



**Board Members**

*Jeff Sauer*  
Chair

*Robert Maynard*  
Vice Chair

*Brian Householder*  
Secretary/ Treasurer

*Charles Elsea*

*Tom James*

**FAIRFIELD COUNTY PORT AUTHORITY  
AUDIT COMMITTEE CHARTER**

Adopted: March 18, 2015

**I. Purpose of the Audit Committee**

The purpose of the Audit Committee shall be to assist the Fairfield County Port Authority (Port Authority) Board of Directors (Board) fulfill its oversight responsibilities for:

- (1) The financial reporting process,
- (2) The system of internal accounting and financial controls,
- (3) The Port Authority's process for monitoring compliance with laws and regulations, and
- (4) The independent auditor's qualifications and independence.

**II. Authority**

The Audit Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibility. Without limitation, it specifically is authorized to:

- (1) Monitor the integrity of the Port Authority's financial reporting process and systems of internal finance and accounting controls;
- (2) Review and make recommendations on audit fees, review the independence of the auditors from Port Authority management, review the annual audit (including significant findings prepared by the auditors together with management's response) and make recommendations to the Board when approvals are needed;
- (3) Provide an avenue of free and open communications among the independent auditors, management, and the Board; and
- (4) Perform other functions as assigned by the Chair of the Board.

**III. Composition**

The Chair of the Board shall appoint members of the Board to the Audit Committee. Each Audit Committee member shall be independent of Port Authority management and shall be

financially literate. The Board, at the recommendation of the Chair, at any time and at its discretion, may replace an Audit Committee member.

#### **IV. Meetings**

The Audit Committee shall meet at least once in advance of each formal audit and is hereby authorized to convene additional meetings as circumstances may require. The Audit Committee shall invite members of Port Authority management, auditors, or others to attend meetings and provide pertinent information, as necessary. The Audit Committee may hold executive sessions, as permitted by law, and private meetings with auditors. Meeting agendas shall be prepared and provided in advance to members of the Audit Committee, along with appropriate briefing materials. The Audit Committee shall prepare minutes of its meetings.

#### **V. Responsibilities**

On behalf of the Board, the Audit Committee shall carry out the following responsibilities:

1. *Financial Statements*

- Review annual financial statements and consider whether they are complete, consistent with information known to the members of the Audit Committee, and reflect appropriate accounting principles;
- Review the results of the audit, including any difficulties encountered, with management and independent auditors;
- Review significant written communication between the independent auditors and management;
- Review all matters required to be communicated to the Audit Committee under generally accepted auditing standards with management and the independent auditors;
- Review significant accounting and reporting issues, including complex or unusual transactions and areas requiring the exercise of management judgment, and recent professional and regulatory pronouncements and understand their impact on the financial statements;
- Review the quality of the financial statements, including reviewing the quality of the financial statements above the minimally acceptable principles, with management and independent auditors; and
- Review any items that may materially impact the financial statements.

2. *Internal Controls*

- Consider the effectiveness of the Port Authority's internal controls system, including information technology security and control; and

- Obtain reports on significant findings and recommendations on internal controls from the independent auditor, together with management's responses.
3. *Compliance*
- Review the results of management's investigation and follow up (including any disciplinary action) of any instances of noncompliance; and
  - Review the findings of any examinations by regulatory agencies and any auditor observations.
4. *Reporting*
- Regularly report to the Board about the Audit Committee's activities, issues, and related recommendations; and
  - Provide and open avenue of communications between the independent auditors and the Board.
5. *Other*
- Perform other activities related to this Audit Committee Charter as requested by the Board;
  - Provide an avenue for confidential, anonymous submissions concerning questionable accounting practices or suspected fraud;
  - Institute and oversee special investigations, as needed;
  - Review and assess the adequacy of the Audit Committee Charter, request Board approval of proposed changes, and ensure appropriate disclosure as may be required by law or regulation;
  - Confirm annually that all responsibilities outlined in this Audit Committee Charter have been carried out; and
  - Evaluate the Audit Committee and each Audit Committee member's performance.