

**OFFICE OF THE MAYOR**

**EXECUTIVE ORDER NO. 29**  
FEBRUARY 6, 1979

**ESTABLISHMENT OF AN AUDIT COMMITTEE FOR THE CITY OF NEW YORK  
BY THE POWER VESTED IN ME AS MAYOR OF THE CITY OF NEW YORK,  
it is hereby ordered:**

Section 1. *Audit Committee Established.* An Audit Committee for the City of New York (the "Audit Committee") is hereby established to consist of the Mayor, the Comptroller, the President of the Council, each of whom shall serve ex officio (the "City Members"), and four other persons (the "Private Members") selected by the New York State Financial Control Board (the "Board") as provided in Section 2 hereof. The members of the Audit Committee shall elect a Private Member as chairman of the Audit Committee for an annual term commencing on March 1 of each year.

§ 2. *Private Members.* The Board will select for appointment as Private Members of the Audit Committee four (4) individuals possessing the qualifications set forth in section 103(7)(B) of the New York City Loan Guarantee Act of 1978, P.L. 95-339, 31 USC 1521-1531 (the "Act"). Such section of the Act currently specifies (i) two individuals with expertise in municipal finance and (ii) two officers or employees of two different firms of independent public accountants which are not engaged either by the City of New York or by the Comptroller of the City. Each individual so selected shall thereupon be appointed a Private Member by the Mayor and shall serve for a term of one year commencing March 1; provided, however, that the terms of the Private Members appointed initially shall cover the period from the dates of their respective appointments to and including February 29, 1980. Private Members shall serve without salary, except that each Private Member shall be entitled to reimbursement for his actual and necessary expenses incurred in the performance of his official duties as a Private Member of the Audit Committee and shall also receive a per diem allowance of one hundred dollars (\$100) when rendering services as a Private Member, provided that the aggregate per diem allowance to any one Private Member in any one annual term of office shall not exceed the sum of one thousand dollars (\$1000).

§ 3. *Functions of the Audit Committee.* The Audit Committee shall assist in the determination of areas of inquiry for, review the progress of, and evaluate the results of the annual audit to be conducted by independent public accountants, pursuant to the Agreement to Guarantee made and entered into as of the 15th day of November 1978, by and among the City, the United States of America, and certain other parties pursuant to the Act and shall perform such other functions as are agreed to by all of the other members thereof.

§ 4. *Indemnification.* The City of New York shall indemnify and hold harmless each member of the Audit Committee from financial loss arising out of any claim, demand, suit, action or judgment for any act or failure to act by such member within the scope of his or her duties hereunder. Any member of the Audit Committee seeking indemnification shall, within eight (8) days after the date on which he is served with any summons, complaint, process, notice, demand, claim or pleading, deliver the original or a true copy thereof to the Corporation Counsel of the City of New York. Upon such delivery the Corporation Counsel of the City of New York shall assume control of the representation of such member in connection with such claim, demand, suit, action or proceeding. Such member shall cooperate fully with the Corporation Counsel of the City of New York or any other person designated to assume such defense in respect of such representation or defense.

§ 5. *Effective Date.* This Order shall take effect immediately.

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EDWARD I. KOCH, Mayor.

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