



**Yonkers Industrial Development Agency  
Audit Committee Meeting  
September 23, 2008**

**Present-Board Members**

Cecile Singer, Chairperson  
Martin Ball Sr., Member  
Michael Baratta, Member

**Non-Members Present**

Dennis Lynch, Yonkers IDA General Counsel  
Melvina Carter, Yonkers IDA CFO  
Pat Serenson – Accountant

**Roll Call**

Chairperson Singer called the Audit Committee Meeting to order at 9:27 a.m. Roll call was taken. The following Committee Members were noted to be present: Member Martin Ball, Sr. and Member Michael Baratta. A quorum was established for the conduct of business.

**Approval of Minutes of April 23, 2008 Meeting**

Chairperson Singer announced the first item on the agenda, which was the review and approval of the minutes of the April 23, 2008 meeting.

A motion to approve the Minutes of the April 23, 2008 Meeting was made by Michael Baratta and seconded by Martin Ball. *Approved 3-0*

**Review and Discussion of Engagement Letter for External Auditing Services for 2008 & 2009**

Chairperson Singer moved to the next item on the agenda and called everyone's attention to the O'Connor Davies Munnes and Dobbins' Engagement Letter. Chairperson Singer guided the discussion on the process that needs to be implemented going forward for the Audit Committee to engage the auditors. Going forward, the Audit Committee will interview auditing firms and the Chairperson will be included as a signatory on the Engagement Letter along with the President.

Chairperson Singer went on to acknowledge the Engagement Letter and scope of work were standard. Ms. Singer emphasized the fact that the Risk Rating was missing. Chairperson Singer explained some things have a higher chance of being a problem and stressed those items should be looked at. Ms. Singer provided some examples: how are

the internal accountant and the external auditors working together, what is their risk rating processes, etc.

Michael Baratta inquired the best way to get the discussed results. Mr. Baratta asked whether ODMD should provide a list to the Committee or would it be best for the Committee to give ODMD a list of items to risk rate. Chairperson Singer stated ODMD should generate the list since they are the experts in the field and would know the areas that are of concern to an agency of this size and kind.

Melvina Carter commented she would contact ODMD, Frank Granger and get information on the Risk Rating Process.

Chairperson Singer stated this letter is a 2 year engagement and stressed during this time the Audit Committee will develop a new process to follow when engaging the external auditing firm. Chairperson Singer then walked the committee through the scope. Ms. Singer noted was the need for a Pre-audit conference with the audit committee and indicated this was the time to discuss scope and risk rating process with the auditors. Next, under Issue Auditor's Report on financial statement and internal control, Chairperson Singer reminded the committee the Management Letter would contain constructive criticisms and hoped there would not be anything material in letter. With regard to Materiality, Ms. Singer reiterated the risks and stressed the need to look at these annually. Chairperson stated the committee must clearly understand the risks and encourage transparency and stressed these as critically important responsibilities of the committee.

Chairperson Singer reviewed the Auditor Responsibilities and noted they were pretty standard. Ms. Singer underlined the Auditors responsibility to call the Chair of the Audit Committee to discuss any significant deficiencies and material weaknesses along with any suspected fraud or illegal activity. The process would be for Chairperson Singer to receive the letter then call a meeting with President and internal accountant. Chairperson Singer also noted the IDA currently has a good system for a small structure and praised the internal accountant as being a safeguard.

Under Management Responsibilities, Chairperson Singer went through each item contained in the audit scope and pointed out which items the internal accountant, Pat Serenson, should look at. If questions arise, Mr. Serenson should notify Chairperson Singer.

Chairperson Singer then asked Mr. Serenson to discuss the status of the 2007 Management Letter items.

- Year-End Accounting

Mr. Granger's first comment was about the year end account and how it was important for the accounting consultant to familiarize himself with the necessary procedures to do a year end report/audit.

Mr. Granger noted that the Agency could not do its own financial statements, but with the new accountant Pat Serenson on board, whom Mr. Granger found had extensive experience, there were significant improvements in the reports from the IDA.

- Non-Cash Transactions
- Accounts Payable Reconciliations
- Segregation of Duties

### **Other Business**

Chairperson Singer reminded the Committee of the issue regarding the financial expert language contained in the Audit Committee Charter. Ms. Singer noted the committee is not comprised of financial experts and wanted the language amended to reflect the reality of the committee. Melvina Carter stated she would send a copy of the Charter to Dennis Lynch. Chairperson Singer directed Dennis Lynch to review the charter language and propose a suggestion for amendment. Mr. Lynch indicated he would look at the language and provide a draft recommendation for review in approximately one week.

Chairperson Singer then asked Melvina Carter to leave the room so the committee could talk with Pat Serenson and ascertain a level of cooperation from the IDA staff and see if there are any problems to address. Ms. Carter exited and was called back approximately 10 minutes later.

Chairperson Singer informed Ms. Carter that based on the discussion with Mr. Serenson there are no problems that need to be addressed at this time. Further, Ms. Singer indicated that she is pleased with the level of cooperation between the IDA staff and Mr. Serenson.

### **Adjournment**

After establishing that there was no further business before the Committee, Chairperson Singer requested a motion to adjourn the meeting.

A motion was made by Michael Baratta and seconded by Martin Ball, Sr. *Approved 3-0*  
Meeting adjourned at 9:54 a.m.