
TOWN of WILTON
WATER and SEWER AUTHORITY
20 TRAVER ROAD
GANSEVOORT, NEW YORK 12831

AUDIT COMMITTEE MEETING AGENDA
July 16, 2024@ 4:40 p.m.
WILTON TOWN HALL

2024 REGULAR MEETING OF AUDIT COMMITTEE CALLED TO ORDER

REVIEW AND APPROVAL OF 9/26/23 MEETING MINUTES

CHAIRMAN'S REPORT

- WELCOME AND THANK YOU TO THE MEMBERS AND ADVISORS.
- DISCUSSION AND REVIEW OF 2023 AUDIT INCLUDING HISTORY FINANCIAL STATEMENTS AND ACCOUNTING POLICIES
- DISCUSSION AND REVIEW OF WWSA INTERNAL CONTROLS AND RISK MANAGEMENT
- DISCUSSION AND REVIEW ANY ETHICS OR CONFLICT OF INTEREST ISSUES
- REVIEW AUDIT COMMITTEE CHARTER TO ENSURE ALL RESPONSIBILITIES HAVE BEEN MET

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WATER and SEWER AUTHORITY
20 Traver Road
Gansevoort, New York 12831

AUDIT COMMITTEE

September 26, 2023

Present: Dave MacDougall, Chairman; Scott Duffy, Vice Chairman; Evan Schneider, Treasurer;
Dave Huestis, Secretary; Joe Stadelmeyer, Boardmember

Chairman MacDougall called the meeting to order at 4:51 p.m.

Approve Pending Minutes

Chairman MacDougall asked for a motion to approve the September 20, 2022 meeting minutes. Vice Chairman Duffy offered the following resolution and moved its adoption:

RESOLUTION: #23-01A

NOW, THEREFORE, BE IT RESOLVED, to approve the minutes of the September 20, 2022 Wilton Water & Sewer Authority Audit Committee meeting as typed, without amendment.

The adoption of the foregoing resolution was seconded by Secretary Huestis, duly put to a vote and the resolution was declared adopted with all Board members present voting in favor.

Review 2022 Audit, Financial Statements & Accounting Policies

The committee reviewed the auditors financial reporting & accounting policies, WWSA internal controls and risk management, ethics and conflicts of interest. The Board heard from the auditors via zoom during the last regular Board meeting and received a clean audit. No concerns were raised by the Board and were satisfied with internal auditor's quality control procedures.

ADJOURNMENT

There being no further business brought before the Audit Committee, at 4:53 p.m. on a motion by Treasurer Schneider and seconded by Secretary Huestis, Chairman MacDougall adjourned the meeting with all in favor.

WILTON WATER and SEWER AUTHORITY ("WWSA")

AUDIT COMMITTEE

This Charter for the Audit Committee was adopted by the Wilton Water and Sewer Authority Chair and a majority of the members of the WWSA, a public benefit corporation established under the laws of the State of New York, on this 24 day of 10, 2006.

I. PURPOSE

The Audit Committee (the "Committee") shall assist and provide guidance to the WWSA Chair and the Board in monitoring and overseeing (a) the conduct of the WWSA's financial reporting process, the application of accounting principles, and the engagement of the WWSA's outside accountants; (b) the WWSA's internal controls and risk management systems; and (c) general matters relating to legal, regulatory and ethical compliance at the WWSA.

II. COMMITTEE AUTHORITY

The Committee's role is one of oversight. In carrying out this oversight function, the chairperson of the Committee (the "Committee Chair") and the vice-chairperson of the Committee (the "Committee Vice-Chair") shall have additional responsibilities, as set forth in Section VI of this Charter. The Committee Chair and/or the Committee Vice-Chair regularly shall report to the entire Committee their findings with respect to these additional responsibilities and refer to the entire Committee for its consideration any matter relating thereto as the committee Chair and/or the Committee Vice-Chair deem necessary or appropriate.

Notwithstanding these oversight responsibilities, the WWSA is responsible for preparing their own financial statements and the respective outside auditors are responsible for auditing the respective financial statements. The Committee, the Committee Chair, and the Committee Vice-Chair recognize that the WWSA Comptroller and the outside auditors have more time, knowledge and detailed information about the WWSA than do Committee members. Consequently, in carrying out its oversight responsibilities, no member of the Committee shall be deemed to provide (i) any expert or special assurance as to the financial statements of the WWSA or (ii) any professional certification as to the work of any outside auditor.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the Committee Chairman and/or Vice Chairman shall have access to all books, records, facilities and staff of the WWSA. With the prior approval of the WWSA Chair or a majority of the Board, the Committee may

retain, compensate and/or terminate outside counsel, auditors or other experts as it deems necessary and will receive adequate funding from the WWSA to engage such advisors in accordance with WWSA procedures.

III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the WWSA Chair. The WWSA Chair shall appoint the Committee Chair and the Committee Vice-Chair. A member of the Committee may be removed, for cause or without cause, by the WWSA Chair. In the absence of the Committee Chair or the Committee Vice-Chair at a meeting of the Committee, the WWSA Chair shall appoint a temporary chairperson to chair such meeting. No member of the Committee shall be employed by (a) the WWSA, or (b) a private entity that does, or is likely to do, business with the WWSA. Insofar as practicable, at least one member of the Committee shall have financial experience.

IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least once per year, and more frequently as circumstances dictate. The Committee will cause to be kept adequate minutes of all its proceedings and records of any action taken, and will report on its proceedings and any action taken to the next full meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting. The Committee shall be governed by the same rules regarding meetings, notice, quorum, and voting requirements as are applicable to full meetings of the Board, including without limitation any applicable provisions set forth in the Public Authorities Law and Article 7 of the Public Officers Law.

The Committee may request that any member of the Board, the WWSA Comptroller, the Chief Compliance Officer, any officer or staff of the WWSA, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests.

V. COMMITTEE REPORTS

The Committee Chair shall report on the Committee's proceedings, and any recommendations made.

VI. KEY RESPONSIBILITIES OF COMMITTEE CHAIR AND VICE-CHAIR

1. The following responsibilities are set forth as a guide. The Committee Chair and the Committee Vice-Chair are authorized to carry out these and such other responsibilities assigned by the Committee, the WWSA Chair or the Board, from time to time, and take any actions reasonably related to the mandate of the Charter.

To assist the Committee in fulfilling its purpose, the Committee Chair and/or the Committee Vice Chair shall:

Auditors, Financial Statements & Accounting Policies:

1. review and discuss with the WWSA comptroller and the relevant WWSA employees, any audit problems or difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information and advise the Committee as to how to resolve any disagreements regarding financial reporting;
2. inquire as to the outside auditor's view of the accounting treatment related to significant new transactions or other significant matters or events not in the ordinary course of business;
3. review and discuss with the WWSA Comptroller, the relevant WWSA employees, and each outside auditor any material financial or non-financial arrangements that do not appear on the financial statements of the WWSA;
4. review and discuss with the WWSA Comptroller and each outside auditor: (i) any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by any outside auditor to the WWSA;
5. review with the WWSA comptroller and the outside auditor the periodic financial statements and footnotes of the WWSA and discussing the adequacy of the system of internal and the appropriateness of the accounting principles used, and the judgments made, in the preparation of such periodic financial statements;
6. meet annually (or more frequently if necessary) with each respective outside auditor (without the WWSA Comptroller or other officers or staff of the WWSA present) to discuss the periodic financial statements of the WWSA.

Internal Controls & Risk Management:

7. together with the Auditor and the Chief Compliance officer, review, discuss (if necessary) investigate compliance with WWSA policies;

8. review and discuss with the WWSA Comptroller, the Chief Compliance Officer, the relevant employees of the WWSA: (i) any significant deficiencies in the design or operation of the internal controls of the WWSA (ii) any fraud, whether or not material, involving any WWSA employees and (iii) related findings and recommendations of the outside auditors together with management's responses;
9. review and discuss with the WWSA Comptroller, the Chief Compliance Officer, the relevant WWSA employees, and WWSA's risk assessment and risk management systems, and oversee the underlying policies with respect to risk assessment and risk management;

Miscellaneous:

10. submit to the entire Committee for its consideration any matters (including matters relating to the foregoing) that the Committee Chair and/or Committee Vice-Chair deem seem should appropriately be considered by the entire Committee; and
11. report regularly to the Committee on the findings and recommendations of the Committee Chair and the Committee Vice-Chair relating to the foregoing, and on any other matters the Committee Chair and/or the Committee Vice-Chair deem appropriate or the Committee, the WWSA Chair or the Board request.

VII. KEY RESPONSIBILITIES OF THE COMMITTEE

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the WWSA Chair or Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

Auditors, Financial Reporting & Accounting Policies:

1. consultation with the WWSA Comptroller and the officer primarily responsible for the finances of the WWSA, oversee the work of the WWSA's Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, compensation of the outside WWSA's auditors;

2. review and provide guidance to the Board with respect to any auditing and non-auditing services provided to the WWSA by any of the WWSA's outside auditor;
3. review and provide guidance to the Board with respect to the annual audit plan as proposed by the WWSA Comptroller in consultation with the WWSA Executive Director;
4. review and discuss with the WWSA Comptroller, the relevant WWSA employees, each outside auditor, and the internal auditors: (i) any significant audit findings during the year, including the status of previous audit recommendations; (ii) any changes required in the scope of the audit plan; (iii) the audit budget and staffing; and (iv) the coordination of audit efforts in order to monitor completeness of coverage, reduction of redundant efforts, and the effective use of audit resources;
5. review and discuss with the WWSA Comptroller, the relevant WWSA employees, and the outside auditor accounting policies that may be viewed as critical, as well as any recent or proposed significant changes in WWSA accounting policies; and inquire as to the outside auditors' views as to the application of accounting principles;
6. monitor the consistency and comparability of the financial reporting processes of the WWSA;
7. monitor the integrity, consistency and comparability of the financial reports and other financial information provided by the WWSA to any other governmental or regulatory body, the public or other uses thereof, including reconciliations where necessary;
8. review and provide guidance to the Board with respect to in the appointment, compensation and (if necessary) dismissal of the Comptroller;
9. at least annually, review with the WWSA Comptroller a report by each outside auditor describing: (i) such outside auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the outside auditor and the WWSA;

10. on an annual basis, in each case together with the WWSA Comptroller: (i) review a formal written statement from each outside auditor delineating all relationships between such outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of such outside auditor and take appropriate action in response to such outside auditor's report to satisfy itself of such auditor's independence; (iii) consider whether, in the interest of assuring continuing independence of each outside auditor, the WWSA's respective outside auditors should be rotated; and (iv) set clear hiring policies for employees or former employees of the outside auditors;

Internal Controls and Risk Management:

11. review and discuss with the WWSA Comptroller, the Chief Compliance Officer, the relevant employees, and each outside auditor the adequacy of the WWSA's internal and disclosure controls and procedures;
12. together with the Chief Compliance Officer, review and discuss with the relevant WWSA employees, and each outside auditor any significant risks or exposures and assess the steps such employees have taken to minimize such risks;
13. review periodically with the Chief Compliance Officer and the Counsel of the WWSA: (i) legal and regulatory matters that may have a material impact on the financial statements of the WWSA and (ii) the scope and effectiveness of compliance policies and programs;

Ethics & Conflicts of Interests:

14. together with the Chief Compliance Officer, review periodically with the relevant WWSA employees the level of compliance with all applicable ethics codes, guidelines, and regulations;

Miscellaneous:

15. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
16. review and reassess the adequacy of the Charter annually;
17. consider any matter referred to the entire Committee by the Committee Chair and/or Vice-Chair.