

# **Seneca County Funding Corporation (SCFC)**

## **AUDIT COMMITTEE CHARTER**

### **Purpose**

Pursuant to Article VI, Section 2, of the Corporation's By-laws, the purpose of the Audit Committee shall be responsible for recommending a certified public accountancy firm, recommending the firm's fee, oversight of the Corporation's independent audit and performance of the Corporation's financial self-assessments.

### **Duties of the Audit Committee**

The Audit Committee shall:

- Make recommendation to SCFC Board on the appointment of any public accounting firm and oversee the work of any public accounting firm employed by the Agency.
- Seek any information it requires from Corporation employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with Corporation staff, independent auditors or outside counsel, as necessary.
- Retain, at the Corporation's expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate.
- Review and make recommendations to the Corporation board on all matters pertaining to the Audit Committee's authorized purposes.

### **Composition of Committee and Selection of Members**

The Audit Committee shall consist of not less than three members, of which not less than two shall be independent members of the board of directors. The SCFC Board Chair will appoint the Audit Committee members and the Audit Committee Chair. The Audit Committee shall have access to the services of at least one financial expert. The Audit Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of Audit Committee functions.

### **Meetings**

The Audit Committee shall meet as necessary to adequately fulfill all the obligations and duties outlined in this charter. The Audit Committee may invite other individuals, such as, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials three business

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days before the scheduled Audit Committee meeting. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings shall be recorded.

### **Responsibilities**

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations; (d) oversight of the Corporation's budget and (e) miscellaneous issues related to the financial practices of the Agency.

### **A. Independent Auditors and Financial Statements**

The Audit Committee shall:

- Make Recommendation to SCFC Board on the appointment and compensation of independent auditors and oversee independent auditors retained by the Corporation and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Corporation's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Corporation's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the Corporation's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues.
- Meet with the independent audit firm as needed.
- Review and discuss the independent audit findings and recommendations.

### **B. Internal Controls, Compliance and Risk Assessment**

The Audit Committee shall:

- Review management's assessment of the effectiveness of the Corporation's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

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### **C. Other Responsibilities of the Audit Committee**

The Audit Committee shall:

- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter as necessary, reassess its adequacy, and recommend any proposed changes to the board of the Agency. The Audit Committee Charter will be updated as applicable laws, regulations, accounting and auditing standards change.

Adopted on 12/6/18 and reviewed annually