

SALES TAX ASSET RECEIVABLE CORPORATION

MINUTES OF THE MEETING OF AUDIT COMMITTEE

April 23, 2014

A meeting of the Audit Committee (the “Committee”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 23, 2014 at approximately 3:05 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following member of the Committee were represented by their alternates:

Dean Fuleihan, Director of Management and Budget of The City of New York (the “City”), represented by Alan Anders;

Scott M. Stringer, Comptroller of the City, represented by Michael Stern;

Melissa Mark-Viverito, Speaker of the City Council, represented by Raymond Majewski;

Zachary Carter, Corporation Counsel of the City, represented by Al Rodriguez

Michael Hyman, Acting Deputy Commissioner of Finance of the City, represented by John Sarich; and

Mindy Tarlow, Director of the Mayor’s Office of Operations:, represented by George Davis, III;

constituting a quorum of the Committee. Jinelle Craig served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City.

The meeting was called to order by Mr. Stern, Chair of the Committee.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on September 11, 2013. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved:

WHEREAS, the Audit Committee of the Sales Tax Asset Receivable Corporation has reviewed the minutes of the Audit Committee meeting held on September 11, 2013; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 11, 2013 be, and they hereby are, approved.

Acceptance of Annual Agency Financial Integrity Compliance Statement

The second item on the agenda was the review of the Corporation's annual Financial Integrity Statement, a copy of which had been provided to the Committee members. Mr. Stern explained that City Comptroller's Directive 22 requires that the Committee review such Statement. A discussion ensued with respect to the Checklist accompanying the Statement, which contained many items that were applicable to City agencies but not to the Corporation. Robert Balducci, the Deputy Comptroller, answered questions from Committee members and explained responses contained in the Statement. Mr. Davis inquired about data classification and other matters. A brief discussion ensued.

Self-Evaluation and Review of Annual Report of the Audit Committee

The third item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. Mr. Stern noted that a list of the Committee's actions in calendar year 2013, which included meeting twice, was in the materials provided to the Committee members and would be sent to the Office of the Comptroller of the City. He stated that he believed that the functioning of the Committee has been satisfactory. A motion was made to approve the resolution set forth below relating to the self-evaluation and Annual Report. The motion was seconded and, there being no objections, approved.

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year; and

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable; and

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Sales Tax Asset Receivable Corporation, copies of which shall be filed with the minutes of the Audit Committee and submitted to the Bureau of Accountancy of the Office of the Comptroller.

Review of Internal Controls

The fourth item on the agenda was the annual review of the Corporation's Internal Controls, a copy of which was in the materials provided to the Committee members. Mr. Stern explained that pursuant to the Charter of the Audit Committee, the Committee is required to annually review the Internal Controls. A brief discussion ensued about nature of certain exclusions, defeasance and other matters.

Presentation of Audit Plan by Independent Auditors and Discussion of New Accounting and Auditing Standards

The fifth and final item on the agenda was the presentation of its audit plan by Marks Paneth. A booklet containing the 2014 Audit Plan was distributed to the Committee members. Mr. Balducci introduced the Auditors from Mark Paneth to the Committee. Mr. Ruppel, who is the engagement partner at Marks Paneth, discussed the Audit Plan, conducted a brief overview of new GASB pronouncements and answered questions posed by the Committee members during the presentation. Mr. Ruppel also inquired as to whether the Committee members had any knowledge or suspicion of fraud or whistleblower activities and was informed that they did not. Mr. Ruppel also mentioned that Mark Paneth conducted surprise audits in various accounts. Finally, Mr. Ruppel inquired whether the Committee had any questions. A brief discussion ensued.

Adjournment

There being no further business to come before the Committee, upon motion duly made and seconded, there being no objections, the meeting was duly adjourned.



ASSISTANT SECRETARY