

**STEUBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**AUDIT/FINANCE COMMITTEE CHARTER**

This Charter shall also serve as the charter for the Audit/Finance Committee of the Steuben County Industrial Development Agency (the “Agency”).

**ARTICLE I**  
**Core Functions**

The core functions of the Audit/Finance Committee are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices; (ii) maintaining, by way of regularly scheduled meetings, a direct line of communication between the members of the Agency and the Agency’s independent accountants and auditors to provide for exchanges of views and information; (iii) maintaining, as appropriate, a direct line of communication between the members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; and (v) review proposals for the issuance of debt by the Agency and to make recommendations.

**ARTICLE II**  
**Composition**

Members of the Audit/Finance Committee shall be appointed in accordance with the Bylaws and, to the extent practicable, members of the Audit/Finance Committee should be familiar with corporate financial and accounting practices. The Board shall designate one member of the Audit/Finance Committee to serve as chair of the Committee. Each member of the Committee shall serve for a term of one (1) year and until his or her successor shall be appointed and qualified.

At least three members of the Committee must be and “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time.

**ARTICLE III**  
**Committee Meetings**

The Committee will meet a minimum of twice each calendar year (at least once prior to the commencement of the annual audit process and once after completion of the annual audit process). Additional meetings may be necessary or appropriate to adequately fulfill the obligations and duties outlined in this Chapter. All committee members are expected to attend

each meeting, in person or via videoconference. The Audit/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.

Meeting notices and agendas will be prepared for each meeting and provided to Audit/Finance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. A quorum of the Audit/Finance Committee shall consist of a majority of the members then serving on the Committee. The affirmative vote or a majority of the members then serving on the Committee shall constitute an act of the Audit/Finance Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the Agency. All meetings shall comply with the requirements of the Open Meeting Law.

#### **ARTICLE IV** **Committee Responsibilities**

The Audit/Finance Committee shall have responsibilities related to: (a) the independent auditor and annual finance statements; (b) oversight of management's internal controls, compliances and risk assessment practices; (c) special investigations; (d) miscellaneous issues related to the financial practices of the Agency; and (e) shall review proposals for the issuance of debt by the Agency and make recommendations regarding such proposed debt issuance.

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

The Audit/Finance Committee shall:

- (i) Recommend to the Board the hiring of independent auditors, establish the compensation to be paid to the auditors retained by the Agency and provide oversight of the audit services provided by the independent auditor.
- (ii) 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/Finance Committee. Non-audit services related to the accounting records or financial statements of the Agency; (a) bookkeeping or other services related to the accounting records or financial statements of the Agency; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind report; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human resource services; (g) broker or dealer, investment advisor, or investment banking services; and (h) legal services and expert services related to the audit function.
- (iii) Review and approve the Agency's audited financial statements, associated Management letter and all other auditor communications.

(iv) 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 of the Agency

(v) Meet with the Agency's independent auditor at least annually to discuss the Financial statements of the Agency, and on an as-needed basis to discuss any significant issues that may have surfaced during the course of the audit.

(vi) 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/Finance Committee shall review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations, an if applicable, any weaknesses noted.

#### C. Special Investigations

The Audit/Finance Committee shall:

(i) 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.

(ii) Develop procedures for the receipt, retention, investigation and/or referral of Complaints concerning accounting, internal controls and auditing.

(iii) Request and oversee special investigations as needed and/or refer specific issues to the Board or appropriate committee of the Board for further investigation.

#### D. Other Responsibilities

The Committee shall obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

#### E. Debt Issuance

The Committee shall review proposals for the issuance of debt and make Recommendation regarding such proposed debt issuance.

**ARTICLE VI**  
**Amendments**

This Charter may be amended upon affirmation vote of a majority of the Board of the Corporation.

Approved and adopted this 24th day of February, 2022.