

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**AUDIT COMMITTEE  
MINUTES**

**Thursday, December 8, 2011**

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**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES OF AUDIT COMMITTEE**

**225 Park Avenue South**

**New York, NY**

**Thursday, December 8, 2011**

**PRESENT:**

Hon. David S. Steiner, Chair  
 Hon. Jeffrey A. Moerdler, Vice-Chair  
 Hon. Jeffrey H. Lynford  
 Hon. Anthony J. Sartor  
 Committee Members

Hon. William P. Schuber  
 Commissioner

Patrick J. Foye, Executive Director  
 William Baroni, Jr., Deputy Executive Director  
 Darrell B. Buchbinder, General Counsel  
 Karen E. Eastman, Secretary

Steven J. Coleman, Assistant Director, Media Relations  
 Michael G. Fabiano, Chief Financial Officer  
 Linda C. Handel, Deputy Secretary  
 Daniel G. McCarron, Comptroller  
 Richard Rebisz, Staff External Relations Representative, Government and Community  
 Affairs  
 Robert A. Sudman, Director, Audit  
 Lillian D. Valenti, Director, Procurement  
 Robert E. Van Etten, Inspector General  
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive  
 Director

Joseph Blanco, McKenna Long & Aldridge LLP

Guest:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

The Committee meeting was called to order in public session by the Chair at 8:15 a.m. and ended at 8:19 a.m.

**Action on Minutes**

The Secretary reported that the Minutes of the meeting of May 25, 2011 had been signed and distributed to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of May 25, 2011.

## **RETENTION OF INDEPENDENT AUDITORS**

The By-Laws provide that the Audit Committee shall: have oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems, and accounting, auditing, and financial reporting processes; select pursuant to a competitive process, determine the compensation for, and have oversight of the activities of all independent accountants retained for auditing purposes, who shall report directly to the Committee; arrange for the audit of the books and accounts of the Port Authority by the independent accountants no less than annually (which audit shall require a written certification by the Executive Director and Chief Financial Officer that the financial information provided to the auditor is accurate and fairly represents the financial condition and operational results of the Port Authority); and keep informed regarding the management of the Port Authority.

It was reported that, after a publicly advertised selection solicitation process, during which two responses were submitted, the Committee has decided that KPMG LLP should be retained as independent auditors for the year ending December 31, 2012.

The Committee has power to act in this matter under Article VIII, Section F (1) of the By-Laws.

Pursuant to the foregoing report, the Committee adopted the following resolution, with Commissioners Lynford, Moerdler, Sartor and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that KPMG LLP be and the same is hereby retained as independent auditor for the year ending December 31, 2012, to: audit the accounts and financial statements of the Port Authority and its related entities for such year; perform a review of the Passenger Facility Charge Program and federal award programs; perform an evaluation of the Port Authority's internal control over financial reporting; provide services as requested in the disclosure process in connection with the issuance of Port Authority obligations; and provide other audit services, including a review of revenue and cost computations relating to and under the terms of the various lease agreements (including base rent and annual gross revenue calculations at the New York City Municipal Air Terminals), financial and statistical data reports submitted to the Federal Transit Administration, field work and financial disclosure requirements of the Single Audit Act of 1984 for recipients of federal financial assistance; and it is further

**RESOLVED**, that the form of any agreements required in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Secretary