

LONG ISLAND POWER AUTHORITY

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING

HELD ON DECEMBER 18, 2024

The Finance and Audit Committee of the Long Island Power Authority (“LIPA”) was convened at 8:46 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on December 13, 2024, and electronic notice posted on the LIPA’s website.

The following LIPA Trustees were present in person:

**David Manning, Committee Chair
Dominick Macchia, Committee Member**

Representing LIPA, in person, were John Rhodes, Acting Chief Executive Officer; Bobbi O’Connor, General Counsel and Board Secretary; Donna Mongiardo, Chief Financial Officer; Cathy Widmark, Director of Audit; Jen Hayen, Director of Communications; and Bill Robins, Senior Digital Specialist. Participating via video conferencing was Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board.

Representing PSEG Long Island in person, was Martin Shames, Finance Director.

Representing KPMG in person, were Kevin Lyons, Lead Audit Engagement Partner; Todd Fowler, Client Service Partner & Audit Sector Leader Power, Utilities & Renewables; and Stephen Scelfo, Lead Audit Engagement Senior Manager.

Representing the Department of Public Service were Carrie Meek Gallagher, Director; and Nick Forst, Deputy Director.

Chair Manning welcomed everyone to the Finance and Audit Committee meeting of the Long Island Power Authority Board of Trustees.

Chair Manning stated that the first item on the agenda is the adoption of the minutes from the November 13, 2024 Committee meeting.

Upon motion duly made and seconded, the minutes of the November 13, 2024 meeting were approved unanimously.

Chair Manning stated that the next item on the agenda is the Overview of Financial Results to be presented by Donna Mongiardo and Martin Shames.

Ms. Mongiardo and Mr. Shames presented the Overview of Financial Results and then took questions from the Trustees.

Chair Manning stated that the next item on the agenda is Discussion of Internal Audit Activities, Approval of the 2025 Internal Audit Plan, and 2025 Internal Audit Budget and Resource Requirements to be presented by Cathy Widmark.

Ms. Widmark presented the following action item and took questions from the Trustees:

Requested Action

The Finance and Audit Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve the 2025 Quarterly Rolling Internal Audit Plan (the “Plan”), 2025 Internal Audit Budget, and Resource Requirements.

Background

In accordance with the International Standards for the Professional Practice of Internal Auditing (the “Standards”), LIPA annually establishes an Internal Audit Plan. The Standards provide a relevant part: the chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity consistent with the organization’s goals. Additionally, as outlined in the Standards, the chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the Board for review and approval.

Discussion

The 2025 LIPA Internal Audit Plan includes internal audits selected and prioritized based on the results of a risk assessment performed by the LIPA Internal Audit Department, with input from Enterprise Risk Management and various stakeholders.

The annual goal is to define a plan that reflects adequate coverage across LIPA and PSEG Long Island’s business units and risk areas, to align LIPA’s strategic initiatives

and top enterprise risks, and to address the resources necessary to complete the Plan with input from key stakeholders and LIPA senior management.

The Plan includes the following:

- eight (8) audits of PSEG Long Island;
- one (1) audit review of key controls for LIPA and UDSA; and
- two (2) audit assist projects of PSEG Long Island.
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Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by the adoption of the Resolution in the form attached.

A motion was made and seconded, and the Trustees unanimously adopted the following resolution:

RESOLUTION APPROVING THE 2025 QUARTERLY ROLLING INTERNAL AUDIT PLAN, 2025 INTERNAL AUDIT BUDGET, AND RESOURCE REQUIREMENTS

RESOLVED, that consistent with the attached memorandum, the Finance and Audit Committee of the Board Trustees of the Long Island Power Authority hereby approves the 2025 Quarterly Rolling Internal Audit Plan, 2025 Internal Audit Budget, and Resource Requirements.

Chair Manning stated that the last item on the agenda is the Discussion of Independent Auditors 2024 Audit Plan to be presented by representatives from KPMG.

KPMG presented the Discussion of Independent Auditors 2024 Audit Plan and then took questions from the Trustees.

Chair Manning then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 9:22 a.m.
