SUMMARY STATEMENT

ITEM NO. SUBJECT (Amending 10-040 adopted August 18, 2010) Requiring the Authority to Permit the New Jersey Comptroller’s Office to Conduct such Audits as it may Deem Appropriate, and to Create an Audit Committee Chaired by the Auditor General of Pennsylvania which Will Oversee an Independent Financial, Performance and Forensic Audit Every Two (2) Years

COMMITTEE: Unfinished Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: August 25, 2010

PROPOSAL: That the Board adopt a resolution (1) requiring the Authority to permit the New Jersey Comptroller’s office to conduct such audits as that office may deem appropriate upon reasonable notice to the DRPA Chief Financial Officer; (2) creating an Audit Committee chaired by the Auditor General of Pennsylvania which will oversee an independent financial, performance and forensic audit of the Authority every two (2) years which independent audit will be separate from any audit to be conducted by the New Jersey Comptroller.

PURPOSE: To permit the New Jersey Comptroller to conduct audits of the DRPA and to create an Audit Committee chaired by the Auditor General of Pennsylvania which will oversee an independent financial, performance and forensic audit (but not the Comptroller’s audit) of the Authority every two (2) years.

BACKGROUND: Pursuant to the terms of the Interstate Compact, the Authority currently is required to undergo a management audit by an independent consulting firm every five years and the Authority undergoes an independent financial audit annually pursuant to the requirements of the covenants made by the Authority to its Bondholders. The Authority desires to have additional oversight and audit procedures that will enhance accountability and transparency, and enable the Authority to more quickly identify issues that require the attention of the Board and/or management. By doing so, the Authority can better ensure that the Authority is operating in the best
Adopted as Amended on the floor, August 18, 2010
VETOED by Governor Chris Christie, September 2, 2010
Amended and Adopted in its Amended Form, August 25, 2010
Final Form (shown here), Approved by Governor Christie

interests of the Authority and the public it serves.

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<tr>
<td>Amount:</td>
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<td>Source of Funds:</td>
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<td>Capital Project #:</td>
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<td>Operating Budget:</td>
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<td>Master Plan Status:</td>
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<td>Other Fund Sources:</td>
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<td>Duration of Contract:</td>
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<td>Other Parties Involved:</td>
<td>New Jersey Comptroller, others TBD</td>
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RESOLUTION

RESOLVED: That the Authority will permit and cooperate in any audit that the New Jersey Comptroller’s Office wishes to conduct, and be it further

RESOLVED: The Authority will hereby create an audit committee chaired by the Auditor General of Pennsylvania which will oversee an independent financial, performance and forensic audit (but not the Comptroller’s Office audit) every two (2) years.

SUMMARY: Amount: TBD
Source of Funds: TBD
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: TBD
Other Parties Involved: New Jersey Comptroller, others TBD

OGC