

Adopted by Trustees on
November 19, 2008

February 23, 2010
Exhibit "6-B-1"

AUDIT COMMITTEE CHARTER

A. PURPOSE

The purpose of the Audit Committee shall be ("Committee") is to (1) assure that: recommend to the Authority's Board of Trustees ("Board") fulfills its responsibilities for the Authority's internal and external audit process, the financial reporting process and the risk assessment and internal controls over financial reporting; and (2) provide an avenue the hiring of communication between management, the a certified independent auditors, accounting firm for the Authority; establish the compensation to be paid to the accounting firm; provide direct oversight of the internal auditors, and performance of the Board of independent audit conducted by the accounting firm hired for such purposes; provide direct oversight of the internal audit function; and perform such other responsibilities as the Trustees shall assign to it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of three (3) independent members of the Board of Trustees none of whom who shall serve as Chairman of possess the Board of Trustees ("Chairman") or in any other position of Authority management necessary skills to understand the duties and functions of the Committee and be familiar with corporate finance and accounting. Committee members and the Committee Chair shall be nominated by the Chairman and selected from eligible Trustees byby a vote of the Board of Trustees.

(2) Term

Committee members shall serve for a period of four five years subject to their term of office under Section 1003 of the Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of four five years subject to their term of office. A Committee member may resign his or her position on the Committee while continuing to serve as a Trustee. In the event of a vacancy on the Committee due to death, resignation or otherwise,

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a successor ~~shall~~will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee ~~members~~member may be removed if ~~they are~~he or she is removed as ~~Trustees~~Trustee for cause, subject to ~~Section 2827 of the~~ Public Authorities Law § 2827, or ~~are~~is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The Committee shall hold regularly scheduled meetings at least three times per year. A Committee member may call a special meeting of the Committee individually, or upon the request of the Authority's President and Chief Executive Officer, ~~the~~ Chief Operating Officer, ~~the~~ Executive Vice President and General Counsel, ~~the~~ Inspector General, ~~the~~ Chief Risk Officer, Chief Financial Officer, ~~the~~ Controller, or head of the Office of Internal Audit ("Internal OIA").

In addition, the Committee: (1) shall meet at least three times a year with the head of the OIA for the purpose of reviewing audit activities, audit findings, management's responses, remedial action plans, and providing the OIA with an opportunity to discuss items and topics of relevant to the Audit; (2) shall meet at least twice a year with the Authority's independent accountants to discuss the audit work plans, objectives, results and recommendations; and (3) may meet independently with the Authority's President and Chief Executive Officer, Chief Operating Officer, Executive Vice President and General Counsel, Chief Risk Officer, Chief Financial Officer, Controller, or head of the OIA on matters or issues and items within the Committee's purview as it deems necessary. These meetings may be held as part of a regular or special meeting in the Committee's discretion.

An agenda shall be prepared and distributed to each Committee member prior to each meeting and minutes shall be prepared in accordance with the New York Open Meetings Law. A majority of those present, but no less than two Committee members, at a regular or special meeting of the Committee shall constitute a quorum for the purposes of conducting the business of the Committee and receiving reports.

Any meeting of the Committee may be conducted by video conferencing.

To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

C. FUNCTIONS AND POWERS

The Committee shall have the following responsibilities:

(1) General Powers

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_____ The Committee may call upon the resources of the Authority to assist the Committee in the discharge of its oversight functions. Such assistance may include the assignment of Authority employees to assist the Committee, and the retention of external advisors subject to ~~Section 2879~~ the requirements of the Public Authorities Law and the Authority's Expenditure Authorization Procedures.

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_____ The Committee may direct any Authority employee to make oral or written reports to the Committee on issues and items within the Committee's purview.

_____ The Committee may direct the Authority's internal auditors to conduct special audits of items and issues of concern to the Committee.

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~~(2)~~ **Relationship to the Accounting, Financial Reporting, and Oversight of Independent Accountants and Controller**

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_____ The Committee shall seek to enhance the integrity, quality, reliability, ~~thoroughness~~ and accuracy of the Authority's financial statements and accompanying notes, and shall oversee the relationship with the Authority's independent accountants. To accomplish this objective, the Committee shall ~~meet to review and discuss the:~~

a. Provide advice to the Trustees on the selection, engagement, compensation, evaluation and discharge of the independent accountants.

b. Review and discuss as necessary the Authority's financial statements including any material changes in accounting principles and practices with the independent accountants, the Controller and other members of management as necessary. ~~The Committee shall advise the Trustees in the selection and discharge of the independent accountants and shall meet at least twice a year, at regularly scheduled meetings or otherwise, with such independent accountants to discuss the independent accountants' work plans, objectives, opinion, and recommendations, or members of Authority management.~~

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c. ~~The Committee shall~~ Review and approve the Authority's annual audited financial statements (including the independent accountants' associated management letter).

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d. Oversee the establishment of procedures for the effective receipt and treatment of (i) complaints regarding auditing, internal auditing and accounting matters, and (ii) the confidential submission of concerns raised by whistleblowers and other persons regarding accounting or auditing practices.

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e. Review at least annually ~~review~~ the scope, objectives and results of the independent accountants' examination of the annual financial ~~statements~~ statements and accompanying notes, and ~~shall report its findings to the Trustees. The Committee may at any time report on and make recommendations to the Trustees on any matter in connection with the independent accountant's audit process~~ Committee's findings.

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(3) Relationship to the Office of Internal Audit

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~~The Committee shall appoint the head of the Office of Internal Audit (“Internal Audit”) to serve at its pleasure and make recommendations concerning the staffing of Internal Audit and related functions. Internal Audit shall evaluate the authority’s internal controls and operations, identify internal control weaknesses that have not been corrected and make recommendations to correct those weaknesses. Internal Audit shall operate in accordance with generally accepted standards for internal auditing.~~

~~f. Assure the independence of the independent accountants by approving any non-audit work for the Authority and examining the accountant’s relationship with the Authority.~~

~~g. Report to the Trustees on any matters relevant to the audit process or independent accountant communications, and make such recommendations as the Committee deems appropriate.~~

(3) Risk Management, Internal Controls and Oversight of the OIA

~~The Committee shall have seek to enhance the Authority’s risk management infrastructure, and ensure timely and effective identification and mitigation of critical business risks. To accomplish these objectives the Committee shall:~~

~~a. Review and approve the appointment, evaluation and removal of the head of the OIA.~~

~~b. Provide oversight of Internal Audit, its the OIA and the OIA’s resources and activities so that Internal Audit is directed toward those activities and processes where the potential benefit to improving internal controls is the greatest. The Committee shall promote coordination between the internal auditors and independent accountants so that all material areas of activities are adequately covered to facilitate the OIA’s improvement of internal controls.~~

~~c. The Committee shall meet at least three times a year with the Authority’s Require the head of Internal Audit, and may direct the aforementioned individual the OIA to attend any meeting of the Committee, and to prepare and deliver such reports as requested the Committee requests.~~

~~d. ~~The~~ Provide guidance to the Authority’s Chief Risk Officer and enterprise risk management program on critical business objectives, risks and philosophy and tolerance for risk mitigation, and establish requirements for the Chief Risk Officer to report to the Committee shall report.~~

~~Report at least annually to the Board of Trustees as on matters relating to its findings concerning the internal audit function, and may enterprise-wide risk management infrastructure, and make such recommendations at any time as it the Committee deems appropriate.~~

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