

2008-09 INTERNAL CONTROL SUMMARY & CERTIFICATION FORM

The Internal Control Summary and Certification Form provides supporting justification for an agency's or authority's level of compliance with the requirements of the Internal Control Act as outlined below. This form requests information regarding specific actions taken, or needed to be taken, by agencies/authorities to comply with each of the Act's requirements as described in Budget Policy and Reporting Manual (BPRM) Item B-350. A completed and signed Internal Control Summary and Certification Form should be submitted by April 30, 2009, via e-mail as an attached PDF file to the Division of the Budget's internal control reporting mailbox at dob.sm.icreporting@budget.state.ny.us.

Agency Name	Date	Completed by (Name)	Phone
Buffalo Fiscal Stability Authority	April 28, 2009	Michael P. Kelly, ICO	(716) 853-0907

A. Establish and maintain guidelines for a system of internal controls for the agency or authority. Internal control guidelines communicate an organization's management and programmatic objectives to its employees and provide the methods and procedures used to assess the effectiveness of its internal controls in supporting those objectives. Internal control guidelines should:

1. State the agency head's support of internal controls to provide staff with an understanding of the benefits of effective controls;
2. Identify the agency's primary responsibilities and the objectives;
3. Explain how internal controls are organized and managed;
4. Define responsibilities of agency management and supervisors and agency staff;
5. Acknowledge that internal controls adhere to accepted standards; and,
6. Describe the organization's process for evaluating internal controls.

For this requirement, the agency/authority is:

Fully Compliant Partially Compliant Not Compliant

Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.

The Buffalo Fiscal Stability Authority (BFSA) underwent a full scale reengineering of its internal controls program during the 2007-08 fiscal year, and with that, BFSA's Executive Director put out a new agency message on internal controls. The message clearly states both the Executive Director's and the agencies' support of BFSA's Internal Controls, as well as demonstrates a thorough understanding of the benefits of effective internal controls and the role that all staff members play in the agency's internal controls. The reengineering effort was undertaken to enhance and strengthen the internal control environment in light of more stringent compliance standards required by B-350 "Budget Policy and Reporting Manual, Governmental Internal Control and

Internal Audit Requirements” issued August 30, 2007 and B-1177 “Budget Bulletin, 2007-08 Internal Control Certification and Reporting “ issued February 13, 2008.

BFSA’s primary responsibilities include financial oversight of the City of Buffalo, the Buffalo Public School District, the Buffalo Municipal Housing Authority, the Buffalo Urban Renewal Agency and the Joint Schools Construction Board. Specifically, BFSA requires the annual development of a four-year financial plan for the City and its covered organizations. BFSA is also vested with the power to ensure compliance with that plan and the authority had the power to provide deficit financing assistance to the City and its covered organizations over a four-year period, provided that recurring actions were taken to close increasing percentages of the structural budget gap each year. BFSA established the legal basis for creation of a highly rated borrowing structure to reduce City borrowing costs and provide short-term budgetary assistance and has responsibility to impose financial control mechanisms if the City and its covered organizations are unable to adopt a balanced financial plan and / or operate in accordance therewith.

Several of BFSA’s objectives include:

- Ensure a balanced City budget & 4-Year plan (Also for the covered organization’s)
- Secure services to its citizens
- Enhance fiscal discipline
- Encourage work productivity and management effectiveness
- Restore investor confidence
- Increase transparency, and
- Enable establishment of reserves

BFSA’s internal controls are organized into major components. The major components of the Internal Control Manual are the Internal Control Program Handbook, the Employee Handbook and the Code of Ethics.

The handbook provides a broad overview of the authority’s internal controls including: The message from the Executive Director, a definition of internal controls, purposes of internal controls, internal controls components and standards and an enterprise risk management module. The emphasis to date has centered around revising the Internal Control Program Handbook to solidify the foundation for BFSA’s internal control framework, the comprehensive set of activities, plans, attitudes and policies designed to ensure a system of accountability for and oversight of its mission and operation.

BFSA manages internal controls in a number of ways. BFSA governing body, a Board of Directors made up of nine members, has an Audit, Finance and Budget and Governance committee which regularly reviews authority internal controls and receives periodic updates from BFSA’s executive director. BFSA’s Executive Director, as well as BFSA’s Internal Controls Officer regularly review internal controls matters and delineate information to authority staff as appropriate. The authority regularly reviews internal

controls for assessment, testing and improvements. Typically, during the course of a year, several internal controls topics are selected to be tested and the internal controls officer conducts the tests with the assistance of staff.

Additionally, pursuant to Section 3871 of the Public Authorities' Law, BFSA has an annual independent audit completed by an independent certified public accountant, Lumsden & McCormick, LLP, conducted in accordance with generally accepted accounting standards. Historically, BFSA has relied on its independent auditors' for assistance in preparing select schedules during the audit of the annual financial statements because of the size of BFSA's staff.

As noted above, the authority's Internal Controls Officer, Executive Director and Comptroller are all actively involved in organization internal controls. The Comptroller is a past internal control officers of the authority, and the Executive Director has been involved in authority internal controls since her employment began with the authority shortly after the creation of BFSA. Remaining staff is encouraged to actively participate in authority internal controls matters.

The Internal Controls Officer works closely with the Executive Director and Comptroller on internal controls responsibilities. The Executive Director has a broad level of experience with internal controls and provides direction to the internal controls officer on matters such as testing and assessing controls. The officer typically handles testing and assessment and reports back to the executive director and staff about findings and areas of weakness needing improvement. Internal controls are routinely discussed among staff members when questions arise on the process of performing a task. The small size of the staff affords the opportunities to respond to this type of informal training as required.

BFSA's Manager of Administration and Technology oversees the records management and retention area of internal control as the records management officer (RMO). The records retention program and schedule was initiated in 2004 and BFSA has retained a RMO since that time. The RMO and ICO continue to work together to critique and improve internal control parameters for the most recent office technology upgrades.

BFSA's senior management encourages and supports education and participation in conferences and seminars designed to augment employees' knowledge of their responsibilities and professions. Specific training levels are not assigned, as recommended on page A3 of Appendix A of the Compliance Roadmap, due to the relatively small size of the staff. Staff employees have attended the NYSICA Conference, the GFOA Conference (local and statewide), and OFT training in addition to utilizing relevant web sites for job related information.

BFSA is confident that the authority's internal controls are in adherence with acceptable standards. The reengineering of BFSA's internal controls framework that took place during the 2007-08 fiscal year was done in part to better capture the requirements of the

NYS Office of Budget, BRPM B-350 and B-1177, as well as to reflect the major tenets and principles of the COSO model.

The authority evaluates internal controls based on risk level. During the authority's 2007-08 reengineering, a template for independent assessment, or quality control, of the control objectives was created for the major risk areas of authority internal controls. The template created when the internal control system was reengineered consists of an excel spreadsheet for each risk enabler listing the control objectives related to the process. If a control objective is deemed deficient, it is noted on the spreadsheet by a third party who has assessed the objective and elevated to management for discussion and resolution. This is the strategy for addressing corrective actions although there have been no deficiencies identified to date that require corrective actions.

Additionally, the ICO evaluates controls as an ongoing process during testing. For example, as accounts payable recording and processing are tested, they are also evaluated and weaknesses are reported to the authority executive director and strategies for improving controls are discussed and adopted as necessary. A similar process is employed during testing of other internal controls subject areas authority wide.

- Add Additional Pages if Needed -

B. Establish and maintain a system of internal controls and a program of internal control review for the agency or authority. The system of internal control should be developed using the COSO (Committee of Sponsoring Organizations of the Treadway Commission) conceptual framework adopted in the *Standards for Internal Controls in New York State Government*, and should incorporate COSO's five basic components of internal control: control environment, risk assessment, control activities, information and communication and monitoring.

The program of internal control review shall be a structured, continuing and well documented system designed to identify internal control weaknesses, identify actions that are needed to correct these weaknesses, monitor the implementation of necessary corrective actions and periodically assess the adequacy of the agency's or authority's internal controls.

Organizations can adopt a system of internal control review tailored to their needs, size and degree of centralization. The procedures for evaluating the adequacy of that system also vary, but at a minimum should:

1. Identify and clearly document the primary operating responsibilities (functions) of the agency or authority;
2. Define the objectives of these functions so they are easily understood by staff accountable for carrying out the functions;
3. Identify/document the policies and procedures used to execute functions;
4. Identify the major functions of each of the agency's assessable units;
5. Develop a process or cycle to assess risk and test controls for major functions;
6. Assess the risks and consequences associated with controls failing to promote the objectives of major functions;
7. Test controls to ensure they are working as intended (see the "Manager's Testing Guide" which can be downloaded from BPRM Item B-350);
8. Institute a centrally monitored process to document, monitor and report deficiencies and corrective actions.

For this requirement, the agency/authority is:

Fully Compliant **Partially Compliant** **Not Compliant**

Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement and specifically address the following points:

1. Describe the process used to review the agency's/authority's internal controls.

In large part, the process used to review the authority's internal controls took place during the 2007-08 fiscal year, and while this process is ongoing, the reengineered internal controls system implemented during the previous year achieved such objectives.

BFSA conducted a two tiered approach for evaluating internal controls during the 2007-08 timeframe. First, there were reviews of significant governance and operating policies by the Board of Directors' Audit, Finance and Budget and Governance committees to ensure the accuracy and effectiveness of these policies. Specific policies reviewed included, but were not limited to, the Procurement Guidelines, Contract Approval Process, Property Disposal Guidelines, Prompt Payment Policy and the Code of Ethics.

The Internal Control Officer (ICO) for BFSA also initiated a major reengineering of the Internal Control Manual and related framework. This effort was undertaken to enhance and strengthen the internal control environment in light of more stringent compliance standards required by B-350 "Budget Policy and Reporting Manual, Governmental Internal Control and Internal Audit Requirements" issued August 30, 2007 and B-1177 "Budget Bulletin, 2007-08 Internal Control Certification and Reporting " issued February 13, 2008. The major components of the Internal Control Manual are the Internal Control Program Handbook, the Employee Handbook and the Code of Ethics. The emphasis to date has centered around revising the Internal Control Program Handbook to solidify the foundation for BFSA's internal control framework, the comprehensive set of activities, plans, attitudes and policies designed to ensure a system of accountability for and oversight of its mission and operation. The effort involved a review and revision of the

- Message from Executive Director (tone at the top)
- definition of internal control and delineation of internal control system components
- risk areas related to functions/operations
- control objectives and creating an electronic template for assessment or quality review of those control objectives.

2. List all high-risk activities and indicate which were reviewed during 2008-09.

BFSA identified thirteen operational activities as major areas of operations which the authority considers high-risk. BFSA's high-risk activities include:

- Accounts Payable Recording and Processing,
- Asset Purchase, Inventory and Control,
- BFSA Budget Preparation and Approval,
- Bond/Note Issuance Initialization and Monitoring,
- Business Expenditures, Authorization and Payment,
- Document Retention and Storage,
- Hardware Purchase and Physical Security,
- Investment Initialization and Monitoring,
- Payroll Recording and Processing,
- Personnel Hiring, Training and Evaluation,
- Physical Security and Disaster Recovery,
- Revenue Recognition and Transfer, and

- Software Purchase and Access Security.

BFSA reviewed Budget Preparation and Approval, Business Expenditures, Authorization and Payment and Accounts Payable Recording and Processing during 2008-09. BFSA will begin a new round of reviews for high-risk activities later this year.

3. Identify the significant deficiencies revealed during the 2008-09 review process. Outline the actions taken, or planned, to eliminate deficiencies, highlighting the most important improvements made during the year.

During our testing period this year, several deficiencies were identified and some corrective actions were implemented, while others will be implemented by June 30, 2009. Some of the main deficiencies had to do with consistency and findings included the following:

- For business expenditures, preapprovals were not always included
- Shipping slips were not always attached to receipts to confirm that items received were the same as items ordered
- Cancelled checks were not always attached to accounts payable records and processing documents
- Approvals were not always obvious on accounts payable records and processing documents

As a result of our control testing, BFSA has already implemented changes to improve our control system. Working with the office manager, the ICO has implemented (in conjunction with the executive director) a revised system where all cancelled checks when returned from the bank will be attached to the corresponding accounts payable records and process documents.

The office manager has also begun to require that approval stamps and signatures are included and visibly obvious on all accounts payable records and process documents. Moreover, the IOC along with the office manager has begun attaching shipping slips to receipts to make sure all items purchased are accounted for and that items and purchases match up, as well as purchase prices.

4. Describe the monitoring system installed by the agency to verify that corrective actions are taken. Discuss the extent to which IT systems are used to track corrective actions.

While nothing specific was added to the authority's monitoring system this past year, the template created when the internal control system was reengineered consists of an excel spreadsheet for each risk enabler listing the control objectives related to the process. If a control objective is deemed deficient, it is noted on the spreadsheet by a third party who has assessed the objective and elevated to management for discussion and resolution. This is the strategy for addressing corrective actions and as mentioned

above, some minor concerns have already been address and the situation will be monitored going forward to ensure that the corrective actions are permanently implemented.

5. Summarize specific actions the agency has taken to install a compliance testing program. Describe actions taken during 2008-09 to verify test results and expand the testing program.

BFSA's small staff presents challenges to annually updating our internal controls system. However, during the 2007-08 year, the main objective of reengineering our internal control framework was to develop an integrated model based on the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) tenets and principles. At that time, utilizing this as our foundation assured us that BFSA established a comprehensive internal control system that allowed for:

- enhancing effectiveness and efficiency of operations
- increasing the reliability of financial reporting, and
- proactively initiating reviews and pursuing information to remain compliant with relevant laws and regulations.

The monitoring and assessment phases of the control objective third party review, will list any applicable laws and regulations as reference material to assist in the review. As BFSA updates these laws and regulations or as their superseded, the reference notes on the assessment sheet will also be updated.

6. Describe measures instituted to sustain the effectiveness of the internal control program during 2008-09. Include information on reorganizations and other revisions in the program to enhance operations.

Internal control education and training are formally integrated into the communication's stream of BFSA. The Executive Director and Comptroller (a one time BFSA ICO), along with the current ICO, are members of the Government Financial Officers' Association and routinely disseminate emails and other correspondence on internal control bulletins, meetings and updates. The Comptroller and current ICO are also members of New York Internal Control Association. Employees have access to the Employee Handbook online and the tone at the top communication, "Message from the Executive Director", is on BFSA's website.

The Governance and Audit, Finance and Budget Committees of the Board regularly schedule internal control policies for review and update to educate the entire Board on recent changes or pronouncements. Policies and procedures that form the internal control framework such as Procurement Guidelines, Code of Ethics, and Property Disposal Guidelines, are regularly scheduled for discussion during Board meetings. These policies and procedures are updated in concert with BFSA's continuous improvement efforts. Internal control policies were agenda items for review during five of the ten Board meetings held during 2008.

Internal controls are discussed among staff members when questions arise on the process of performing a task. The small size of the staff affords the opportunities to respond to this type of informal training as required. The ICO provides updates at staff meetings and BFSA has in the past and plans to do so during calendar year 2009 hold staff training meetings to present updates on internal control.

Additionally, BFSA adopted NYS software onto our computer systems, that speed up the amount of time computers can sit unattended before a password protected screen requires potential users to log back in. New software was also installed on authority blackberrys that requires password reentry after just a few moments without active use. These additions to our electronic equipment have helped to enhance authority controls during the 2008-09 year.

7. Describe efforts agency/authority management has taken to coordinate and integrate the documentation and reporting of activities the Office of the State Comptroller's *Standards for Internal Controls in New York State Government* recognize as supporting a good internal control system: evaluation, strategic planning and internal audit.

BFSA regularly self assesses its internal controls as part of an ongoing evaluation process. This process helps BFSA determine if the organization is meeting its goals and objectives. BFSA's strategic planning starts with our Audit, Finance and Budget committee which oversees the authority's internal controls and sets the tone for BFSA's executive director, and manages the strategic plan throughout the organization. Based on the direction provided by BFSA's strategic plan, management has developed plans with a long-range focus for the organization. The plan guides the ICO with developing shorter-range plans for major functions performed across the authority. Again, this helps keep BFSA focused on meeting our goals and objectives.

BFSA does not have an internal audit function due to the size of the staff, currently five employees, and the limited scope of operations.

8. Describe efforts agency/authority management has taken to effectively communicate information within the organization. Information should be communicated to management and other employees who need it in a form and within a time frame that helps them to carry out their responsibilities. Communication is not an isolated internal control component. It affects every aspect of an organization's operations and helps support its system of internal control. The feedback from this communication network can help management evaluate how well the various components of the system of internal control are working.

Similar to what was reported in question 6 BFSA's internal control education process and training are formally integrated into the communication's stream of BFSA. The

Executive Director and Comptroller (a one time BFSA ICO), along with the current ICO, are members of the Government Financial Officers' Association and routinely disseminate emails and other correspondence on internal control bulletins, meetings and updates. The Comptroller and current ICO are also members of New York Internal Control Association. Employees have access to the Employee Handbook online and the tone at the top communication, "Message from the Executive Director", is on BFSA's website.

Internal controls are discussed among staff members when questions arise on the process of performing a task. The small size of the staff affords the opportunities to respond to this type of informal training as required. The ICO provides updates at staff meetings and BFSA has in the past and plans to do so during calendar year 2009 hold staff training meetings to present updates on internal control.

- Add Additional Pages if Needed -

C. Make available to each officer and employee of the agency or authority a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency or authority shall be expected to comply along with detailed policies and procedures the employees are expected to adhere to in completing their work. The statement should set the tone at the top. It should be issued periodically and emphasize the importance of effective internal controls to the agency or authority and the responsibility of each officer and employee for effective internal controls.

Managerial policies and procedures for the performance of specific functions are articulated in administrative manuals, employee handbooks, job descriptions and applicable policy and procedure manuals. While it is not necessary for all employees to possess all manuals, employees should be provided with, or have access to, applicable policies and procedures for their position.

For this requirement, the agency/authority is:

Fully Compliant **Partially Compliant** **Not Compliant**

Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.

BFSA is in the process of developing an internal controls memo from the executive director in conjunction with the ICO that offers a clear and concise statement of the generally applicable management policies and standards with which authority employees shall be expected to comply along with policies and procedures the employees are expected to adhere to in completing their work. The ICO expects that the authority's tone will be set at the top of the memo, and that such memos will be semiannual in nature, while emphasizing the importance of effective internal controls to authority personnel. Emphasis will be placed on the responsibility of each employee for effective internal controls. The first memo is expected to be delivered to employees by June 30, 2009.

- Add additional pages if needed -

D. Designate an Internal Control Officer (ICO), who shall report to the head of the agency or authority or to their designee within the executive office, to implement and review the internal control responsibilities established pursuant to this Item. The designation of the ICO should be communicated to all employees.

The ICO works with appropriate personnel within the agency or authority to coordinate the internal control activities and to help ensure that the internal control program meets the requirements established by BPRM Item B-350. Although the ICO evaluates the adequacy of the internal control reviews performed by agency or authority staff, program and line managers are primarily responsible for conducting reviews to assure adherence to controls and analyzing and improving control systems. The ICO should be an individual with sufficient authority to act on behalf of the agency head in implementing and reviewing the agency's internal control program. This individual should have a broad knowledge of agency operations, personnel and policy objectives.

For this requirement, the agency/authority is:

Fully Compliant Partially Compliant Not Compliant

Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.

BFSA's internal controls officer works independently but also in conjunction with the authority's executive director and comptroller on control matters. The ICO has sufficient authority to act on internal controls matters meriting attention. The ICO runs testing, makes recommendations for control improvements, follows up on the implementation of control improvements, disseminates information to staff, attends training, completes necessary reports and follows through on any additional matters pertinent to authority internal controls. BFSA's ICO has and continues to make sure the authority's control program meets the requirements established by BPRM Item B-350. With BFSA's small staff, and the nature of employees handling multiple jobs and responsibilities, BFSA's ICO is from time to time challenged with fulfilling and proactively managing the authority's internal controls system.

- Add additional pages if needed -

E. Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.

Agencies and authorities should identify staff requiring internal control training and the depth and content of that training. Such education and training should be on-going with specific courses directed at line staff, middle managers and executive management. For organizations that have established internal audit functions, training and education should be offered on the appropriate role of the internal auditor within the organization's internal control system.

For this requirement, the agency/authority is:

Fully Compliant **Partially Compliant** **Not Compliant**

Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.

BFSA believes all staff members should receive internal controls training and regular updates. BFSA's ICO officer recently attended an training session entitled, "Taking Responsibility for Internal Controls" at the NYS GFOA conference and is in the process of developing an internal controls memo for BFSA's staff (to be completed by 6-30-09), which will incorporate a training component element into the memo. In the past, BFSA has sent its ICO to a NYSICA Conference, and OFT training in addition to utilizing relevant web sites for job related information.

BFSA's senior management encourages and supports education and participation in conferences and seminars designed to augment employees' knowledge of their responsibilities and professions. Specific training levels are not assigned, as recommended on page A3 of Appendix A of the Compliance Roadmap, due to the relatively small size of the staff. Internal controls training can be a challenge for an organization of BFSA's size, but the authority remains fully committed to proper training for all employee personnel.

BFSA has held specific meeting to discuss internal controls matters. These meeting were informative and educational, while offering examples for ways employees could better incorporate sound internal controls policies into their everyday work. Going forward, BFSA expects to hold similar meetings designed to train and educate staff on authority internal control policies and procedures.

- Add additional pages if needed -

F. Periodically evaluate the need for an internal audit (IA) function. If an IA function exists, it should be maintained in compliance with generally accepted professional auditing standards. Agencies on the Division of the Budget's list of agencies required to establish IA functions – and those choosing to have an IA function – are required to comply with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* (see BPRM Item B-350 Section III "IA Responsibilities").

As outlined in BPRM Item B-350, agencies and authorities are required to periodically evaluate the need to establish, maintain or modify an IA function utilizing the *Internal Audit Evaluation Criteria* (Attachment C).

Agencies concluding that an IA function is warranted should submit their evaluation to DOB as outlined in BPRM Item B-350. Periodically thereafter, agencies with IA functions should review current operations to determine whether the function should be altered or maintained.

Agencies concluding an IA function is not warranted should periodically reevaluate the need for such a function using Attachment C, especially when organizational, operating, fiscal, program, legal, or personnel changes occur which affect the agency's exposure to risk or which could otherwise change the results of the initial assessment.

Pursuant to BPRM Item B-350, agencies required to have – and those entities choosing to have – an internal audit unit should comply with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Therefore, IA units should comply with the guidance outlined below regarding organizational placement, independence and reporting.

1. Directors of Internal Audit (DIA) should report functionally to the agency head or audit committee and may report administratively to the designated executive deputy (or equivalent position). If the executive deputy has line or staff duties, the DIA should report directly to the agency head.
2. A current organizational chart should be available that identifies the placement of the IA unit, the individual that has responsibility for overseeing the internal audit activity, and other organizations/activities under its purview.
3. The IA function should be independent of the ICO, but should work closely with the ICO. Limitations should be established on IC activities where those duties overlap. Agencies should identify impairments to the independence of the DIA that may be created where the DIA is performing the ICO function. Furthermore, IA units should not assume operating responsibilities, perform management functions, make management decisions or assume other monitoring roles (e.g., Information Security Officer).

4. Internal audit staff should complete an annual independence statement identifying actual/potential impairments to independence and notifying the DIA whenever a new actual/potential impairment arises.

5. At a minimum, DIAs should hold quarterly meetings with agency executive management and the audit committee, where applicable, to report on audit results. Final reports should be distributed to the agency head, executive deputy, auditee, ICO, and the audit committee.
6. The DIA should assure that agency audit staff have the skills, knowledge and ability to perform the audit work required, and that the size of the audit staff is appropriate given the size and complexity of the organization.
7. IA units should take steps to ensure sufficient audit resources are available given the size and complexity of the organization. This can be accomplished by exploring in-sourcing, outsourcing and sharing audit services.

For this requirement, the agency/authority is:

- Not Applicable – This agency/authority does not have an IA function.**
- Fully Compliant** **Partially Compliant** **Not Compliant**

Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement by providing the following information:

1. A current organizational chart identifying the placement of the IA unit, the name and title of the IA director, other organizations/activities under the IA function's purview and the name and title of the person to whom the IA director reports.
2. A description of how the internal audit director's credentials, education and experience meets the minimum qualifications established in BPRM Item B-350.
3. A description of how continuing professional education requirements are met by the director and each staff member.
4. A description of how quality assurance review requirements are being met.
5. A description of how the IA function ensures that it does not compromise its independence if it is also responsible for other functions (i.e., internal control, information security or other duties).

- Add additional pages if needed -

2008-09 INTERNAL CONTROL CERTIFICATION

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Buffalo Fiscal Stability Authority

Agency/Authority Name

Bertha H. Mitchell, Executive Director

Agency Head/Chairperson Governing Board

617 Main Street, Suite 400, Buffalo, New York 14203

(716) 853-0907

Agency/Authority Address

Telephone Number

Michael P. Kelly

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Name of Internal Control Officer

Telephone Number

Michael.kelly@bfsa.state.ny.us

Email Address of Internal Control Officer

I hereby certify the agency or authority is:

- Fully Compliant (Full compliance with all provisions)**
- Partially Compliant (Partial compliance with some or all provisions)**
- Not Compliant (Noncompliance with all provisions)**

With the New York State Governmental Accountability, Audit and Internal Control Act.

This certification is supported with detailed justification of actions taken and/or outlines specific actions needed to address areas of partial compliance or noncompliance as described in the preceding Internal Control Summary.

Signature/Agency Head or Chairperson Governing Board

Date