

Utica Urban Renewal Agency Assessment of the Effectiveness of Internal Controls 2015

A. Define the Authority's Major Business Functions

The Agency, pursuant to the provisions of Section 533 of the General Municipal law of the State of New York, is a corporate governmental agency constituting a public benefit corporation and shall be perpetual in duration. The Utica Urban Renewal Agency was created by the enactment by the New York State Legislature on the 23rd day of June, 1965 of Chapter 433 of the Laws of the State of New York of 1965, Section 616, Article 1B of the New York State General Municipal Law.

The Utica Urban Renewal Agency has three main objectives:

- To facilitates the disposal of tax-foreclosed properties in the City of Utica by putting said property back on the City tax rolls and creating the opportunity to rebuild its neighborhoods.
- To foster private investment in neighborhoods for commercial and residential uses through selective acquisition and sale of property
- To proactively participate in public redevelopment projects through land banking of strategic parcels of land

B. Determine the Risks Associated with Its Operations

The Agency receives tax-foreclosed property from the City of Utica. The list of said property is available for public review and is on the Agency's webpage. Property that has multiple interests is sold via an auction process. The Agency receives checks from prospective property buyers which in turn are remitted to the Comptroller's Office for deposit. No cash is ever utilized for transaction purposes. The risk of fraud is extremely low.

C. Identify the Internal Control Systems in Place

The UURA only accepts checks/money orders for fees associated with property purchases and remits those checks/money orders to the Comptroller's Office for deposit. Checks to pay for outside services or goods on behalf of the UURA are cut by voucher process to and sent by the Comptroller's Office. In addition, the Board oversees and approves expenditures and has a budget which is adhered to.

Risk, as assessed, is low. The Board of Directors evaluates on a yearly basis.

D. Assess the Extent to Which the Internal Control System is Effective

To the knowledge of management, there has never been an outstanding issue with the effectiveness of the Internal Control System nor has any issue been brought to the attention of the Board of Directors through the annual audit.

E. Take Corrective Action

Should the event of fraud or a weakness in the effectiveness of the Internal Control System be identified, a corrective plan will be developed and adopted by the Board and monitored by management to ensure that the vulnerability is addressed.