

Advance Albany Alliance Local Development Corporation (“AACCA”) 2023 Assessment of the Effectiveness of Internal Controls

Mission:

The mission of the AACCA is as follows:

To collaborate with public, private, and nonprofit interests to create robust economic opportunity for all residents by diversifying the County’s economy through the growth, expansion and attraction of business activity, promotion of strategic infrastructure projects and the active promotion of the County as a business-friendly location.

AACCA Major Business Functions.:

No changes have occurred with respect to AACCA’s significant funding sources, mission or objectives of the AACCA during 2023. It is noted that the above mission statement was adopted by the Board in January 2023. It is intended to cover the same objectives contained within the previous mission statement from 2021-22 which had simply been taken from the Certificate of Incorporation (“COI”), e.g. to increase economic development and economic activity throughout Albany County. The mission statement adopted in January 2023 is meant to be less “legalese” and easier to communicate/understand as compared to the COI’s stated mission language. AACCA’s major business functions, including financial status, operational processes and legal requirements are implemented by staff and reviewed by the Board during AACCA’s publicly advertised and open Board meetings. Minutes of these meetings as well as supporting documents are maintained on AACCA’s website.

Risks Associated with AACCA 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, AACCA 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 AACCA. 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 AACCA which are designed to ensure the AACCA'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 AACCA 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 AACCA's mission to ensure the AACCA's primary operations and functions will help fulfill its mission
- AACCA staff is trained to understand the AACCA objectives, functions, policies, procedures and guidelines
- Board annual reviews of Conflicts of Interest Policy, and submits a COI Statement
- Submission of Annual Financial Disclosure in accordance with NYS PAL
- 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 AACCA 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 AACCA'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, AACCA 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 needed and/or recommended based on analysis..