

AUDIT AND ETHICS COMMITTEE MEETING MINUTES NOVEMBER 20, 2025

The Audit and Ethics Committee meeting was held on Thursday, November 20, 2025.

Committee Members Present: Clifton Harris, Ian Prunty and Casey Santos.

Officers Present: Teresa Broyles-Aplin, Laura Smith, Dr. Trish Holliday, Brent Baker and Recording Secretary David Frankenberg

Vice Chair Casey Santos called the meeting to order at 8:18 a.m.

SAFETY MOMENT

Daniel Johnson provided a safety moment on the importance of the National Electrical Safety Code.

MINUTES

Upon motion by Member Harris and seconded by Member Prunty, the Committee approved the minutes from the Audit and Ethics Committee meeting held October 22, 2025, with three ayes and zero nays.

BAKER TILLY INTERNAL AUDIT REPORTS

Scott Nalley reported that the Audit and Ethics Committee Calendar remains on track and stated that he is presenting the final Internal Audit Status Report for the FY25 audit plan. He added that the FY26 audit plan is on schedule and experiencing no delays.

Mr. Nalley said that in a move to enhance operational efficiency and mission alignment, NES has taken steps to implement a unified program and leadership structure overseeing Grant Administration and Stewardship Programs, areas that previously operated without formal coordination or dedicated oversight.

Vice Chair Santos asked, when grants are received, if there is confidence that they are being managed in a responsible way. Mr. Nalley responded yes and added that management has recently worked with KPMG Consulting to develop a formal grant administration policy and procedure, including a related policy and procedures checklist, to establish overall governance of the grant processes.

Mr. Nalley presented the results of the Travel Expenses audit and stated that total travel expenses for the period were \$514,052. He stated that corporate governance, culture, and stewardship initiatives were considered and that the audit did not identify any initiatives that had an impact on the audit scope.

Mr. Nalley provided the 2025 Enterprise Risk Management (ERM) update, noting that the ERM framework guides the organization in identifying and mitigating high-impact risks that could compromise major objectives. His report included a summary of key changes and spider-graph visuals comparing shifts in aggregate risk across categories.

Member Prunty asked for an overview of the C2M project and an explanation of what had driven its graph ratings downward. Mr. Nalley responded that the project had involved several organizational risks which included vendor changes and concerns about increasing expenses. He stated that strong leadership and a successful rollout reduced those risks.

Vice Chair Santos added that there were a lot of systems that were reaching end of life which also caused risks because of the support needed. Mr. Nalley concurred.

EXECUTIVE SESSION

There was no Executive Session held.

MISCELLANEOUS

There were no miscellaneous items to present.

ADJOURNMENT

The meeting adjourned at 8:31 a.m.

APPROVED:  Signed by:
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Committee Chair Rob McCabe