization efforts. The 2026 risk assessment built on that foundation by linking risks to the process inventory. So beginning with 92 standardized risks across 11 categories, teams were involved in giving feedback on the risk assessments and business unit leads were consulted to give a management perspective on the risk environment.

The key themes identified included key person dependency, adherence to policies and procedures, manual processes, decision complexity, and aging systems. At the same time, the environment has evolved. So with federal and regulatory uncertainty, AI data governance, cybersecurity, and public perception all being more prominent. Business Unit leads generally express confidence that procedures are being followed and compliance records maintained. This work also builds on our Annual Internal Control Assessment, which was completed earlier this year, and we reported that there was no significant deficiencies requiring corrective action. So

this risk assessment gives us a broader and more forward-looking view and helps identify where additional attention is warranted. Going forward, this updated risk assessment is going to be utilized as a tool for both my team and for the Internal Audit team. So we'll focus on establishing clear control ownership, stronger documentation, more frequent risk assessments, and better integration of risks and controls into our systems and processes.

Accordingly, NYSERDA is integrating risk and control review into the cyclical activities already in place rather than maintaining it as a standalone project. The next formal risk assessment will still occur in 2029 as is scheduled, and the associated report will still assess improvements made as a result of this 2026 assessment, but as progress is made on specific initiatives such as the new ERP system, the Board will be updated on that progress. As Internal Controls Officer, I'll also lead an annual risk review in between the larger assessments. This is to monitor progress and ensure that mitigation steps are being made in a timely fashion. So in conclusion, NYSERDA will continue to build on the progress made since 2022 with this assessment creating a roadmap for next steps for our internal controls program. Any questions?

Audrey Zibelman:
Any questions?

Jennifer Hensley:
No. I think then we're good.

Audrey Zibelman:
That was an informational item, so it doesn't require any decision making. The other question is, are there any other matters that you want to discuss this morning?

Lindsy Greene:
No.

Audrey Zibelman:
Okay, good. Well, that is easy. I have a motion to adjourn.

Jennifer Hensley:
So moved.

Lindsay Greene:
Second.

Audrey Zibelman:
All in favor?

Members of the Committee:
Aye.

Audrey Zibelman:
Hearing no opposition, the meeting is adjourned. Thank you.

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