

A Video Conference Meeting of the Audit Committee of the Dormitory Authority of the State of New York (“DASNY”) was held on Tuesday, October 12, 2021 with proceedings commencing at 4:30 p.m.

Call to Order / Roll Call

The Meeting was called to order by Jonathan Gardner, Audit Committee Chair, at 4:32 p.m. and a quorum was declared present.

The following Board Members and Staff were present:

Committee Members (joining via Zoom):

Jon Gardner, Esq., Audit Committee Chair
John B. Johnson, Jr., Committee Member
Beryl Snyder, Esq., Committee Member
Joan M. Sullivan, Committee Member

Board Members (joining via Zoom):

Alfonso Carney, Board Chair
Ken Evans, Board Member, Designated Representative of the Department of Health (ex officio)

Staff (joining via Zoom):

Reuben R. McDaniel, III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Kimberly A. Ellis, Chief Financial Officer
Nadine Fontaine, Esq., General Counsel
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Caroline V. Griffin, Chief of Staff
Kathy Ebert, Senior Director, Internal Audit
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration
Ricardo Salaman, Esq., Deputy General Counsel
Karen Ehlinger, Manager Internal Control Analysis
Li Xu, Manager Accounting
Diane Felitte, Executive Administrator, Governance and Administration

Others (joining via Zoom)

Maria Zimmerman, KPMG
Jeffrey Koch, KPMG
Ryan Kenyon, KPMG

APPROVAL OF JUNE 22, 2021 AUDIT COMMITTEE MEETING TRANSCRIPT

Upon a motion by Ms. Sullivan and a second by Ms. Snyder, the Transcript of the DASNY June 22, 2021 Audit Committee Meeting was approved unanimously.

ANNUAL REVIEW – AUDIT COMMITTEE CHARTER AND INTERNAL AUDIT CHARTER

Chair Gardner noted that the Committee was being asked to undertake its annual review of the Audit Committee Charter and the Internal Audit Charter. There were no changes being recommended to either document. The Committee Members agreed that no changes were needed at this time and the review was deemed completed.

KPMG AUDIT PLAN PRESENTATION

Chair Gardner introduced Marie Zimmerman and Jeffrey Koch of KPMG and asked them to give the 2021-22 Audit Plan Presentation.

Ms. Zimmerman thanked the Audit Committee and Management for their continued support. She then spoke about Environmental, Social and Corporate Governance (ESG) and KPMG's diversity, equity and inclusion plan. Ms. Zimmerman explained that ESG is becoming increasingly important in the financial and other industries, although the specific parameters are not yet well-defined. Ms. Zimmerman stated that DASNY is ahead of many other entities in developing and supporting diversity, inclusion, and other matters considered as components of ESG.

She noted that there would be a change to the team this year as Jeffrey Koch has been promoted to Audit Managing Director and will be working parallel to Ms. Zimmerman as Lead Audit Partner. Ryan Kenyon will assume the role of Lead Engagement Manager. KPMG will continue to work with two MWBE subcontracting firms, Long Island Financial Management Services and Valles Vendiola.

Mr. Koch gave the standard Audit Plan Report, setting forth the anticipated timeline. He summarized the required communications and noted the key audit areas, which are consistent with past practice. As they have done previously, KPMG will also involve their tax, actuarial, and information technology specialists to assist with risk assessment and other matters. He summarized the upcoming Accounting pronouncements, including GASB 94, regarding Public Private Partnerships. Ms. Zimmerman agreed to provide either a white paper or a summary of the salient provisions to date.

The Board Chair and Mr. Gardner emphasized that they want to address cyber-security to the maximum extent practicable. Ms. Zimmerman reminded the Members that an external firm undertook an evaluation approximately three years ago, and suggested it may be time to update it. Mr. Gardner indicated that he and President McDaniel had discussed cybersecurity matters and have agreed on the importance of the issue and future steps to be taken.

The Members discussed ESG and its impact on the DASNY organization and DASNY's clients. President McDaniel indicated that DASNY assists its clients in meeting their own environmental goals and shares information about best practices from a sustainability standpoint. The Members also discussed the importance of cybersecurity.

INTERNAL AUDIT UPDATE

Ms. Ebert gave the Internal Audit Update. She reported that 12 audits have been completed this year, and 7 are in progress at various stages. Ms. Ebert noted that Internal Audit is planning an equipment inventory audit that will be completed once employees return to the office after working remotely for nearly two years.

Ms. Sullivan 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 histories of particular persons with matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons. Ms. Snyder seconded the motion and the Committee went into Executive Session.

EXECUTIVE SESSION

PUBLIC SESSION

The Chair noted that while in Executive Session no action was taken, other than to return to public session.

ADJOURNMENT

Ms. Snyder moved to adjourn the meeting. The motion was seconded by Ms. Sullivan and the meeting adjourned at 5:42 p.m.

Respectfully submitted,

Sara P. Richards
Assistant Secretary