

New Hampshire Electric Cooperative, Inc.
Minutes of the Meeting of the
Audit Committee
Zoom Meeting
October 20, 2023 10:00 a.m.

Present: Committee members: Carolyn Kedersha (Chair); Brenda Boisvert, and Tom Mongeon
Other Board Members: Sharon Davis, Bill Darcy, Jeff Morrill, Alana Albee, and Leo Dwyer
NHEC Employees: Alyssa Clemens Roberts, Karen Hanks, Kristen Taylor, Michael Jennings, Peter Glenshaw, Sonja Gonzalez, Carla Munoz, and Edee Murphy (Recording)
Others Present: Paul Phillips-NHEC Counsel

Meeting Called to Order

Chair Kedersha called the meeting to order at 10:00 a.m.

Agenda Review

There were no suggested changes to the agenda.

Non-Financial Internal Controls

Ms. Hanks reviewed her presentation, included in today's meeting packet. This non-financial internal controls audit includes the period of October 22 through September 2023.

Compliance Areas: Licenses, Certifications and Programs.

Ms. Hanks reviewed each Control Area within the Compliance Areas including any recommendations and due dates.

She next reviewed the 2023 Financial Audit Plan: Cash Management/Accounts Payable (Disbursements), and Cash Management/Purchase Cards (PCard, Fleet Card).

Ms. Hanks reviewed the 2024 Non-Financial Audit Plan which will include the following:

- Procedures – 480.00 Accident Reporting and Record Keeping, 381.00 Hazardous Materials Management Program, 632.00 Record Retention, 290.00 Inspection and Patrol of Overhead, Underground Facilities and Underwater Cables, and 100.00 Easements.
- External Reporting – Dig Safe 800 Rules, PCI-DSS (Payment Card Industry-Data Security Standard), ISO New England.
- Programs – Safety Management Plan, Pole Testing Program.

She also reviewed the 2023 Open MAPS projected to be completed by the March 2024 Audit Committee meeting. Most are low risk areas with the exception of one medium risk concerning Senior Leadership enforcement of the procedure review process.

Audit Committee Recommendation Summary:

- Approve a revision of the annual audit plan to remove the phased-out Vehicle Cost Shared Program
- Adopt "FCC-Issued Radio Frequency Licenses" as a standard term
- Exclude technology licensing from the annual audit plan
- Adopt "lineworker" as a standard term

- Approve removal of the IT technician certification review from the annual audit plan
- Approve the alignment of NISP and CIS Controls

Discussion:

- ❖ In answer to a question, Mr. Jennings clarified that the Vehicle Cost Shared Program is being phased out; employees will no longer use company vehicles for personal use.
- ❖ Ms. Hanks confirmed with the CIO that there are no certifications that are required for any of the IT positions; they may have them, but they are not required.
- ❖ The question was asked: Should certifications, even if not required in the job description, be kept up by the employee and tracked by NHEC? Ms. Gonzalez explained that she views certifications as an indicator of aptitude, not something an employee would need to maintain. Ms. Clemens Roberts commented that if a certification is a requirement of the job, that should be auditable and NHEC should have a process in place to ensure the employee has that certification; she suggested a discussion with SLT to review job requirements and put together a proposed process for the March 2024 Audit Committee meeting.
- ❖ In answer to a question, Ms. Hanks explained the process she goes through in identifying audit areas.
- ❖ Mr. Dwyer asked if it was possible for the board to review the 95%-complete Veg Management Plan in its current state; Senior Leadership Team members commented the plan is a working document and not ready to be shared.
- ❖ In conclusion, the recommendations made in the Audit Committee Recommendation Summary were agreed to by the Committee members, with the understanding the certifications topic will be further discussed at the March 2024 Audit Committee meeting.

Review Board Policy B-42 – Whistleblower Protection

Chair Kedersha commented the purpose of today’s discussion is merely to identify places where we may have issues or may want to consider changes, and then have a pro/con discussion in January 2024.

Attorney Phillips suggested that if discussion is going to impinge upon any matters that are strictly confidential under board policies, that we hold those discussions in executive session. In response, Chair Kedersha requested that Committee members merely point to topics that need further conversation, and Committee members will be assigned pro/con responsibilities. When warranted, the Committee may vote to go into executive session.

Board Policy B-42, Attachment A was reviewed with the following comments:

- Section III. – Mr. Darcy: It depends on the nature of the complaint; he offered to take the responsibility as ‘pro’ for this section. He would like clarification on the term “Workgroup” in paragraph III.C.
- Section IV. – Mr. Mongeon: This section could use some changes; is the policy user-friendly enough so it clearly encourages and supports the whistleblower? Ms. Munoz commented the reporting system is completely anonymous via phone call or through the website email. Attorney Phillips mentioned there is also a Whistleblower Helpline number listed in paragraph IV.F.3. In answer to a question, Attorney Phillips confirmed he receives both an audio file and a transcription of phone calls made to this number.
- Section V.A. – Mr. Mongeon would like to discuss this section in executive session.
- Section V.D.5 – Chair Kedersha would like discussion on this section.
- Section V.D.6 – Mr. Darcy commented some guidelines should be added here, including clarification on distribution of the report.
- Section V.I. – Chair Kedersha has an issue with board involvement.
- Section VII. – Chair Kedersha: Needs to be more clear that the accused’s confidentiality is protected.
- Section VII.E. – Chair Kedersha: Clarify what the whistleblower needs to provide as far as pointing out which law is being broken.

- Section VII.E.2. – Chair Kedersha: Statute of limitations for non-employees?
- Mr. Darcy: “Reportable Conduct” is very broad; both the Workgroup and any investigative panel has to use discretion on how to treat the complaint, whether or not it needs a full investigative report versus other alternative means of resolving the issue. This needs to be made clear in the policy.
- Ms. Clemens Roberts: There is nothing in the policy that states if a person knowingly and willfully files a false whistleblower claim against someone; there should be consequences for those actions.
- Section IX. Records – Mr. Mongeon would like to discuss possible changes.
- Chair Kedersha – Need metrics in place to gauge success of this policy. There was discussion on whether an increase in whistleblower reports would be a good indicator of success, or not. Incentives were also mentioned.
- Ms. Clemens Roberts feels indications of success of the policy should be: Are people aware of the policy, are there mechanisms available for reporting, are there actions taken afterwards, how do people behave after the complaint is filed, is the whistleblower referenced in public or executive session, are there discussions of retaliation, and are there retaliatory behaviors that occur as a result of the complaint?
- Attorney Phillips commented he would like to see additional advertising/notifications around the availability of the whistleblower protection.

Attorney Phillips mentioned that as the Committee heads into executive session, to the extent that there are going to be any comments that relate to strictly confidential matters, he would remind everyone that those matters have been distributed on a need-to-know basis which is consistent with our whistleblower policy.

Mr. Mongeon stated he believes everyone on the call has been privy and involved in subject confidential matters including board members and SLT.

At 11:09 a.m., Mr. Mongeon moved to go into executive session for the purpose of discussing confidential matters related to the Whistleblower Policy and for confidential discussion of our annual independent risk assessment and update of cyber risk profile and support mechanisms, seconded by Chair Kedersha. Vote was unanimous.

Upon motion by Mr. Mongeon, seconded by Chair Kedersha, Chair Kedersha adjourned the meeting at 11:46 a.m.