

**MINUTES OF THE AUDIT COMMITTEE**  
**OF**  
**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**January 29, 2020**

A meeting of the Audit Committee of the Board of Directors (the “Committee”) of New York City Industrial Development Agency (“NYCIDA” or the “Agency”) was held on Wednesday, January 29, 2020 at the New York City Economic Development Corporation (“NYCEDC”), 1 Liberty Plaza, Conference Room 12A, New York, New York 10006.

The following members of the Committee were present in person at the above-indicated meeting of the Committee (the “Meeting”), constituting a quorum:

- Albert V. De Leon
- James Prendamano

In addition, the following members of NYCEDC staff were present in person:

- Finance: Kim Vaccari – CFO, Amy Chan – Deputy Controller
- Internal Audit (“IA”): Jennie Wallace – EVP, Allison Richardson – VP
- Compliance Department (“Compliance”): Shin Mitsugi – SVP and the Agency’s Compliance Officer
- Strategic Investments Group (“SIG”): Krishna Omolade – VP and the Agency’s Executive Director

Present by means of a conference call was a representative from Ernst & Young LLP (“EY”):

- Louis Roberts – Engagement Partner

Also present in person:

- Katie Honan – The Wall Street Journal

Mr. De Leon called the meeting to order at 9:00 a.m.

**1. Approval of the Minutes of the September 23, 2019 Audit Committee meeting**

Mr. De Leon asked if there were any questions or comments relating to the minutes of the September 23, 2019 meeting. There being no questions or comments, Mr. De Leon motioned to approve the minutes. Mr. Prendamano seconded the motion and the motion was approved.

**2. Internal Audit Activity Update**

Ms. Wallace commented that all FY2020 NYCIDA audits have been completed and reports have been issued. She stated that there are no NYCIDA open issues from prior years. Ms. Wallace addressed a new low-risk open issue and management's action plans to address the issue.

Ms. Wallace discussed some general department updates. She announced that the two open headcounts for Vice President of Finance/Operations and Assistant Vice President of Information Technology have been filled. Ms. Wallace introduced Allison Richardson, Vice-President of IA. Ms. Richardson described her extensive audit background to the Audit Committee.

Ms. Wallace reminded the Audit Committee that she had informed them in the September Audit Committee meeting about an assessment she was performing of the audit function in order to identify areas within the function that could be enhanced for efficiency and effectiveness and to define long term goals for the department. She stated that the assessment had since been completed and that IA has begun implementing enhancements, including redefining their methodology and approach with the goal of becoming a best in-class audit function. Ms. Wallace described the positive relationships that the IA team has built across the organization. Ms. Wallace commented that IA has coordinated with Compliance to continue to collaborate in FY2021 and going forward.

Mr. De Leon asked about feedback on the new IA team. Mr. Omolade, SIG, and Mr. Mitsugi, Compliance, commented that working together with Internal Audit has been a positive experience. Mr. Omolade mentioned that the Internal Audit team has been extremely professional and responsive in terms of obtaining a better understanding of their processes. Ms. Chan, Finance, commented that IA's assistance on some projects has also been extremely valuable.

Ms. Richardson described the audit lifecycle and the updates that IA has been making to the team's methodology and approach. Ms. Richardson described the team's focus on standardization, audit efficiencies, developmental opportunities for the team, and more transparent alignment with IIA Professional Practice Standards.

Ms. Wallace described the elements that will be considered in building the FY2021 Audit Plan, including the Enterprise-wide Risk Assessment. She specified that IA would soon begin the Enterprise-wide Risk Assessment and asked the Audit Committee to inform her if they have any areas of concern or focus for the FY2021 Audit Plan.

**3. Compliance Activity Update**

Mr. Mitsugi stated that on behalf of NYCEDC, Compliance will be submitting the Annual Investment Projects Report, pursuant to NYC Administrative Code Section 22-823. This report contains descriptive data on a selected group of NYCEDC projects, including those projects that received financial assistance from the Agency. This report essentially provides information on projects with businesses to support investment, job creation, job retention and growth. The deadline for the submission of the reports is Friday, January 31<sup>st</sup> and will be electronically submitted to the City Council, Mayor, the City Comptroller, the Public Advocate, and the Borough Presidents, as well as the Community Board. The report will be available on NYCEDC's website.

**4. Session with External Auditors**

A private session with EY was not held at this time

**5. Session with Management**

A private session with Management was held at this time

**6. Session with Internal Audit**

A private session with Internal Audit was not held at this time

**7. Adjournment**

There being no further business, the meeting was adjourned at 9:37 a.m.