



Division of the Budget

KATHY HOCHUL
Governor

ROBERT F. MUJICA JR.
Director of the Budget

SANDRA L. BEATTIE
First Deputy Director

CHARLES WILLIAMS
Deputy Director

INTERNAL CONTROL CERTIFICATION INSTRUCTIONS

The Budget Policy and Reporting Manual B-0350 is issued by DOB and outlines agency requirements for completing the Internal Controls Certification.

An agency's submission of the Internal Control Certification represents the justification for an agency's level of compliance with the requirements of the Internal Control Act as outlined below.

In the responses to the six requirements, agencies must:

- Provide a thorough explanation of the specific actions the agency has taken to comply with each requirement and use as much space as needed to respond;
- Indicate the agency's level of compliance with each requirement and include justification for this assertion; and
- Include, for each requirement that is not fully compliant, an action plan and estimated date of completion.

A completed and signed Internal Control Certification Form must be submitted to the Division of the Budget (DOB) on or before **April 30** annually. Send the PDF of the completed form to DOB's internal control reporting mailbox at dob.sm.icreporting@budget.ny.gov.



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Agency Name: Roosevelt Island Operating Corporation

1. Establish and maintain guidelines for a system of internal controls for the agency.

For this requirement, the agency is:

☒ **Fully Compliant**

☐ **Partially Compliant**

☐ **Not Compliant**

See Attachment A

2. Establish and maintain a system of internal controls and a program of internal control review for the agency. Please include a description of your agency's process for reviewing and testing controls and monitoring corrective action plans. Also, list all high-risk activities which were reviewed during the past year, and the results of those reviews.

For this requirement, the agency is:

☒ **Fully Compliant**

☐ **Partially Compliant**

☐ **Not Compliant**

See Attachment A

3. Make available to each officer and employee of the agency a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency is expected to comply, along with detailed policies and procedures the employees are expected to adhere to in completing their work.

For this requirement, the agency is:

☒ **Fully Compliant**

☐ **Partially Compliant**

☐ **Not Compliant**

See Attachment A



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4. Designate an Internal Control Officer (ICO), who reports to the agency head, to implement and review the internal control responsibilities established pursuant to BPRM Item B-0350. The designation of the ICO should also be communicated to employees.

For this requirement, the agency is:

☒ Fully Compliant ☐ Partially Compliant ☐ Not Compliant

See Attachment A

5. 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.

For this requirement, the agency is:

☒ Fully Compliant ☐ Partially Compliant ☐ Not Compliant

See Attachment A

6. Periodically evaluate the need to establish, maintain or modify an internal audit (IA) function. If an IA function exists, it should operate in accordance with generally accepted professional standards for internal auditing. If your agency does not have an IA function, please complete Attachment D.

For this requirement, the agency is:

☐ Fully Compliant ☐ Partially Compliant ☐ Not Compliant

N/A



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Internal Control Certification

Agency Name: Roosevelt Island Operating Corporation

Agency Head: Shelton J. Haynes

Agency Address: 591 Main Street, Roosevelt Island, New York 10044

Telephone Number: (212) 832-4540

Name of Internal Control Officer: Mary Cunneen

Email of Internal Control Officer: mary.cunneen@rioc.ny.gov

Telephone Number: (212) 832-4540

Form Completed by: Daeman Di Stefano, Comptroller

Email (if different from ICO): daeman.distefano@rioc.ny.gov

With the New York State Governmental Accountability, Audit and Internal Control Act, I hereby certify the agency is:

- ☒ Fully Compliant (Full compliance with all provisions)
☐ Partially Compliant (Partial compliance with some provisions)
☐ Not Compliant (Noncompliance with all provisions)

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 Budget Policy and Reporting Manual item B-0350.

Signature of Agency Head

4/14/2022

Date

Attachment A

1. The President's "Tone at the Top Memorandum" which is distributed to all appropriate staff members annually, explains the policies and procedures as they relate to Internal Controls. Employees are also reminded of their duties and responsibilities in maintaining a system of Internal Control through the yearly distribution of RIOC's Employee Handbook as well as other policies and procedures, and also reinforces the requirement of all employees to communicate any concerns about job requirements, job-related activities, any changes to those requirements or activities, and also ensures that policies and procedures are current and being followed. Indeed, through regular Operations meetings, Directors meetings, and Executive meetings, RIOC policies and procedures are a part of everyday business operations and company objectives. Information and ideas gathered from these standing meetings allow for RIOC to appropriately address any issues that may arise as a result of policies and procedures currently in-place. Where a need is identified to implement a new policy or procedure, or where in the converse, there is a need to eliminate or change a policy or procedure that is no longer functioning and present, RIOC management is able to take corrective action in a timely manner in order to ensure that the daily operations of the corporation are not affected and that the business objectives are met efficiently and effectively.

2. RIOC maintains a successful control environment through its committed staff and through its formal and informal policies and procedures. RIOC departments and units promote effective communication regarding RIOC business, including special events and other co-sponsored activities, as well as other community efforts. RIOC staff are regularly updated on ongoing projects, developments, daily activities, and as needed, in order to facilitate an open line of communication in order to address matters as they arise and to keep staff apprised of issues that may affect their daily duties and responsibilities. Through this process of communication that is all-inclusive of RIOC employees, particularly, essential employees, personnel understand their respective roles as they relate to Internal Controls and RIOC employees are able to quickly identify areas of concern and report these conditions to the appropriate departments or units.

RIOC also strongly encourages and relies on its directors and unit managers to identify and assess key risks for their respective departments and units, while also devising methods in which to mitigate the risk. Employees are urged to promptly report any risks they discover so that those risks can be timely addressed through policy changes, where needed. All policies and plans of action are prepared and reviewed by the Executive Team for approval by the President or in some cases the Board of Directors, before they are implemented.

RIOC undergoes annual internal audits that aid the Corporation in identifying potential risks of which the Executive Team should be aware. These consultations are conducted by RIOC's Compliance & Internal Controls Officer where meetings are set up with Department Directors and Unit Managers to discuss their respective departments and units. Further, RIOC's Internal Controls Officer also conducts periodic assessments of the daily operations of the Corporation in order to determine whether policies are being followed. The Internal Controls Officer has an "open door" approach and regularly meets with directors and managers as well as other staff members in an effort to establish an environment for candid communication of potential risks and obstacles they face in conducting RIOC business. Individual consultations with other RIOC employees are also

a part of this process and are conducted when requested. Concerns from these meetings are relayed to the Executive Team and any adjustments needed for corrective action are reviewed and implemented as stated above.

As for the external audit, RIOCI is evaluated by a Certified Public Accounting firm that includes a limited review of RIOCI's Internal Controls that help the firm to obtain a reasonable assurance that RIOCI's financial statements are free of material errors. Although the firm does not provide a formal opinion on the effectiveness of the Corporation's Internal Controls policies and mechanisms - as it is not the objective of the annual external audit - that information is still forwarded to RIOCI's Audit Committee and presented to the Board of Directors for review. Any findings of Internal Control deficiencies are addressed and corrected as needed.

3. As stated above, RIOCI annually distributes and makes available the President's "Tone at the Top Memorandum" to all RIOCI employees as a way of reiterating RIOCI's commitment to Internal Controls. Among the many policies included in this annual package are RIOCI's Code of Conduct, Code of Ethics, and employees responsibilities. Additionally, RIOCI also distributes its internal formal and information policies, procedures, and rules to all employees and periodically conducts "refresher" training on areas such as procurement and asset management as a reminder of various policies and procedures that must be followed in order to be in compliance with New York State laws, rules, regulations, and standards. These policies underscore RIOCI's commitment to Internal Controls and policy decisions based on management's daily communications to RIOCI's staff, and RIOCI's daily operations that thereby demonstrate these principles.

4. RIOCI's Internal Controls Officer monitors, maintains, and updates RIOCI's Internal Controls program by conducting annual assessments, periodic assessments, and submitting Internal Controls reports, among other filings. The Internal Controls Officer also schedules and prepares programs of training (such as Project Sunlight) for RIOCI's Board of Directors, RIOCI executives, RIOCI directors, managers, and staff in internal controls, ethics, procurement practices, human resources, contract administration, and other relevant rules, issues, and best practices. Moreover, the Compliance & Internal Controls Officer regularly consults with executive management and the Board of Directors regarding RIOCI business and course of action while also updating and/or changing methods of best practice and procedure where necessary, advisable, or directed by our Special Liaison Counsel. Indeed, through these practices, the Internal Controls Officer is able to implement and review the internal control responsibilities to ensure that these practices comply with and meet the requirements established by the BPRM Item B-350.

5. As noted above, RIOCI's Internal Controls Officer holds individual meetings with department directors, unit managers, and other RIOCI staff as needed, to properly complete the annual review process. These meetings consist of individual assessments of each department and unit to determine any potential risks and/or mitigating practices that should be adopted or implemented to diminish those risks. The information gathered from these meetings is then presented to management in order to assess what training if any is necessary to further promote Internal Controls. Similar practices also occur in the event an issue is brought to management's attention. These practices are in place because RIOCI is fully committed to the importance that all personnel receive the appropriate and necessary training, needed for the efficient, daily operation of the Corporation.