

## **2022 Assessment of the Effectiveness of Internal Controls**

### **City of Albany Industrial Development Agency's ("IDA") Major Business Functions:**

The primary mission of the IDA is as follows:

*Assist in the enhancement and diversity of the economy of the City of Albany (the "City") by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Agency as set forth under the provisions of the laws of the State of New York.*

No changes have occurred with respect to funding sources, mission or objectives of the IDA during 2022. Accomplishments, including financial status, committee accomplishments and legal requirements are outlined on a monthly basis via publicly advertised and open meetings. Minutes of these meetings as well as supporting documents are maintained on the agency's website.

### **Risks Associated with IDA Operations:**

Public meeting rules are in place and regularly followed. The Chair of the Board of Directors is regularly engaged as are other board members. The Treasurer regularly reviews financial information which is then presented to the board at publicly open meetings. Additionally, for both legal and financial aspects, IDA utilizes outside sources with expertise in the associated functions to lend additional controls. As such, risks are deemed to be low for all activities and functions within IDA. A review for 2022 finds no change to the differing levels of involvement and approval.

### **Internal Control Systems in Place**

There has been a longstanding set of policies, procedures and guidelines in place at the IDA that are designed to ensure the IDA's mission is carried out in full and to minimize risk. These items remained in place during 2022. Some of the key internal controls in place include:

- Public meeting and disclosure requirements are in effect and regularly followed.
- Board of Directors annually reviews and accepts the Agency policy manual and NYS PAAA policies.
- As noted previously, the use of external parties provides additional levels of internal control. Additionally, personnel with appropriate backgrounds and experience are utilized to help identify such items as legal or financial risks.
- Consistent reports are provided to management as well as the Treasurer and the full Board of Directors.
- The IDA annually has a financial audit. The financial audit provides an opinion on the financial statements and also includes the audit related assessment of internal controls.
- The Agency's board actions have addressed internal controls through review and adoption of policies and procedures within the Agency's policy manual. These policy and procedures include the following:
  - Annual Board adoption and review of Agency Policy Manual
  - Annual Board adoption and acceptance of NYS PAAA policies
  - Annual Board adoption and acceptance of PARIS reports
  - Annual Board adoption and review of Open Meetings and Conduct & Notification of Public Hearings policies

- Annual Board adoption and review of Project Monitoring & Enforcement and Agency Administrative & Other Fees policies
- Maintenance of website in accordance with the Agency's Access to Agency Records Policy
- Agency board has annually reviewed the Agency mission and Policy Manual to ensure the IDA's primary operations and functions will help fulfill its mission
- IDA staff is trained to understand the IDA objectives, functions, policies, procedures and guidelines
- Annual Board adoption and review of Conflicts of Interest Policy
- Annual Board adoption and review of financial records and Annual Financial Statement policy
- Monthly financial reports reviewed by Board of Directors
- Annual Board adoption and review of deposits & investments of Agency funds
- Annual Board adoption and review of Procurement policy
- Annual Board adoption and review of annual budget and budget policy
- Annual Board adoption and review of Agency property acquisition & disposition policies
- Annual external financial audit with Audit Committee oversight

**Extent to Which the Internal Control System is Effective**

Management has reviewed the internal control system for 2022 and finds that the items as outlined above remain in place and functioning as expected. The IDA's most recent financial audit (for the calendar year 2021 and the year ended December 31, 2021) identified no material weaknesses or significant deficiencies. Policies and procedures in place are deemed sufficient. As noted previously, IDA staff regularly reviews updates to pertinent rules.

**Corrective Action**

No specific corrective action is required at this time. Management consistently works to strengthen controls as possible.