

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AUDIT COMMITTEE

MINUTES

Monday, June 24, 2013

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**MINUTES OF AUDIT COMMITTEE****225 Park Avenue South****New York, NY****Monday, June 24, 2013****PRESENT:**

Hon. David S. Steiner, Chair
Hon. Jeffrey A. Moerdler, Vice-Chair
Hon. Richard H. Bagger
Hon. Jeffrey H. Lynford
Committee Members

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

Steven J. Coleman, Deputy Director, Media Relations
Salvatore Dalessandro, Assistant Director, Office of Investigation
Philippe Danielides, Senior Advisor to the Chairman
Michael B. DeGidio, Program Director, Office of the Chief Security Officer
Joseph P. Dunne, Chief Security Officer
Morgan Keane, Supervising Management Analyst, Office of the Comptroller
John H. Ma, Chief of Staff to the Executive Director
Daniel G. McCarron, Comptroller
Elizabeth M. McCarthy, Chief Financial Officer
Steven Pasichow, Assistant Director, Office of Investigation
Robert A. Sudman, Director, Audit
Albert A. Terriego, Manager of Program Planning and Analysis, Office of the Chief Security Officer
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director

Joseph Blanco, McKenna Long & Aldridge LLP
Anthony Dalessio, Managing Partner, KPMG, LLP
Greg Driscoll, Engagement Partner, KPMG, LLP
Ed Lee, Engagement Partner, KPMG, LLP
Amanda Leech, McKenna Long & Aldridge LLP
Jason Spiegel, Senior Manager, KPMG, LLP

The Committee meeting was called to order in public session by the Chair at 9:26 a.m. and ended at 9:30 a.m.

Action on Minutes

The Secretary reported that the Minutes of the meeting of December 8, 2011 had been signed and distributed to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of December 8, 2011.

RETENTION OF INDEPENDENT AUDITORS

The By-Laws and the Audit Committee Charter provide that the Audit Committee shall: select pursuant to a competitive process and arrange for an independent firm of certified public accountants to perform an audit of the financial statements of the Port Authority each year in accordance with auditing standards generally accepted in the United States of America.

After due consideration of its qualifications and performance, the Audit Committee has determined to retain KPMG LLP as independent auditor for the year ending December 31, 2013. KPMG LLP was selected in 2011 on the basis of a competitive process, which provided that subject to annual retention, as determined by the Audit Committee, such services may be extended through 2016.

The Committee has the power to act in this matter under Article XIII, Section B of the By-Laws and its Charter.

Pursuant to the foregoing report, the Committee adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler 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, 2013, to (i) audit the accounts and financial statements of the Port Authority and its related entities for such year; (ii) perform a review of the Passenger Facility Charge Program and federal award programs; (iii) 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 (iv) 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, and 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.

Secretary