

## **Albany County Business Development Corporation (“ACBDC”)**

### **2023 Assessment of the Effectiveness of Internal Controls**

**Mission:** The mission of the ACBDC is as follows: To promote economic growth and business retention in Albany County by offering financing through the AI Tech Loan Fund to small- and medium-sized businesses (and, in special circumstances, to larger businesses) which demonstrate strong possibilities for growth, real property improvement, increased employment and retention of employment within the County.

**ACBDC Major Business Functions:** No changes have occurred with respect to ACBDC’s significant funding sources, mission or objectives of the ACBDC during 2023. ACBDC’s major business functions, including financial status, operational processes and legal requirements are implemented by staff and reviewed by the Board during ACBDC’s publicly advertised and open Board meetings. Minutes of these meetings as well as supporting documents are maintained on ACBDC’s website.

**Risks Associated with ACBDC 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 and committees at public open meetings. Additionally, for both legal and financial aspects, ACBDC 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 ACBDC. A review for 2023 finds no change to the differing levels of involvement and approval.

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

There exists a set of policies, procedures and guidelines in place at the ACBDC which are designed to ensure the ACBDC’S mission is carried out, and to minimize risk. These items remained in place during 2023. 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 multiple NYS PAAA policies, as required by statute.

- 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 financial and operational reports are provided to management as well as the Treasurer and the full Board of Directors.
- The ACBDC annually has a financial audit performed by an independent auditor. This independent financial audit provides an opinion on the financial statements and also includes the audit related assessment of internal controls.
- The Board has addressed internal controls through review and adoption of policies and procedures. These policy and procedures include, but are not limited to the following:
  - Board annual review/approval of NYS PAAA policies
  - Board annual review/acceptance of the following PAL Reports :Annual, Procurement, Investment, Audit, Property & related PARIS reports
  - Maintenance of website in accordance with ABO guidance
  - Board annually reviews ACBDC’S mission to ensure the ACBDC's primary operations and functions will help fulfill its mission
    - ACBDC staff is trained to understand the ACBDC objectives, functions, policies, procedures and guidelines
  - Board annual reviews of Conflicts of Interest Policy, and submits aCOI Statement
  - Submission of Annual Financial Disclosure in accordance with NYSPAL
  - Monthly financial reports reviewed by Board of Directors
  - Board annual review/approval of Procurement policy
  - Board annual review/approval of an annual Budget
  - Board annual review/approval of ACBDC 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 2023 and finds that the items as outlined above remain in place and function as expected. The ACBDC’S most recent financial audit (for the calendar year 2023 and the year ended December 31, 2023) identified no material weaknesses or significant deficiencies. Policies and procedures in place are deemed sufficient. As noted previously, ACBDC 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.

