

The Dormitory Authority of the State of New York Audit Committee Video Conference Meeting was held at DASNY's Albany Office located at 515 Broadway, Albany, New York and New York City Office, One Penn Plaza, 52nd Floor, New York, New York on Tuesday, October 9, 2018 at 4:35 p.m.

The Meeting was called to order by the Audit Committee Chair. Roll call was taken. Those Audit Committee Members present and absent were as follows:

Audit Committee Members Present – Albany

Jonathan H. Gardner, Esq., Audit Committee Chair
John B. Johnson, Jr., Audit Committee Member

Audit Committee Members Present – New York City

Beryl L. Snyder, Esq., Audit Committee Member
Paul S. Ellis, Esq., Audit Committee Member

Other Board Members Present—Albany

Alfonso L. Carney, Jr., Board Chair
Gerard Romski, Esq., Member
Tracy Fay Raleigh, Designated Representative of the Commissioner of Health (ex officio)

Also Present - Dormitory Authority Staff - Albany

Gerrard P. Bushell, President
Michael T. Corrigan, Vice President
Michael E. Cusack, Esq., General Counsel
Kimberly J. Nadeau, Chief Financial Officer
Portia Lee, Managing Director of Public Finance and Portfolio Monitoring
Caroline V. Griffin, Chief of Staff
Ricardo Salaman, Esq., Managing General Counsel
Sara P. Richards, Associate General Counsel
Kathy Ebert, Director, Internal Audit
Karen E. Ehlinger, Manager, Internal Control Analysis
Michael L. Johnson, Assistant General Counsel
Deborah K. Fasser, Director, Communications & Marketing

PUBLIC SESSION

Audit Committee Chair Gardner called the Audit Committee Meeting to order. The Minutes of the June 19, 2018 Audit Committee Video Conference Meeting were reviewed and approved.

Internal Audit Charter – Annual Review

Audit Committee Chair Gardner directed the Committee Members' attention to the Annual Review of the Internal Audit Department Charter. He stated that, on an annual basis, the Audit Committee reviews the Charter pursuant to the *Standards for the Professional Practice of Internal Auditing*.

Audit Committee Chair Gardner reported that staff is not recommending any changes to the Internal Audit Charter. The Committee Members agreed that no changes are needed at this time and unanimously reapproved the Charter in its current form.

Internal Audit Report

Ms. Ebert informed the Committee Members that the Internal Audit Department Charter and the Standards for the Professional Practice of Internal Auditing require certain communications to be made to the Audit Committee on an annual basis. She stated that the required communications include confirmation of the organizational independence and objectivity of the Internal Audit Department; the Internal Audit Department's conformance with the Institute of Internal Auditors ("IIA") Code of Ethics and the Standards; and the Internal Audit Department's purpose, authority, and responsibility.

Ms. Ebert stated that every year, the Internal Audit team members complete an independence and objectivity statement and affirm to the best of their knowledge whether they are aware of any potential threats that might impair independence or objectivity and acknowledge that they are required to report any future impairment if and when it occurs. She further stated that the signed statement acknowledges that they have read and understand the IIA's Standards on independence and objectivity; the IIA's Code of Ethics; DASNY's Code of Ethics; and DASNY's Internal Audit Manual and Internal Audit Department's policies and procedures. Ms. Ebert informed the Committee Members that there have been no impairments to date, and there were no recommended changes to the Internal Audit Department's purpose, authority, and responsibility as outlined in the Charter.

Ms. Ebert stated that the Charter also recognizes that the Internal Audit Department is governed by mandatory elements of the IIA's International Professional Practices Framework ("IPPF"). She explained that the four parts of the IPPF framework are the Core Principles; the Code of Ethics; Standards; and a definition of internal auditing. Ms. Ebert informed the Committee Members that each staff member in the Internal Audit Department is familiar with the framework, and has a copy of the IIA's "Red Book" as a reference guide. She stated that the mandatory guidance represents two major components—the requirements of the professional practice of Internal Auditing and the effectiveness of the activities of the Internal Audit Department. Ms. Ebert further stated that the effectiveness component is accomplished through quality reviews. She reminded the Committee Members that an internal quality review is completed each year, and an external peer review is undertaken every five years.

Ms. Snyder moved that the Committee Members go into Executive Session to discuss the financial and credit history of particular corporations, proposed, pending or current litigation and

the employment history of persons or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons. Mr. Ellis seconded the motion, and the Committee Members went into Executive Session.

EXECUTIVE SESSION

During Executive Session, no action was taken other than a motion to return to Public Session.

PUBLIC SESSION

The Audit Committee Meeting was adjourned at approximately 5:15 p.m.

Respectfully submitted,

Michael E. Cusack, Esq.
Assistant Secretary