# NEW YORK STATE BRIDGE AUTHORITY

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ANDREW M. CUOMO, *Governor* JOSEPH RUGGIERO, *Executive Director*

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## Audit Committee Meeting Agenda
## March 20, 2014

Committee Members
Roger P. Higgins, Chairman
Joseph Ramaglia
C. Vane Lashua

I. Adopt the Minutes of the December 19, 2013 Meeting

II. Review Toski & Co. 2013 Annual Report

III. Review 2013 Public Authorities Law Section 2800 Report

IV. Review 2013 Public Authorities Law Annual Investment Report

V. Review Tronconi, Segarra & Associates Internal Auditor Report

VI. 2014 Internal Auditor Engagement

VII. Independent Accountant Services – Audit of Year-End 2014 Financial Statements

VIII. Other Business:

IX. Adjourn

# New York State Bridge Authority Audit Committee
# Meeting Minutes of December 19, 2013

The New York State Bridge Authority's Audit Committee met at the Authority's Headquarters in Highland, New York, at 3:05 p.m. on December 19, 2013.

In addition to Audit Committee members Chairman Roger P. Higgins, Joseph Ramaglia and C. Vane Lashua, those in attendance included:

Roderick O. Dressel
Richard Gerentine
Brian Bushek
Carl G. Whitbeck, Jr., Esq.

Upon a motion made by Mr. Higgins and seconded by Mr. Lashua the minutes of the September 19, 2013 meeting was approved unanimously.

Mr. Bushek noted the Audit Committee materially complied with all requirements of the Charter. The Audit Committee members reviewed the Annual Report on Committee activities. Upon a motion made by Mr. Higgins, seconded by Mr. Lashua the Annual Report of the Audit Committee was approved unanimously and will be sent to the full Board with the committee's recommendation for adoption.

## ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF THE NEW YORK STATE BRIDGE AUTHORITY

### Overview

Below is an outline of the Audit Committee charter requirements and the activities performed to meet those requirements. This summary will serve as the Audit Committees' review of its own activity for the year 2013.

**Meetings**

The Audit Committee conducted meetings on March 21, 2013, April 18, 2013, September 19, 2013, and December 19, 2013. This meets the requirement under the charter to have at least one meeting each quarter or four during 2013.

**Responsibilities**

1. Review and evaluate the independence, qualifications, and performance of the outside auditors and accountants, including (a) discussing with the outside auditors and accountants any disclosed relationships or services that may impact their objectivity and independence, (b) reviewing, at least annually, the outside audit and accounting quality control procedures; and (c) recommending retention of accountants and outside auditors.

**During the March 21, 2013 meeting, the committee satisfied the annual requirements of reviewing the outside Auditor's report on the 2012 financial**

**statements with John Rizzo of Toski & Co., P.C. In addition the committee reviewed the findings from the report of the contract Internal Auditor, Tronconi, Segarra, and Associates.**

2. Review and recommend to the Board the results of such evaluation of accountants and outside auditors and take any action the Committee deems appropriate based on the evaluation.

**Audit findings were reviewed during the March 21, 2013 meeting with actions taken for each audit recommendation fully implemented. All actions were confirmed implemented at the April 18, 2013 meeting.**

3. Review and act upon the scope of accountants' and outside auditors' reports.

**The full Board reviewed the audit which produced no audit findings/management letter to be acted upon. The committee would normally have reviewed the quality control system peer review report for Toski, Schaeffer & Co., P.C. once every three years. The last review was in 2010, however since Toski, Schaeffer & Co., merged with another firm and became Toski & Co. the three year peer review schedule is applied to the merged entity. The peer review report should be expected by the Audit Committee in 2014.**

Oversight of the Authority's Internal Audit Function:

4. Oversee the Authority's internal controls and compliance systems.

**During the March 21, 2013 meeting the committee satisfied the annual requirements by approving the Agreed-Upon-Procedures report from our contract internal auditor, Tronconi, Segarra, & Associates.**

5. Review the adequacy and direction of the Authority's internal audit function, including whether there are the necessary segregation of duties and clear chain of command procedures in place to maintain proper checks and balances.

**The committee contracted with Tronconi, Segarra & Associates to be the Internal Auditor during 2011 and finding 2012 performance acceptable awarded the third year of the three year contract at the September 19, 2013 meeting. The internal auditor is the mechanism by which the committee evaluates internal controls within the authority and acts upon the internal auditors findings. Segregation of duties requirements are satisfied through contracting the internal audit function as opposed to utilizing a staff position that contained additional operational job responsibilities.**

6. Approve the Authority's annual internal audit work plan and direct the activities of the internal control officer and internal auditor.

**The committee approved the three year Internal Audit Plan during the November 17, 2011 meeting. The audit plan was developed based upon a risk assessment prepared by the internal auditor in conjunction with the internal control officer.**

**The committee will review the final audit report for 2013 from the contracted internal auditor (Troconi, Segarra & Associates) after the 2013 Audit Plan test work is performed. The committee reviewed the 2012 report during the March 21, 2013 meeting.**

7. Review the adequacy and direction of the internal controls of the Authority in consultation with the outside auditors and the internal auditor.

**The committee reviewed the adequacy and direction of the Authority's internal controls with the internal auditor during its review of the three year Audit Plan at the November 17, 2011 meeting and the results of 2012 control testing during the March 21, 2013 meeting. In addition, this review was performed by the committee during the review of the 2012 Annual Report.**

8. Obtain and review management reports on internal controls.

**The committee reviewed and accepted the 2012 Internal Auditor's Report and the Annual Report during its March 21, 2013 meeting.**

Financial Statements and Disclosure Matters:

9. In conjunction with the Finance Committee, discuss with the Authority Board and appropriate Executives and Senior Staff of the Authority any significant financial reporting, accounting, and audit issues and judgments pertinent to the preparation and approval of the Authority's Financial Statements.

**No issue of significant financial reporting, accounting, and audit issues and judgments pertinent to the preparation and approval of the Authority's Financial Statements arose during 2013.**

10. In conjunction with the Finance Committee, consider major changes and other major questions of choice respecting the appropriate auditing and accounting principles and practices to be used in preparing the Financial Statements.

**No significant issues related to major changes and other major questions of choice respecting the appropriate auditing and accounting principles and practices**

**pertinent to the preparation and approval of the Authority's Financial Statements have been identified for 2013.**

Compliance Oversight Responsibilities:

11. Resolve disagreements with respect to, and oversee compliance with, accounting policies and principles.

**No disagreements with respect to accounting policies and principles have been identified in 2013.**

12. Serve as a channel of communication among the internal auditor, accountants, outside auditors, the Finance Committee and the members of the Authority Board.

**The audit committee serves as the channel of communications for relevant parties where appropriate.**

13. Report regularly to the Authority Board on the Committee's deliberations and recommend to the Board any action the Committee deems appropriate with respect to any issues that arise concerning compliance with legal or regulatory requirements, performance and independence of the outside auditors, or performance of the internal auditors and, in conjunction with the Finance Committee report on the quality or integrity of the Financial Statements.

**No issues arose of this nature during 2013 that required deliberations.**

14. Review all reports and draft reports delivered by the Office of the State Comptroller to the Authority, and recommend to the Authority Board any action the Committee deems appropriate based on the scope of such reports.

**No reports or draft reports by the Office of the State Comptroller were received in 2013.**

15. Establish procedures for the receipt, retention, investigation, and/or referral to the New York State Inspector General of complaints received by the Authority regarding accounting, internal controls, and auditing.

**The Audit Committee approved the procedure on Internal Control Violation Complaints (attached) during the December 2010 meeting. The committee has reviewed and recommends no revisions for 2013.**

16. Review all reports and draft reports delivered by the State Inspector General to the Authority, and serve as a point of contact with such Inspector General.

**No reports or draft reports by the State Inspector General were received during 2013.**

17. Investigate compliance with the Authority's policies and/or referring instances of non-compliance to the State Inspector General for investigation.

**No reports of non-compliance with the Authority's policies were received during 2013.**

Other Responsibilities:

18. Review and reassess annually the adequacy of this charter and request Board approval for proposed changes.

**The Audit Committee adopted its current amended charter (attached) in June 2010 making changes it deemed appropriate. No further revision was determined necessary during 2013 and this document is evidence of annual review.**

19. Confirm annually that all responsibilities outlined in this charter have been carried out.

**This outline will serve as the confirmation that responsibilities outlined in the charter have been carried out for 2013.**

20. Institute and oversee special investigations as needed.

**No special investigations were required or in progress for 2013.**

21. Perform such other duties as the Committee considers appropriate.

**No other duties had been identified for 2013.**

22. Where necessary, consult with the Finance Committee.

**The March 21, 2013 committee meeting was a joint meeting with the Finance Committee to review the 2012 Annual Report and Internal Auditor's Report. The September 19, 2013 meeting was a joint meeting with the Finance Committee to review the Budget and Financial Plan for 2014-2017.**

Mr. Bushek reviewed the Independent Account Services Contract for the Audit of Year-End 2013 Financial Statements. Upon a motion made by Mr. Higgins and seconded by Mr. Lashua the Independent Account Services for the Audit of Year-End 2013 Financial Statements was accepted and will be sent to the full Board with the committee's recommendation for adoption.

Having no other business, the meeting adjourned at 3:10 pm.