



**Yonkers Industrial Development Agency
Audit Committee Meeting
October 30, 2009**

Present-Board Members

Cecile Singer, Chairperson
Michael Baratta, Member

Absent Members

Martin Ball Sr.

Non-Members Present

Melvina Carter, Yonkers IDA CFO
Pat Serenson – Accountant
Frank Granger- Partner of ODMD
Charlie Mangiaracina – Partner of ODMD

Roll Call

Cecile Singer, Chairperson called the Audit Committee Meeting to order at 8:40 a.m. Roll call was taken. The following Committee Members were noted to be present: Cecile Singer and Martin Baratta. It was noted that Martin Ball was excused. A quorum was established for the conduct of business.

Approval of Minutes of March 11, 2009 and April 20, 2009 Meeting

Chairperson Singer announced the first item on the agenda, which was the review and approval of the minutes of the March 11, 2009 and April 20, 2009 meeting.

A motion to approve the Minutes of the March 11, 2009 and April 20, 2009 meeting was made by Michael Baratta and seconded by Cecile Singer. *Approved 2-0*

Revised Audit Committee Charter – Independent Auditor

Chairperson Singer announced the next item on the agenda, which was the Audit Committee Charter. Cecile Singer recommended for a change on page 2 that all members on the audit committee shall possess or obtain a basic understanding, however its important to put in if there are no professional or accountant that we do not hold ourselves out to be professional or accountants as member of Audit committee. Ms. Singer also stated that the whistleblower policy should be incorporated as an addendum to the Audit Committee Charter.

Cecile Singer added that the Committee is supposed to approve all audit services and costs. We must conform with the Audit Committee Charter. She asked the auditors for a written report.

Review and Discussion of Engagement Letter for External Auditing Services for 2009

Next Chairperson Singer directed the board and the accountants' attention to review the engagement letter for review. Ms. Singer gave a brief summary about the audit committee and explained to the accountants the structure of the Audit Committee. She also pointed out that if there are any materials errors it should go to the Chairperson of the Audit Committee. Chairperson Singer pointed out to the auditors that auditing must include examining on the 4th paragraph and auditing should also be on a test basis, policy and procedures should support the amounts. Further Ms. Singer stated we should have a risk based audit that is an important aspect. Ms Singer asked the accountants for an updated letter.

Frank Granger introduced Charles Mangiaracina to the Audit Committee members and informed everyone that he will be taking the lead of the IDA Audit. Mr. Granger mentioned he will be involved to the extent that the audit engagement transfers smoothly. Mr. Granger noted that there is a report from the state comptroller's office; they were here for 9 months and looking at every piece of paper produced in YIDA. Mr. Granger stated 2009 Audit and what is expected from external accountants and the YIDA is the focus today. Mr Granger outlined the audit timeline responsibilities and dates were confirmed. The Audit procedures will take place on January 25th and 26th of 2009. Frank Granger recognized all reports are due at the end of March to the State Comptroller and we noted the audit reports and management letter would be provided to the IDA and out the second week of March. Chairperson Cecile Singer inquired the about whether risk areas has been outlined. Frank Granger pointed out that the important areas were listed on page 9 of the Presentation of Audit Plan to the Audit Committee. Mr. Granger also noted that IDA does not have consistent pattern of revenue. Melvina Carter agreed that project closings are sporadic and pointed out that this past year notes were attached to the monthly financials to make it easier to track. Frank Granger read out loud the responsibilities of their firm to the YIDA that was written in their presentation of Audit Plan. Chairperson Singer asked Mr. Granger if he looks at the prior year financials to determine if anything needs to be forwarded to the New Year or before the audit is closed. Frank Granger replied yes to Cecile he also added that he would question why an amount is there. Cecile Singer asked Michael if he had any questions. Michael Baratta raised a question on the management responsibilities. Frank Granger added that its the process, policies, and procedures normally that you want to see an oversight from one person or one group to another even though your accounting clerk checks the checks before they go out. Ms. Carter stated someone at the IDA office logs the checks in before another staffer brings them to bank. In Addition, Ms. Carter clarifies that she reviews all checks before they go out for signature. Chairman Cecile Singer suggested that the Audit Committee should have a policy and procedure in place. It will make it easier for the auditors, they can audit against the policies and procedures and see what we have actually done and if

something needs to be changed. Ms. Carter reminded the committee that the Financial Manual contains the current financial procedures in place.

Michael Baratta inquired if the Audit Committee needs to write a written report and if they need to amend it. Mr. Granger did not know if it is a requirement. Melvina Carter added that it was a model that came from state comptroller's website for the PAAA and that we did some changes, she also added that annually we meet and look to see if there are any changes to be done. Changes can be made if necessary. Cecile suggested that in making a written report that Melvina should be part of it so this way we can have the right structure for it and the background material we need. Chairperson Cecile asked Melvina to step out. After the Committee's discussion shortly thereafter Melvina Carter was asked to re-join the meeting.

Pat Serenson briefly explained that the Agency is managing a grant for the City which has 12 employees and they have a separate ADP payroll for them and that he has scheduled the weekly payrolls. Frank asked if they flow through the agency payroll. Pat Serenson explained that they do run through the payrolls. They are running two payrolls one payroll ADP for the agency and one for the grant people, but really they are employees of the Agency. Frank also asked if there are any grants coming through the City. Melvina added that the grants are 100 percent funded and comes through the city and that the Mayor is personally responsible for the grant. The Board voted that the YIDA to oversee the personnel and some of their expenses. Jim La Perchce from the City gets the grant money and distributes the money to the YIDA when a request is made for reimbursement for, payroll, medical expenses etc.

Also Ms. Carter explained that YIDA set up a separate checking and ADP account for the Workforce Investment Board. Frank Granger stated that it will require some additional procedures and we will have to include this in the audit. Mr. Granger asked if the YIDA employees were getting an administrative fee for doing the task for the WIB. Melvina Carter answered affirmative and noted this week was the first time that they put in a fee for Ellen's, Laetitia and her time. Chairperson Singer asked Ms. Carter if it would be better off if the YIDA received a flat rate for a management fee. CFO Carter said the process is still being defined but be considered in the future.

Other Business

Finally, Melvina Carter informed the committee an organizational meeting for another LDC that eventually may add some work and information. NMSDC will help with the day lighting of the Saw Mill River and the acquisition of the property they will have to sign off on the LDA between the City and the SFC.

Adjournment A motion to adjourn was made at 9:40 a.m. by Michael Baratta and seconded Cecile Singer. **Approved 2-0**