

## **TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY AUDIT COMMITTEE CHARTER**

### **AUTHORITY and PURPOSE**

The Members of the Town of Bethlehem Industrial Development Agency ("Agency") established the Audit Committee (the "Committee") to assist the Members of the Agency in audit matters, including:

- Recommending to the Members the hiring of a certified independent accounting firm for the Agency;
- Establishing the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes.
- Fulfilling the responsibilities for oversight of the financial reporting process and the system of risk assessment and internal controls over financial reporting.

### **COMMITTEE MEMBERSHIP**

The Committee shall consist of at least three members and shall be appointed, and may be replaced, by the Agency. All members of the Committee shall meet the independence standards as specified in the Public Authority Accountability Act of 2005 ("PAAA") and, to the extent practicable, should be familiar with corporate financial and accounting practices.

### **MEETINGS**

The Committee shall meet as often as necessary to carry out its responsibilities. The Chairman of the Committee shall report on any Committee meetings held at the next regularly scheduled Agency meeting following the Committee meeting.

### **POWERS AND RESPONSIBILITIES**

The Committee shall have the power and responsibility to:

#### Independent Auditors and Financial Statements

- Appoint, compensate, and oversee the work of any certified independent public accounting firm employed by the Agency;
- Establish procedures for the engagement of the independent auditor to provide permitted audit services.
- Review and approve the report on the Agency's audited financial statements, associated management letter, report on internal control over financial reporting and on compliance and other matters and all other auditor communication.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

- 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.

#### Special Investigations

- 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 Members 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.

### **REQUIREMENTS FOR CERTIFIED INDEPENDENT PUBLIC ACCOUNTING FIRM**

Each certified independent public accounting firm that performs any audit for the Agency shall timely report to the Committee: (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Agency, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm; and (c) other material written communications between the certified independent public accounting firm and the management of the Agency, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

The certified independent public accounting firm providing the Agency's annual independent audit will be prohibited in providing audit services to the Agency if the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has performed audit services for the Agency in each of the five previous fiscal years of the Agency.

The certified independent public accounting firm performing the Agency's audit shall be prohibited from performing any non-audit services to the Agency contemporaneously with the audit, unless receiving previous written approval by the Committee including: (a) bookkeeping or other services related to the accounting records or financial statements of the Agency; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human services; (g) broker or dealer, investment advisor, or investment banking services; and (h) legal services and expert services unrelated to the audit.

It shall be prohibited for any certified independent public accounting firm to perform for the Agency any audit service if the chief executive officer, comptroller, chief financial officer, chief accounting officer, or any other person serving in an equivalent position for the Agency, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Agency during the one year period preceding the date of the initiation of the audit.

### **ANNUAL REVIEW**

The Committee shall review this Charter annually and recommend any proposed changes to the Agency for approval.