

Town of Rotterdam Industrial Development Agency

AUDIT COMMITTEE CHARTER

ARTICLE I

Establishment of Audit Committee; Core Responsibilities

The Board of Directors of the Agency authorized the establishment of the Audit Committee by resolution dated July 2008. This Charter sets forth the composition and basic responsibilities of the Audit Committee.

The core responsibilities of the Audit Committee, as mandated under Section 2824(4) of the New York Public Authorities Law, include: (i) recommending to the board the hiring of a certified independent accounting firm; (ii) establishing the compensation to be paid to the certified independent accounting firm; and (iii) providing direct oversight of the performance of the independent audit performed by the certified independent hired for such purpose.

ARTICLE II

Composition of the Audit Committee

The Audit Committee shall be comprised of two (2) or more members appointed by, and will serve at the direction and pleasure of the Town of Rotterdam Industrial Development Agency's Board of Directors. Individuals appointed to the Audit Committee should be knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to corporate financial and accounting practices. The chair of the Audit Committee shall be elected by and among the members of the Audit Committee. Each member of the Audit Committee shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified

Each member of the Audit Committee must be an "independent member" within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time.

ARTICLE III

Committee Meetings

The Audit Committee will meet a minimum of twice (2) each calendar year. Additional meetings may be necessary or appropriate to adequately fulfill the obligations and duties outlined in this Charter. All committee members are expected to attend each meeting in person or via videoconference.

Meeting notices and agendas will be prepared for each meeting and provided to Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. A quorum of the Audit Committee shall consist of a majority of the members then serving on the Audit Committee. The affirmative vote of a majority of the members then serving on the Audit Committee shall constitute an act of the Audit Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the Committee. All meetings shall comply with the requirements of the Open Meetings Law.

ARTICLE IV **Committee Duties and Responsibilities**

A. To accomplish the objectives of good governance and accountability, the Audit Committee has the following responsibilities as set forth below:

- (i) Recommend to the full board the appointment of and compensation for a certified independent accounting firm to conduct the annual independent financial audit;
- (ii) Oversee and pre-approve all audit and non-audit services provided by the certified independent accounting firm. The Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit committee;
- (iii) Met with the certified independent accounting firm to discuss any significant issues that may have surfaced during the course of the audit;
- (iv) Review the agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications and recommend to the full board whether such audit report should be approved;
- (v) Review and assess the effectiveness of the Agency's internal controls for the safeguarding of Agency assets;
- (vi) Develop and recommend to the full board, as necessary, any procedures or policies for the safeguarding of Agency assets;
- (vii) Investigate any report or suspicion of fraud, waste or abuse of Agency assets and make recommendations to the full board for corrective action.

ARTICLE V **Committee Reports**

The Audit Committee shall:

A. report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Audit Committee and when otherwise requested by the Board; and

B. report to the Board, at least annually, regarding any proposed changes to this Charter; and

ARTICLE VI
Amendments

This Charter may be amended upon affirmative vote of a majority of the Board of the Agency.