

# Cayuga County Industrial Committee Structure and Committee Membership FY 2012

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## **Introduction**

The Cayuga County Industrial Development Agency (“CCIDA” or the “Agency”) has established a standing committee structure focused on good governance and compliance with both 2005 PAAA and 2009 PARA requirements.

On October 18, 2011 the Agency adopted certain revisions to the Agency By-laws, and adopted certain revised policies and committee charters of the Agency to achieve compliance with Chapter 506 of the Laws of 2009, the Public Authority Reform Act of 2009 (“PARA”) and further good governance of the Agency. With these changes, the CCIDA now reports Board Membership on the following committees:

### **CCIDA AUDIT & FINANCE COMMITTEE (Formerly the Audit Committee):**

**Audit Committee Established October 18, 2011**

**Board Member Mr. John Latanyshyn**

**Board Member Mr. Herb Marshall**

**Board Member Mr. Raymond Lockwood**

### **CCIDA GOVERNANCE COMMITTEE:**

**Governance Committee Established October 18, 2011**

**Board Member Mr. Vijay Mital (CCIDA Chair)**

**Board Member Ms. Carol Contiguglia (Vice Chair)**

**Board Member Mr. Paul J. Lattimore, Jr.**

**Board Member Ms. Gina Speno**

## **CCIDA AUDIT AND FINANCE COMMITTEE CHARTER (Adopted 10/18/11)**

### ***I. Purpose***

Pursuant to the By-laws of the Cayuga County Industrial Development Agency (the “Agency”), and in accordance with the Public Authorities Accountability Act of 2005 and Public Authority Reform Act of 2009, there is established an Audit and Finance Committee of the Agency whose purpose shall be to (1) assure that the Agency’s board fulfills its responsibilities for the Agency’s internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors; and (3) review proposals for the issuance of debt by the Agency and make recommendations regarding such proposals.

### ***II. Powers of the Audit and Finance Committee***

It shall be the responsibility of the Audit and Finance committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.
- 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 board to cooperate with committee requests.
- Meet with Agency staff, independent auditors or outside counsel, as necessary.
- Review proposals for the issuance of debt and make recommendations.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.

The Agency Board will ensure that the Audit and Finance Committee has sufficient resources to carry out its duties.

### ***III. Composition of Committee and Selection of Members***

The Audit and Finance Committee shall consist of at least three members of the Agency Board who are independent as defined in the Public Authorities Accountability Act of 2005. The Agency Board will appoint the Audit and Finance Committee members and the committee chair.

Audit and Finance Committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, audit and finance committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business

relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

Ideally, all members on the Audit and Finance Committee shall possess or obtain a basic understanding of governmental financial reporting, auditing and debt issuances. The audit and finance committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the Agency.

The Audit and Finance Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls, 5) debt issuances and 6.) an understanding of Audit and Finance Committee functions.

#### **IV. Meetings**

The Audit and Finance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit and Finance Committee are expected to attend each committee meeting, in person or via videoconference. The audit and finance committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit and Finance Committee will meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency.

Meeting agendas will be prepared for every meeting and provided to the audit and finance committee members along with briefing materials 5 business days before the scheduled audit and finance committee meeting. The audit and finance committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings will be recorded.

#### **V. Responsibilities**

The Audit and Finance Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Agency's internal auditors; (c) oversight of management's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; and (e) issues related to debt issuance and the financial practices of the Agency.

#### **A. Independent Auditors and Financial Statements**

The Audit and Finance Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit committee. Non-audit services include tasks that directly support the Agency's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- 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.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- 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.

#### **B. Internal Controls, Compliance and Risk Assessment**

The Audit and Finance Committee shall:

- Review management's assessments of the effectiveness of the Agency's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

#### **C. Special Investigations**

The Audit and Finance Committee shall:

- Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.

- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation.

**D. Other Responsibilities of the Audit and Finance Committee**

The Audit and Finance Committee shall:

- Review proposals for the issuance of debt and to make recommendations.
- Present annually to the Agency Board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls, debt issuances and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the Agency. The Audit and Finance Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

*This Audit and Finance Committee Charter was adopted by the Board of the Agency on October 18, 2011.*

## **CCIDA GOVERNANCE COMMITTEE CHARTER** **(Adopted 10/18/11)**

### ***Purpose***

Pursuant to the By-laws of the Cayuga County Industrial Development Agency (the “Agency”), and in accordance with the Public Authorities Accountability Act of 2005 and Public Authority reform Act of 2009, there is established a Governance Committee of the Agency whose purposes shall include:

- Keeping the Agency Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Agency,
- Updating the Agency’s corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Agency Board on the skills, qualities and professional or educational experiences necessary to be effective Agency Board members.

### ***Powers of the Governance Committee***

The Agency Board has delegated to the Governance Committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from Agency staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Agency’s expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Agency Board’s adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Agency Board for its approval.

### ***Composition and Selection***

The Governance Committee shall be comprised of at least three (3) independent members, with the size of the Governance Committee to be determined by the Agency Board from time to time. The Governance Committee members shall be appointed by, and will serve at the discretion of the Agency’s Board of Directors. The Agency Board may designate one member of the Governance Committee as its Chair. The members shall serve until their resignation, retirement, removal by the Agency Board or until their successors shall be

appointed and qualified. When feasible, the immediate past Governance Committee Chair will continue serving as a member of the Governance Committee for at least one year to ensure an orderly transition.

The Governance Committee shall consist of at least three independent members as defined by the Public Authorities Accountability Act of 2005 and shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, governance committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

The Governance Committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

### ***Committee Structure and Meetings***

The Governance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via videoconference.

Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings are to be recorded.

### ***Reports***

The Governance Committee shall:

- Report its actions and recommendations to the Agency Board at the next regular meeting of the Board.
- Report to the Agency Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the governance committee's functions on an annual basis.

### **Responsibilities**

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to:

- (a) The Agency's Board;
- (b) Evaluation of the Agency's by-laws and policies;
- (c) Examine ethical and conflicts of interest;
- (d) Perform board self-evaluations; and
- (e) Other miscellaneous issues.

### **Relationship to the Agency's Board**

The Agency Board has delegated to the Governance Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Agency Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.
- In addition, the governance committee shall:
- Develop and recommend to the Agency Board the number and structure of committees to be created by the Board.
- Develop and provide recommendations to the Agency Board regarding Board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of the board, its committees and senior management in the Agency's governance process.

### **Evaluation of the Agency's Policies**

The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary the Agency's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.



- Develop and recommend to the Agency Board any required revisions to the Agency’s written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Agency Board any required revisions to the Agency’s equal opportunity and affirmative action policies.
- Develop and recommend to the Agency Board any required updates on the Agency’s written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency’s procurement process.
- Develop and recommend to the Agency Board any required updates on the Agency’s written policies regarding the disposition of real and personal property.
- Develop and recommend to the Agency Board any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency’s Board, such as the Agency’s By-laws. The Governance Committee will oversee the implementation and effectiveness of the By-laws and other governance documents and recommend modifications as needed.

### ***Other Responsibilities***

The Governance Committee shall:

- Review on an annual basis the compensation and benefits for the senior Agency officials.
- Annually review, assess and make necessary changes to the Governance Committee charter and provide a self-evaluation of the governance committee.
- Examine ethical and conflicts of interest.

***This Governance Committee Charter was adopted by the Agency Board on October 18, 2011.***