

ONEIDA-HERKIMER SOLID WASTE AUTHORITY AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Directors of the Oneida-Herkimer Solid Waste Management Authority (the "Authority"), a public benefit corporation established under the laws of the State of New York, on this 21st day of June, 2010.

Purpose

Pursuant to Article IV, Section 4.1 of the Authority's Bylaws, the purpose of the Audit Committee shall be to (1) assure that the Authority's Board fulfills its responsibilities for the Authority's external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, and the Board of Directors.

Duties of the Audit Committee

It shall be the responsibility of the Audit Committee to:

- Recommend appointment and compensation to the full Board, and oversee the work of any public accounting firm employed by the Authority.
- Meet with Authority staff, independent auditors or counsel, as necessary.

The Oneida-Herkimer Solid Waste Management Authority Board will ensure that the Audit Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Audit Committee shall be established as set forth in and pursuant to Article IV, Section 4.1 of the Authority's Bylaws. The Audit Committee shall consist of at least three (3) members of the Board of Directors who are independent of Authority operations. The Authority's Board will appoint the Audit Committee members and the Audit Committee Chair.

Audit Committee members shall be prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, Audit Committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

Ideally, all members on the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

Meetings

The Audit Committee will meet a minimum of once a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the Charter.

Members of the Audit Committee are expected to attend each Committee meeting in person or via telephone, videoconference, or other web-based/computer conferencing method. The Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit Committee will meet with the Authority's independent auditor at least annually to discuss the annual audited financial statements of the Authority.

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials five (5) business days before the scheduled Audit Committee meeting. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded and distributed to the full Board.

Responsibilities

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; and (b) miscellaneous issues related to the financial practices of the Authority.

A. Independent Auditors and Financial Statements

The Audit Committee shall:

- Recommend appointment and compensation to the full Board and oversee independent auditors retained by the Authority and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Authority's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Authority's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Authority, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.

- Review and approve the Authority's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Meet with the independent audit firm on an as needed basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Audit Committee shall:

- Review the report on internal controls by the independent auditor as part of the financial audit engagement.

C. Other Responsibilities of the Audit Committee

The Audit Committee shall:

- Obtain any information and training needed to enhance the Committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the Committee's Charter annually, reassess its adequacy, and recommend any proposed changes to the full Board. The Audit Committee Charter will be updated as applicable laws, regulations, accounting and auditing standards change.