

MINUTES OF THE RIDA  
AUDIT COMMITTEE MEETING

March 5, 2012 4:30pm

PRESENT FROM COMM: Tom Cruso  
Carl Gabrielsen

OTHERS IN ATTENDANCE: Tom Cruso, Chairman of Board  
Tracy Stark- James, ED  
Denise Cooper, CFO  
Dick Ehlers, Counsel  
Joe Mammina, Auditor

ABSENT: Dawn Thomas

The committee was provided copies of the draft audit with sufficient time to individually review prior to the committee meeting. The ED noted that she was very pleased with the expeditious work of the auditing firm since this is their very busy season. This was the first time the Agency has had the Audit and reports completed for review prior to the Paris Reporting deadline.

**I. Review of Audit for 2011**

Joe Mammina of Markowitz, Fenelon and Bank went through the audit with the committee and explained how he compiles the audit and its findings. He noted that corrective action was taken on last year's findings, which is a very positive action and reflects well. He explained that the comment letter for the 2011 audit, again, identifies a minor deficiency that has been consistently noted since 2007. He stated that proper internal controls dictate a segregation of duties. Unfortunately, due to the size of the Agency this cannot be corrected until the Agency grows. He explained that the generally accepted auditing standards does not take into account the size of the organization, therefore the separation of duties had to be identified as a "significant deficiency" (a significant deficiency in internal controls is less severe than a material weakness). He also noted two other deficiencies, such as missing deposit slips and invoices not being stamped paid as deficiencies. These may have been a result of not having staff during that time. These items have already been corrected. He expressed that due to the financial status of the Agency, he was very close to issuing a "going concern." However with the anticipated closings and the revenue from the administration of the Empire Zone, he felt the revenues would carry the Agency through the year.

**II. Compilation of Audit Findings Response & Assessment of Effectiveness of Internal Controls**

The committee reviewed and approved the Audit Findings, a response to the comment letter and the assessment of effectiveness of internal controls to recommend to the board for approval.

**III. Review and recommendation of Investment Guidelines Policy and Investment Report 2011 and the Internal Controls Policy and Report 2011**

The committee reviewed the policies and report and approved recommendation to the board for approval.

Meeting adjourned at 5:00pm