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MEETING NOTICE

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY AUDIT COMMITTEE

Members: Ari Brown – Chairman, Theodore Sasso Jr., Dan Grodotzke, John Ryan,
Fred Parola & Lorraine Rhoads

There will be a meeting of the **Audit Committee** members of the Town of
Hempstead Industrial Development Agency at **8:35 A.M. on Wednesday, September
23, 2015** The meeting will take place in the IDA Office, 350 Front Street, Room 234A,
Hempstead, New York. The Agenda will include:

- Review Draft of 2016 Budget
- Review Draft of 2016 Audit Committee Charter

9/16/15

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY 2016 AUDIT COMMITTEE CHARTER

This Audit and Investment Committee (“Committee”) Charter was adopted by the Board of the Town of Hempstead Industrial Development Agency (“Agency”), a public benefit corporation established under the laws of the State of New York, on this 28th day of October 2015.

Purpose

Pursuant to Article III, Section I of the Agency’s Bylaws, the purpose of the Committee shall be to: (1) assure that the Agency Board fulfills its responsibilities for the Agency’s internal and external audit process, the financial reporting 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 Agency Board.

Powers of the Committee

It shall be the responsibility of the Committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Agency employees, all of whom should be directed by the Board to cooperate with Committee requests.
- Meet with Agency staff, independent auditors or outside counsel, as necessary.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.

The Agency Board will ensure that the Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Committee shall be established as set forth in and pursuant to Article III of the Agency’s Bylaws. The Committee shall consist of at least three members of the Agency Board who are independent of Agency operations. The Agency’s board will appoint the Committee members and the Committee chair.

Committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

All members on the Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The Committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the authority.

The 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 Committee functions.

Meetings

The Committee will 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 the charter.

Members of the Committee are expected to attend each Committee meeting, in person or via telephone or videoconference. The 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 Committee will meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency.

Meeting agendas will be prepared for every Committee meeting and provided to Committee members along with briefing materials at least five (5) business days before the scheduled Committee meeting. The Committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings will be recorded.

Responsibilities

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

A. Independent Auditors and Financial Statements

The Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency 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 Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the committee.
- Review and approve the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and report issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Auditors

The Committee shall:

- Review with management and the internal audit director, the charter, activities, staffing and organizational structure of the internal audit function. The Committee shall have authority over the appointment, dismissal, compensation and performance reviews of the internal audit director.
- Ensure that the internal audit function is organizationally independent from Agency operations.
- Review the reports of internal auditors, and have authority to review and approve the annual internal audit plan.
- Review the results of internal audits and approve procedures for implementing accepted recommendations of the internal auditor.

C. Internal Controls, Compliance and Risk Assessment

The Committee shall:

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

D. Special Investigations

The Committee Shall:

- Ensure that the Agency 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 Agency 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.
- Review all reports delivered to it by the New York State Inspector General and serve as a point of contact with the Inspector General.

E. Other Responsibilities of the Committee

The Committee shall:

- Present annually to the Agency's Board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- 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 annually, reassess its adequacy, and recommend any proposed changes to the Agency's Board. The Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.

- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request Board approval for proposed changes.

(eyes)

(nays)

Dated: October 28, 2015

Resolution#