



**Yonkers Industrial Development Agency  
Audit Committee Meeting  
December 19, 2007**

**Present-Board Members**

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

**Non-Members Present**

Melvina Carter, Yonkers IDA CFO  
Hezi Aris, Westchester Times  
Martin McGloven,  
John Gosgrove,  
Sam Terenzi, CPA

**Roll Call**

Chairperson Singer called the Audit Committee Meeting to order at 9:30 a.m. Roll call was taken. The following Committee Members were noted to be present: Michael Baratta and Martin Ball Sr. A quorum was established for the conduct of business.

**Welcome**

Chairperson Singer began by welcoming the Audit Committee Members. She also welcomed Mr. John Gosgrove, MD and Mr. Sam Terenzi, CPA.

**Approval of Minutes of July 11, 2007 Meeting**

Chairperson Singer announced the first item on the agenda, which was the approval of the minutes of the July 11, 2007 meeting. She began by pointing out that the date written in the minutes for the Engagement Letter needs to be adjusted to the correct year. Melvina Carter ensured the Committee an adjustment will be made.

A motion to approve the Minutes of the July 11, 2007 Meeting was made by Michael Baratta and seconded by Martin Ball Sr. *Approved 3-0*

**Distribution of Charter as passed in July 11, 2007 Meeting**

Chairperson Singer continued with the following item on the agenda, which was the Distribution of the Model Charter passed in the July 11, 2007 meeting. Chairperson Singer informed the committee that this charter is an outline of the committee member's

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duties as well as a structure of the committee itself. Cecile Singer stated that it is a model charter and it can be modified at any time.

Chairperson Singer asked the board to review this model charter for any necessary modifications. Furthermore, she commented that the committee has already begun to follow some of the structures inscribed in the charter.

### **Discussions with Agency Consultants**

Chairperson Singer briefly explained to the Committee the difference between the External Audit Firm and Internal Accountant. Ms. Singer then stressed the importance of their appearance in today's meeting for the need of delegation amongst these agency consultants.

Chairperson Singer then asked Mr. Sam Terenzi to present any additional information to the committee on the aspects of the Internal Accountant. Mr. Terenzi began by stating that both External and Internal firms are working together to prepare all instruments for this board. He continued that for the past 4 years financial statements have been prepared on a monthly basis with the help of Melvina Carter. Furthermore, Mr. Terenzi mentioned that upon receiving a phone call from the IDA that the bank statements are ready, he is there within a week to review them. Mr. Terenzi concluded that External and Internal firms are both aware of the sensitivity of this committee.

Chairperson Singer then restated that both the External Audit Firm and Internal Accountants need to speak to one another in order to interpret the plans back to the board. Written policies and procedures ordered by the IDA will be needed from these consultant agencies as well.

Committee member Martin Ball commented that he has recognized Mr. Terenzi's work for the past 4 years and feels that he has been able to adapt to adjustments and flexibility within the IDA. Chairperson Singer added that Mr. Terenzi has been generally able to answer any questions or concerns to the board. However, Ms. Singer continued, it is necessary for a more formal structure from Mr. Terenzi that would help for the eventual statements that come before the IDA.

Next, Chairperson Singer called on Mr. John Gosgrove for his presentation on the External Audit Firm. Ms. Singer mentioned the Agency did not receive a management letter from the audit firm. In addition, Ms. Singer stressed this letter is the basis of what this committee is entitled to understand that is supposed to be routinely provided by the External Auditors. Chairperson Singer expressed the critical need of the Management Letter for the Board. Mr. Gosgrove noted the management letter would be finalized and sent out.

Mr. Cosgrove then directed everyone to his presentation which he discussed in detail, mentioning their approach and delivery of the audit. Chairperson Singer requested

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Mr. Cosgrove to list the risk rates by priority on a high low situation, so they would know when and how often they are reviewed. Mr. Cosgrove said risk rates depend on policies and procedures and how they are followed. He further stated that the auditor's responsibility is to make sure that the Financial Statements are presented fairly.

Further, Mr. Cosgrove discussed significant Audit Areas in detail and said things could change or be altered as far as policies and procedures go, and he would alert Chairperson Singer in the event of anything out of the norm. Mr. Cosgrove noted their objectives are to audit and render an opinion on the financial statements and audit and render an opinion on the state cost report and he would keep everyone up to date to prevent fraud.

Chairperson Singer asked what their approach was regarding material weakness prior to it occurring. Mr. Cosgrove said he would analyze their approach in preparation of the audit that sometimes they have to tailor their approach. Chairperson Singer said she wanted to be able to catch problems before they happen, and we should be able to especially since everything that is worked on should be transparent and all our policies and procedures are outlined and should be followed as such. Martin Ball inquired if we were doing everything we are suppose to and if we were in compliance with policies and procedures. Mr. Cosgrove responded yes at this time.

Finally, Mr. Cosgrove stated that they are putting a General Ledger together and it will be ready by January 15<sup>th</sup> with most of the information inputted.

Martin Ball asked if the internal auditors are going to request the external auditor to do anything now. Mr. Cosgrove said it isn't necessary at this time but, could possibly in the future. Chairperson Singer then asked about the policies for records retention and internal and external whistleblowers and should we have policies and procedures in place and Mr. Cosgrove said that we definitely should. Chairperson Singer then asked Mr. Cosgrove for a model to sample for a better understanding.

In conclusion, Chairperson Singer said that prior to every meeting they would have a booklet with all IDA up to date information, emphasizing on how important it is that everything worked on be transparent so there are no questions on what our actions are. She felt the meeting was very positive, and thanked everyone for their participation.

### **Financial Reports - November 2007**

This report was discussed at the Regular Board Meeting.

### **Review Draft Outline of Finance Manual**

This report was discussed at the Regular Board Meeting.

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## **Other Business**

There was no other business.

## **Adjournment**

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

A motion was made by Martin Ball Sr., and seconded by Michael Baratta. *Approved 3-0*  
Meeting adjourned at 10:00 a.m.