

## **IDA AUDIT/FINANCE COMMITTEE CHARTER**

This Audit Committee Charter was originally adopted by the Board of Directors of the Seneca County Industrial Development Agency, hereafter “the Authority”, a public benefit corporation established under the laws of the State of New York, on the 12<sup>th</sup> day of December 2007. The Authority amended the Audit Committee Charter on April 2, 2009 and on March 28, 2011, when it was renamed the Audit / Finance Committee Charter.

### **Purpose**

Pursuant to Resolution No. 2006-19, Section 6, the purpose of the Audit/Finance Committee shall be to (1) assure that the Authority’s board fulfills its responsibilities for the Authority’s external audit process, the financial reporting process, budgeting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors.

### **Powers of the Audit/Finance Committee**

The Audit/Finance Committee shall:

- Appoint, and oversee the work of any public accounting firm employed by the Authority.
- Seek any information it requires from Authority employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with Authority staff, independent auditors or outside counsel, as necessary.
- Retain, at the Authority’s expense, such outside counsel, experts and other advisors as the Audit/Finance Committee may deem appropriate.
- Review and make recommendations to the Authority board on all matters pertaining to the Audit/Finance Committee's authorized purposes.
- Reviewing and commenting of debt issuances

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

The Audit/Finance Committee shall be established as set forth in and pursuant to Resolution No. 2006-19, Section 6. The Audit/Finance Committee shall consist of at least two (2) or more members of the board of directors who are independent as defined in the Public Authorities Accountability Act. The Authority’s board will appoint the Audit/Finance Committee members and the Audit/Finance Committee chair. Members on the Audit/Finance Committee shall possess or obtain a basic understanding of

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governmental financial reporting and auditing. The Audit/Finance Committee shall have access to the services of at least one financial expert. The Audit/Finance 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/Finance Committee functions.

### **Meetings**

The Audit/Finance Committee shall meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in this charter. The Audit/Finance Committee may invite other individuals, such as members of the Authority, 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/Finance Committee members along with briefing materials three business days before the scheduled Audit/Finance Committee meeting. The Audit/Finance Committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings may be recorded.

### **Responsibilities**

The Audit/Finance 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 Authority's budget and (e) miscellaneous issues related to the financial practices of the Authority.

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

The Audit/Finance Committee shall:

- Appoint, compensate and oversee independent auditors retained by the authority 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 authority's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit/Finance Committee. Non-audit services include tasks that directly support the Authority's operations, such as bookkeeping or other services related to the accounting records or financial statements of the authority, 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.

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- Review and approve the Authority'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/Finance Committee shall:

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

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

The Audit/Finance 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 Authority. The Audit/Finance Committee Charter will be updated as applicable laws, regulations, accounting and auditing standards change.

Adopted on 12/12/2007

Amended and re-adopted on 4/2/2009

Amended and re-adopted 3/28/2011