

PURPOSE

The purpose of the Audit & Finance Committee shall be assure that the Authority's Board of Directors fulfills its responsibilities for the Authority's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and provide an avenue of communication between management, independent auditors, internal auditors, and the Board of Directors; and oversee the Authority's debt and debt practices and recommend policies concerning the Authority's issuance and management of debt.

SCOPE

The Audit & Finance Committee will review this Charter for its adequacy in light of legal, regulatory accounting and auditing requirements, as needed. Any recommended revisions will be submitted to the Authority Board of Directors for approval. The committee shall consist of at least three members (can be Authority Board of Directors members) who are independent of Authority operations, appointed by and serve at the discretion of the Authority Board of Directors. Ideally, at least one member should possess or obtain a basic understanding of governmental financial reporting & auditing. Whenever a new member is needed, the Authority Board of Directors will name a qualified member to fill the position.

CHARTER

I. Power of the Audit & Finance Committee

- Recommend appointment, compensation, and oversight of any of the following to be employed by the Authority:
 - accounting firm/independent auditors
 - bond counsel
 - investment advisors
 - underwriting firms
- Review proposals for issuance of debt by the Authority and recommend acceptable levels and nature of debt.
- Review proposals related to repayment of debt or other long-term financing arrangements by the Authority.
- Conduct or authorize investigations into any matters and make recommendations. (ie. Audit findings, Whistleblower procedures, financial policies, etc.)
- Meet with and seek any information required from Authority staff, independent auditor, outside counsel, etc. as necessary to carry out the duties of this office.
- Issues recommendations to the Authority Board for consideration.

II. Committee Structure and Meetings

The Audit & Finance Committee will meet a minimum of once a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the Charter.

Members of the Audit & Finance Committee are expected to attend each committee meeting, in person or via telephone or videoconference. The Audit & Finance Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit & Finance Committee will meet with the Authority's independent auditor at least annually to discuss the financial statements of the Authority. Meeting agendas will be prepared for every meeting and provided to the Audit & Finance Committee members along with briefing materials 5 business days before the scheduled committee meeting. The Audit & Finance Committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

Meetings of the Committee are open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

III. Responsibilities

A. Independent Auditors

- Oversee appointment of independent auditors according to the Authority's Purchasing Policy.
- Upon completion of the audit: Meet with the auditors, chief executive officer, financial manager, and anyone else desired by the committee to discuss findings and review financial statements, associated management letter, and to ascertain the effectiveness of the internal control structure. Develop action steps to be taken, if needed.
- Review results of audits and approve procedures for implementing accepted recommendations.

B. Special Investigations

- Ensure that the Authority has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the authority or any persons having business dealings with the authority or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)

C. Review Authority's Annual Budget

- Review Authority's proposed annual operating budget and recommend it to the Authority Board for approval after incorporating any necessary adjustments.
- Monitor Authority's compliance with the adopted budget during the fiscal year.

D. Oversee Authority's Investments

- As needed, review and make recommendations to the Board concerning:
 - Investment Policy and allocation of assets.
 - Annual Investment Report.
 - Selection of investment advisors.

E. Assess Authority's Capital Requirements and Capital Plan

- Assess the financial requirements of Authority's capital plan. This assessment includes current and future capital needs, justification of the need, and funding sources for the cost.
- Review financial aspects of major proposed transactions, significant expenditures, new services, as well as proposals to discontinue services and make action recommendation to the Board.

F. Review Financial and Procurement Thresholds

- Review and recommend changes to Authority's thresholds for procuring goods/services and the procurement policy.
- Review & recommend changes to Authority's fee schedules.
- Annually, review scope and terms of Authority's insurance policies and liability coverage.

IV. Relationship to the Authority's Board

The above reviews/recommendations may be performed by the Authority Board, as a whole or directed to the Audit & Finance Committee at the Authority Board's request.