

**NEW YORK LOCAL GOVERNMENT
ASSISTANCE CORPORATION
MINUTES OF AUDIT COMMITTEE MEETING
June 28, 2016, 11:35 a.m.
State Capitol, Albany, New York**

Audit Committee Members Present:

Kevin Murray	Committee Chairperson
Marc Shaw	Director (via Telephone)

Also Present:

Patricia Warrington	Office of the State Comptroller
Chuck Trimbach	Office of the State Comptroller
Kelsey Cheng	Division of the Budget
William Storrs	Department of Law
Kristee Iacobucci	Office of the State Comptroller
Maria Moran	Office of the State Comptroller
Jessica Sorrendino	Office of the State Comptroller
C.J. Vettovali	Office of the State Comptroller
Henrik Westin	Office of the State Comptroller (via Telephone)
Richard Redlo	Office of the State Comptroller (via Telephone)
Brendan Kennedy	SaxBST, LLP

AUDIT COMMITTEE MEETING

The Audit Committee was called to order by Committee Chairperson Kevin Murray at 11:35 a.m. Chairperson Murray moved adoption of the minutes from the June 22, 2015 LGAC Audit Committee meeting, the move was seconded, and the members approved the minutes.

The Chairperson then noted that the Basic Financial Statements had been distributed to Audit Committee members for review and that LGAC's independent auditor, SaxBST, have found the statements to be in accordance with GASB standards.

Brendan Kennedy of SaxBST gave a brief overview of the Statements and SaxBST's findings. Mr. Kennedy noted one instance of noncompliance with the Corporation's investment guidelines where an investment was purchased from a broker dealer who was not on the Federal Reserve Bank of New York's list of primary government security dealers. This was deemed to not have a material effect on the Corporation's financial statements. Director Shaw asked if the noncompliance with regards to the investment purchase was still outstanding, and Patricia Warrington, Treasurer of the Corporation,

replied that once the issue was discovered, the investment was terminated and subsequently reinvested in accordance with the Corporation's guidelines.

The Chairperson asked if any steps were taken in the Corporation's internal controls to avoid compliance issues going forward. Kristee Iacobucci, the Corporation's Internal Control Officer, replied that the Corporation's investment guidelines are being reviewed and clarified with appropriate staff to ensure compliance in the future.

The Chairperson then recommended that the Committee take the necessary action to allow the Board to authorize the Basic Financial Statements for fiscal year 2015-16.

The Committee members indicated that they had reviewed the materials and, as there were no further questions or comments, made a motion that the proposal be advanced and recommended for approval by the Board and the Audit Committee approved the proposal.

The Chairperson referred to a staff memo dated June 20, 2016, which was circulated to the Audit Committee members, relating to assigning the Corporation's contract for audit services from Sax-BST LLP to BST & Co., LLP.

The Committee members indicated that they had reviewed the memorandum and, as there were no questions or comments, made a motion that the proposal be advanced and recommended for approval by the Board and the Audit Committee approved the recommendation.

After it was determined that there were no further issues to be brought before the Board by the Audit Committee, the Audit Committee meeting was adjourned.

Date: June 28, 2016

Kelsey Cheng
Assistant Secretary
New York Local Government
Assistance Corporation