

BATAVIA DEVELOPMENT CORPORATION (BDC)

Fiscal & Internal Controls Policy

Provisions of and Section 2800 (1)(a)(9) and Section 2800 (2)(a)(9) of Public Authorities Law require all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The importance of an adequate system of internal control is 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. Furthermore, a successful system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions.

Internal Control Assessment:

To satisfy the requirement of Sections 2800 (1) (a) (9) and 2800 (2)(a)(9) of Public Authorities Law, BDC should incorporate, either within their annual report or as a separate document, a statement explaining that the BDC has conducted a formal, documented process to assess the effectiveness of their internal control structure and procedures, and indicating whether or not the internal controls are adequate. This statement should be posted to the BDC website. An example of this statement is provided below:

This statement certifies that the [Name of Authority] followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending [Month,Date, Year]. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

Public Authorities Reporting Information System (PARIS): As part of the PARIS Annual Report tab, state and local authorities will be required to indicate whether or not they have prepared this assessment and to provide the URL link to the statement.

Batavia Development Corporation further requires each Board member to read and execute the Authorities Budget Office (ABO) recommended **Agreement of Fiduciary Duties & Responsibilities** as well as contract third party auditing services annually to review internal controls.

MOTION to adopt the Fiscal & Internal Controls Policy.

Peter Casey 2nd Pier Cipollone vote: carried
Peter Casey, Pier Cipollone, Ray Chaya, Mary Valle, Steve Pies, Barb Shine, Susie Ott

DATE: November 23, 2016

Re-approved
01/22/2026