

BCIDA
Assessment of the Effectiveness of Internal Controls
2023

In addition to complying with the Internal Controls and Financial Accountability Policy adopted by the BCIDA Board of Directors in 2014 and its Strategic Plan, Section 2800 (1)(a)(9) and Section 2800 (2)(a)(9) of Public Authorities Law requires all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

An adequate system of internal controls is expected to: (a) promote effective and efficient operations so as to help the authority carry out its mission; (b) provide reasonable, but not absolute, assurance that assets are safeguarded against inappropriate or unauthorized use; (c) promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with management's authorization and recorded properly in accounting records; (d) encourage adherence to management's policies and procedures for conducting programs and operations; and (e) ensure compliance with applicable laws and regulations. A successful system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions.

In order to comply with the requirements of Section 2800 the BCIDA has instituted an annual evaluation performed by management to determine the effectiveness of its internal control system. Following the recommendation of the Authorities Budget Office the BCIDA utilized five major components in its internal control assessment.

- A. Define the Mission of the BCIDA and its Objectives- "The Broome County IDA is a catalyst, partner and investor that delivers clear benefits including job opportunities, development sites and enhanced quality of life. The BCIDA promotes and leverages all available resources and Broome County's strengths to foster economic growth and create prosperity in an ethical and transparent manner." Objectives: (1) Reduce and Mitigate Development Barriers; Particularly Infrastructure, Availability of Sites and Advance Site Readiness. (2) Participate in the Economic Revitalization of the Urban Core and Position Rural Communities for Long-term Economic Sustainability (3) Actively Support Workforce Development and Talent Attraction efforts. (4) Continue to Advance a Comprehensive Business Recruitment and Retention Strategy. (5) Strengthen the capacity of both the IDA and LDC entities in support of these strategic priorities.

The mission statement and objectives are the starting point utilized to determine if the agency's internal controls, or its activities and procedures, are providing reasonable assurance that operations are "going according to plan."

- B. Determine the Risks Associated with Operations-The purpose of risk assessment is to identify those events, conditions or risks that could significantly affect the achievement of the organization's objectives, including the protection of assets and the efficient operation of financial operations and other services. The BCIDA review assessed the risk exposure

and associated vulnerability of each of its responsibilities or functions and assigned a corresponding risk level (high, medium, or low).

- C. Identify the Internal Control Systems in Place- Internal controls are the policies, practices, attitudes, guidelines and other actions adopted by the agency that, when followed, provide reasonable assurance that the staff understand and properly carry out their responsibilities, that appropriate professional and ethical conduct is observed and that the agency will honor its purpose and mission. The agency assessed the following control systems: agency bylaws, organizational chart, job descriptions, audited financial statements, the organization's policies and procedures, written assessment of IT resources, written risk analysis and inquiry/observation for internal security.
- D. Assess the Extent to Which the Internal Control System is Effective-The assessment of internal controls is a structured and monitored process to identify and report any weaknesses of the internal control structure to management. The assessment provides management with information as to whether the agency's policies and operating practices were understood and executed properly, and whether they are adequate to protect the organization from waste, abuse, misconduct or inefficiency. In accordance with ABO guidelines, the assessment conducted by the BCIDA involved a combination of a review of documents, charts, reports, records, policies and procedures as well as inquiry and observation. Also, the agency designed and implemented an Assessment Check List to be used for the current and future annual assessments.
- E. Take Corrective Action- When a significant weakness is identified, a corrective action plan should be developed, adopted by the board, and monitored by management to ensure that the vulnerability is addressed. The BCIDA has developed a Corrective Action Plan Form to be utilized when and if a significant weakness is identified. To date, no significant weakness has been identified.

In order to fully comply with the requirements of Section 2800, this statement certifies that the Broome County Industrial Development Agency assessed and documented the adequacy of its internal controls structure and policies for the year ending December 31, 2023. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.