NYCHA 005.015 Rev.(07/2021)

BOARD RESOLUTION

NEW YORK CITY HOUSING AUTHORITY

1. Resolution Number: 22 - 1 / 26 - 15 (Year - Month / Day - Item No.)

(This is Page 1 of 8 Pages)

2. **To: Jacqueline C. Hernandez, Esq.,** Corporate Secretary

From: Eva Trimble Title EVP, Strategy and Innovation

Administering Department/Office Strategy and Innovation

3. Type of Resolution

Type: Amendment Action: Other (Describe in box 11)

Prior Resolution Number: 21 - 04 / 28 - 02 (Year - Month / Day - Item No.)

4. Development(s)

Coverage: Non-Development

5. Vendor/Client/Other

Name(s)	Type	Contract/PO/RFQ	Contract / PO #	Contract Type	RFQ #

☑ N/A

6. Amount

Amount: Type: N/A ☑

7. Cost Estimate

Amount: Date: % of Estimate: 0.00% ☑ N/A

8. Budget

Approval: Not Applicable

9. Change Order / Contract Capacity Increase Information

Change Order / Contract Capacity Increase No. Original Contract Price Proceed Order No.

Prior Change Total % Of Original This Change % Of Original ☑ N/A

10. Subject Of Resolution *(To Appear On Calendar)*

Authorization to Amend and Restate the Authority's Audit and Finance Committee Charter

11. Description Of Resolution *(To Appear On Calendar)*

Authorization is requested to amend and restate the Authority's Audit and Finance Committee Charter (the "Charter"), adopted pursuant to Board Resolution 21-4/28-2. The amended Charter shall take effect as of January 26, 2022.

The amendment of the Charter shall in no way invalidate, impair or affect any action heretofore taken or anything heretofore done pursuant to Board Resolutions in effect prior to this Board Resolution.

12. Law Department

Approval: Approved

13. Section 3 Hiring Plan

Approval: Not Required

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14. Recommendation To Award
Not Applicable

15. Bid/RFP Packages and Bids/Proposals
Distributed # Bids/Proposals Received Of Which Are MWBE ☑ N/A

16. Bid Opening Date/Submission Deadline Date
☑ N/A

17. Contract Period Being Funded By Amount Entered In Box 6
Years Months Days ☑ N/A

18. Authorized Department Representative	Date	**Title**	Telephone Number
Trimble, Eva	01/18/2022	EVP, Strategy & Innovation	(212) 306-4663

19. Chief Procurement Officer
Approval Yes Kim, Shin Date 01/25/2022

To Be Completed By The Corporate Secretary:

Resolved: A quorum being present, the Members of the Authority present, having considered the calendared proposal whose particulars appear herein, hereby Approve Unanimously the recommendation made above , and authorize the appropriate officers of the Authority to take such action as may be required in accordance with the terms of the recommendation.

This Resolution is designated as Resolution No. 22 - 1 / 26 - 15

Hernandez, Jacqueline Jacqueline L. Hernandez 1/26/2022
Corporate Secretary Date

Key modifications in this amended and restated Charter include:

- Clarifying the purpose of the Audit and Finance Committee and its relationship with the Authority's Internal Audit and Assessment Department;

- Clarifying the relationship and responsibilities by and between the Audit and Finance Committee and the Authority with respect to access to individuals and documents, cooperation, and resources;

- Specifying the areas of knowledge sought in members of the Audit and Finance Committee; and

- Various modifications as to the Audit and Finance Committee's role in:

    - the procurement, selection and relationship with the Authority's independent auditor;
    - the performance of the Authority's Single Audit; and
    - fostering on-going enhancements to the Audit and Finance Committee's Charter by periodically reviewing the Charter and recommending to the Board any proposed changes, including changes to reflect developments in applicable laws, regulations, accounting and auditing standards.

AUDIT AND FINANCE COMMITTEE CHARTER

Section I. Purpose

The Audit and Finance Committee ("**Committee**") is established as a Standing Committee by the Board Members (each, a "**Board Member**" and collectively, the "**Board**") of the New York City Housing Authority ("**NYCHA**") pursuant to NYCHA's By-Laws for the primary purpose of assisting the Board in connection with:

1. fulfilling its oversight responsibilities for (a) the qualifications, independence and performance of NYCHA's independent auditor ("**Independent Auditor**"), (b) the performance of NYCHA's Internal Audit and Assessment Department ("**Audit Department**"), and (c) the conformance of NYCHA's financial statements and financial reporting with United States Generally Accepted Accounting Principals ("**GAAP**"); and

2. reviewing NYCHA's audited financial statements and accompanying auditor reports, and voting on whether to recommend their approval by the Board.

NYCHA shall provide the Committee with reasonable access to its management personnel, non-management personnel, including access to their documents, books and records pertaining to NYCHA. The Committee shall also have reasonable access to NYCHA's independent accountants.

In carrying out its duties and responsibilities, the Committee shall have the authority to retain and engage, at NYCHA's expense and subject to the availability of funding and in compliance with applicable NYCHA procurement policies and procedures, such outside counsel and other advisors as the Committee may deem appropriate. The Committee may request NYCHA's management personnel, non-management personnel and independent accountants to attend a meeting of the Committee.

NYCHA's Board will provide the Committee with sufficient resources to perform its duties.

Section II. Membership

The Committee shall consist of at least two (2) and not more than seven (7) members. NYCHA's Chair may, at his or her option, serve on the Committee. NYCHA's Chair may annually appoint, with the approval of a majority of the Board, two (2) Board Members to serve on the Committee.

NYCHA's Chair may select up to five (5) non-Board private members of the Committee, with the approval of a majority of the Board, who will not be NYCHA employees but will be paid a per diem for attending Committee meetings as described in Section III.

NYCHA's Chair will designate the chair of the Committee (the "**Committee Chair**"). A majority of the Committee's members shall constitute a quorum.

At all meetings of the Committee, each Committee member will have one (1) vote. All questions to be determined by vote of at least a majority of the whole number of members of the Committee. At any meeting where an even number of votes are cast in favor and against a resolution, the resolution will not pass but will be carried over for further consideration by the members of the Committee until a majority acts on the resolution.

No voting by proxy will be permitted.

Section III. Non-Board Members

Each non-Board private member shall serve for a two-year period that may be renewed by the Board from time to time.

Each non-Board private member will be entitled to a per diem allowance of $350 for each Committee meeting attended. The amount of the per diem allowance may be modified from time to time, but not more than once per year. Any non-Board private Member serving as Committee Chair will be entitled to an additional $350 per diem allowance for each Committee meeting attended. Board Members will not receive an additional per diem for serving on the Committee beyond their regular Board stipend.

Section IV. Defense and Indemnification

NYCHA shall provide for the defense and indemnification of each non-Board private Member in any civil action or proceeding in any state or federal court, arising out of any alleged act or omission that NYCHA finds occurred while the non-Board private member was acting within the scope of the terms of this Charter and was not in violation of any rule or regulation of NYCHA at the time the alleged act or omission occurred. NYCHA shall extend such coverage and conditions as would be provided to Board Members and employees under the provision of the New York Public Housing Law, Section 402-a.

Section V. Committee Member Qualifications

In furtherance of Sections II and III above, all Committee members shall possess or obtain a basic understanding of the housing industry, governmental financial reporting, and auditing.

Section VI. Meetings

The Committee may meet at least once per quarter and on such other dates as the Committee may determine. Minutes of each meeting shall be taken by the Director of the Audit Department (the "**Director of Audit**"). An agenda will be prepared by the Director of Audit and sent to each Committee member in advance of each meeting. Unless otherwise instructed, the Director of Audit will attend all Committee meetings, including any

executive session at the request of NYCHA's Chair or any Committee member. NYCHA's Officers, or their respective designees, may be invited by NYCHA's Chair, the Committee's Chair, or the Chief Financial Officer.

The Committee shall comply with New York's Open Meetings Law.

Section VII. Responsibilities and Duties

The Committee shall have the responsibilities set forth within this Section VII.

A. Independent Auditors and Financial Statements

The Committee shall:

1. In compliance with applicable NYCHA procurement policies and procedures, be responsible for recommending to the Board the appointment, retention and compensation of the Independent Auditor of NYCHA in connection with the Annual Financial Report and Annual Single Audit. The Committee's recommendations will be based upon recommendations of NYCHA's evaluation committee that reviewed the proposals submitted in response to a Request for Proposals ("**RFP**") issued by NYCHA, and the Committee's own assessment of the Independent Auditor's prior performance with NYCHA (if applicable). In the event an incumbent Independent Auditor is recommended by the Committee for another year under the option provisions of its active agreement, such recommendation will be based upon the recommendations of NYCHA's Chief Procurement Officer ("**CPO**"), which will be reached following a comparison by the CPO of then current market rates for similar professional services to those set forth within the expiring agreement, and whether the Independent Auditor has performed consistent with the terms of its agreement.

2. Be responsible for overseeing the Independent Auditor of NYCHA, which may include facilitating discussions by and between management and the Independent Auditor regarding financial reporting.

3. In compliance with applicable procurement policies and procedures, pre-approve all audit and non-audit services ("**Non-Audit Services**") provided by the Independent Auditor and, if the Committee desires, establish pre-approval policies and procedures for particular tasks to expedite commencement of same. Non-Audit Services include tasks that directly support the Independent Auditor's work pursuant to its agreement with NYCHA, and the Committee's functioning hereunder.

4. Review significant accounting, professional and regulatory pronouncements, and their impact on the financial statements. The

Committee shall not have the authority to establish accounting policy for NYCHA.

5. Meet with the Independent Auditor, the Chief Operating Officer, the Chief Financial Officer, the Chief Information Officer, the Director of Audit, and other members of NYCHA's management to discuss the scope of the annual audit including changes in NYCHA's operations and significant new issues and accounting policies and practices, including changes in management controls affecting NYCHA's financial statements.

6. Meet with the Independent Auditor and management as necessary to discuss any significant issues that may have surfaced during the course of the audit.

7. Review and vote on whether to recommend to the Board for approval NYCHA's, and any component unit's, audited financial statements, associated management letter, and Single Audit.

8. Review and discuss any material weaknesses and significant deficiencies reported in the Independent Auditor's findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Audit and Assessment Department

The Committee shall:

1. Provide input to NYCHA as to the selection of the Director of Audit.

2. Periodically review with the Director of Audit any significant difficulties, disagreements with NYCHA management, or scope restrictions encountered in the course of the Audit Department's work.

3. Review and vote on whether to recommend to the Board for approval the annual internal audit plan.

4. Review the reports of the internal auditors, results of internal audits and procedures for implementing accepted recommendations of the internal auditors.

C. Single Audit

The Committee shall:

1. Review Report on Internal Control over Financial Reporting and on Compliance and other matters and discuss any significant deficiencies and material weaknesses identified by the Independent Auditor.

2. Review Report on Compliance for each Major Federal Program and discuss any areas of material non-compliance identified by the Independent Auditor.

3. Review Report on Internal Control over Compliance and discuss any significant deficiencies and material weaknesses identified by the Independent Auditor.

4. Review Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and, in the case where not fairly stated in all material respects in relation to the financial statements as a whole, discuss any exceptions with the Independent Auditor.

5. Review Schedule of Findings and Questioned Costs and discuss with the Independent Auditor. Obtain feedback from management relating to corrective action plan.

6. Review Summary Schedule of Findings and Questioned Costs from the Prior Year (if applicable) and discuss status of any uncorrected items with the Independent Auditor and management.

D. Other Responsibilities of the Committee

The Committee shall:

1. Report periodically to the Board regarding the results of its oversight, recommendations, and other activities.

2. To the extent necessary, obtain information and training to enhance the Committee members' understanding of the role of internal audits and the Independent Auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

3. Review this Charter periodically and recommend to the Board any proposed changes, including changes reflecting developments in applicable laws and regulations, accounting, and auditing standards.

Section VIII. Internal Audit and Assessment Director

The Director of Audit shall report directly to the Committee, and to NYCHA's Chair for administrative day-to-day activities. The Director of Audit shall not be disciplined or terminated by NYCHA without prior notice to the Committee.