

**LONG ISLAND POWER AUTHORITY**

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**

**HELD ON JANUARY 28, 2026**

*The Finance and Audit Committee of the Long Island Power Authority (“LIPA”) was convened at 11:03 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on January 23, 2026 and electronic notice posted on the LIPA’s website.*

*The following LIPA Trustees were present in person:*

**David Manning, Committee Chair  
Valerie Anderson Campbell, Committee Member**

**Representing LIPA, in person, were Carrie Meek Gallagher, Chief Executive Officer; Bobbi O’Connor, Chief Legal Officer and General Counsel; Donna Mongiardo, Chief Financial Officer; Cathy Widmark, Director of Audit Services; and Gaspare Tumminello, Manager of External Affairs. Participating via video conferencing was Jason Horowitz, Deputy General Counsel.**

**Representing PSEG Long Island, in person, were Scott Jennings, President and Chief Operating Officer, and Martin Shames, Senior Director of Finance.**

**Representing the Department of Public Service was Nick Forst, Acting 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 12, 2025 Committee meeting.*

*Upon motion duly made and seconded, the minutes of the November 12, 2025 meeting were approved unanimously.*

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*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.*

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*Chair Manning stated that the next item on the agenda is the Discussion of Internal Audit Activities and Approval of Internal Audit Plan, Internal Audit Charter, Internal Audit Budget, and Resource Requirements and Consideration of Recommendation to Approve the Annual Review and Amendments on the Board Policy on Audit Relationships, to be presented by Cathy Widmark.*

*Ms. Widmark presented the Discussion of Internal Audit Activities, and then presented the following action items and took questions from the Trustees:*

#### **Requested Action**

The Finance and Audit Committee (the “Committee”) is requested to adopt a resolution recommending revisions to the Long Island Power Authority (the “LIPA”) Internal Audit Charter (the “Charter”) in the form attached hereto.

#### **Background**

The Charter, which the Committee most recently adopted on January 23, 2025, establishes the purpose, authority, and responsibilities of LIPA’s Internal Audit function.

#### **Proposed Changes**

Consistent with the Charter, the Committee has undertaken a thorough annual review of the Charter’s adequacy. Suggested revisions are limited to non-substantive stylistic and grammatical revisions intended to clarify the existing language.

#### **Recommendation**

Based upon the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the draft resolution attached hereto.

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

**RECOMMENDATION FOR APPROVAL OF REVISED LONG ISLAND POWER AUTHORITY INTERNAL AUDIT CHARTER**

**WHEREAS, on January 28, 2026, the Finance and Audit Committee (the “Committee”) of the Board of Trustees (the “Board”) last adopted the Internal Audit Charter (“Charter”) which establishes, among other things, the purpose, authority, and responsibilities of LIPA’s Internal Audit; and**

**WHEREAS, the Committee has reviewed the proposed revised Charter and believes it is reasonable and appropriate to approve for the reasons set forth in the accompanying memorandum.**

**NOW, THEREFORE, BE IT RESOLVED, that the Committee hereby adopts the Long the Charter in the form presented at this meeting.**

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**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 adopt a resolution recommending that the Board: (i) approve the annual report on the Board Policy on Audit Relationships (the “Policy”); (ii) find that LIPA has complied with the Policy; and (iii) approve certain amendments to the Policy, which resolution is attached hereto as “Exhibit A”.**

**Board Policy on Audit Relationships**

**F&A Committee, in its Charter, was delegated the responsibility for reviewing LIPA’s audit-related policies and practices.**

**The Policy defines the expectations of the Board regarding the existing authority granted to the F&A Committee for, among other matters, (i) selecting an independent certified public accounting firm to conduct annual audits of LIPA; (ii) the annual review of the audit plan as well as the Charter, activities, staffing, budget, and organizational structure of Internal Audit, and confirming the independence of the internal auditors; (iii) monitoring, in consultation with the Chief Audit Executive (“CAE”), the significant findings of internal audit reports and the status of the implementation of management’s action plans in response to such audit findings; (iv) setting forth the procedures for the Board’s receipt, review and implementation of any recommendations in a Management and Operations Audit conducted by the New York State Department of Public Service (“DPS”).**

Since the last review of the Policy, the following activities have been performed consistent with the Policy:

#### *Independent External Auditor*

- The Board previously selected KPMG as the independent certified public accounting firm to conduct annual audits of LIPA. On March 26, 2025, the F&A Committee met with KPMG to complete its annual audit for 2024. KPMG reported no significant findings as a result of its audit.

#### *Internal Auditors*

- Internal Audit conducted audits as identified in the annual audit plan and special projects requested by the F&A Committee or management. Internal audit activities were performed in accordance with the Institute of Internal Auditors' Global Standards ("the Standards").
- On January 23, 2025, the F&A Committee reviewed and approved the audit plan, activities, staffing, budget, and organizational structure of the internal audit department.
- The CAE, or delegate, met with the F&A Committee at each Board meeting to discuss internal audit activities and progress toward remediation of Management Action Plans in response to internal audit findings.
- The CAE met with the F&A Committee at least twice per year in executive sessions independent of other LIPA staff and reported significant internal audit findings to the Board in a timely manner.

#### *DPS Management and Operations Audits*

- As required by the LIPA Reform Act, DPS procured NorthStar Consulting Group to conduct the Management and Operations audit, which concluded on March 22, 2024, with the filing of a final report containing 80 individual recommendations in 15 areas of management, oversight, and operations. On April 17, 2024, DPS briefed the Board on this final audit report and key recommendations.
- At the April 17, 2024, Board meeting, the Board directed LIPA and PSEG Long Island staff to implement the recommendations from the audit report in accordance with the timeframe specified in the audit.
- At the December 18, 2024, Board meeting, the Board adopted the implementation plans for each recommendation and directed LIPA and PSEG Long Island to submit an annual report to both the Board and DPS on the status of their implementation.
- LIPA's CAE provided an annual update to the F&A Committee on the status of the 2022 recommendations at the Board's September 25, 2025, meeting.

#### Annual Review of the Policy

The proposed changes to the Board Policy include updates that reflect LIPA Internal Audit's assumed control of the Management and Operations Audit administrative process, as well as minor stylistic changes. The proposed changes to the Policy are more specifically set forth in Exhibit "B".

#### Recommendation

Based upon the foregoing, I recommend the approval of the adoption of the resolution in the form attached hereto as Exhibit "A".

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

**RESOLUTION RECOMMENDING APPROVAL OF THE ANNUAL REPORT AND AMENDMENTS TO THE LONG ISLAND POWER AUTHORITY BOARD POLICY ON AUDIT RELATIONSHIPS**

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WHEREAS, the Board of Trustees (the "Board") of Long Island Power Authority ("LIPA") is responsible for setting LIPA's audit relationship policy and overseeing its fulfillment; and

WHEREAS, the Finance & Audit Committee (the "F&A Committee"), in its Charter, was delegated the responsibility of reviewing LIPA's policies regarding audit relationships; and

WHEREAS, in LIPA's By-Laws, LIPA's Board delegated certain responsibilities to the Chief Executive Officer for managing and directing LIPA Staff.

WHEREAS, the F&A Committee has recommended approval of the annual report and amendments to the Audit Relationships Policy.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the F&A Committee hereby recommends that the Board find that LIPA has complied with Policy for the period since the last annual review and approve the annual report; and

BE IT FURTHER RESOLVED, that consistent with the accompanying memorandum, the F&A Committee hereby recommends that the Board approve the changes to the Policy that are reflected in Exhibit "B".

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*Chair Manning stated that the next item on the agenda is Consideration of Recommendation to Approve the Financial Board Policy Package be presented by Donna Mongiardo.*

*Ms. Mongiardo 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 adopt a resolution recommending that the Board approve the annual review of the Board Financial policies (i.e., Prompt Payment and Interest Rate Exchange Agreements).

### **Board Policies on Prompt Payment and Interest Rate Exchange Agreement**

In accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has adopted the Board Policy on Prompt Payment and the Board Policy on Interest Rate Exchange Agreements. Section 2880 of the PAL requires public authorities to adopt a prompt payment policy. Additionally, the Board Policy on Interest Rate Exchange Agreements was adopted “to properly manage the interest rate risks associated with [LIPA’s] assets and debt portfolio.”

LIPA Staff has reviewed the Board Financial policies (i.e., Prompt Payment and Interest Rate Exchange Agreements) and recommends no changes at this time.

### **Recommendation**

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

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

### **RESOLUTION RECOMMENDING APPROVAL OF THE ANNUAL REVIEW OF THE FINANCE BOARD POLICY PACKAGE**

WHEREAS, in accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has the Board Policy on Prompt Payment and the Board Policy on Interest Rate Exchange Agreements; and

WHEREAS, Section 2880 of the PAL requires public authorities to adopt a prompt payment policy; and

WHEREAS, the Board Policy on Interest Rate Exchange Agreements was adopted “to properly management the interest rate risks associated with [LIPA’s] assets and debt portfolio.”

NOW, THEREFORE, BE IT RESOLVED, the Finance and Audit Committee hereby recommends that the Board of Trustees approve the annual review of the Board Financial policies (i.e., Prompt Payment and Interest Rate Exchange Agreements).

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*Chair Manning stated that the next and final item on the agenda is the Committee's Annual Self Report and Review of Committee's Charter to be presented by Bobbi O'Connor.*

*Ms. O'Connor presented the Committee's Annual Self Report and Review of Committee's Charter and then took questions from the Trustees.*

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*Chair Manning then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 11:26 a.m.*

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