

**MINUTES OF THE AUDIT COMMITTEE**  
**OF**  
**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**June 11, 2024**

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 in-person on Tuesday, June 11, 2024.

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

- Felix Ciampa
- Shanel Thomas
- Janet Mejia-Peguero

The following members of NYCEDC staff were present:

- Finance: Jeanny Pak, CFO; Spencer Hobson, EVP/Treasurer; Amy Chan, Controller; Leslie Escobar, Deputy Controller;
- Internal Audit (“IA”): Eric Katz, SVP
- Ernst & Young (“EY”): Danielle Hurlburt, Managing Director
- Compliance Department (“Compliance”): Shin Mitsugi, SVP and the Agency’s Compliance Officer
- Strategic Investments Group (“SIG”): Brinda Ganguly, EVP; Emily Marcus Falda, the Agency’s Executive Director; Noah Schumer, AVP

Mr. Ciampa called the meeting to order at 10:37 a.m.

**1. Approval of the Minutes of the September 14, 2023 Audit Committee meeting**

Mr. Ciampa asked if there were any questions or comments related to the minutes of the September 14, 2023 meeting. There being no questions or comments, Ms. Thomas motioned to approve the minutes. Mr. Ciampa seconded the motion, and the motion was approved.

## **2. EY Update**

Mr. Hobson provided an overview of the purpose of the EY audit as background information to new Committee members. Ms. Chan gave an update on services, deliverables and areas of audit emphasis to be performed by EY for the NYCIDA FY2024 Audit Plan. Ms. Hurlburt added that a risk assessment is performed annually and the audit plan and strategy are the same as previous years.

Ms. Hurlburt reviewed the required communications and noted that there was nothing to communicate to the Committee at this time. She then mentioned a new applicable GASB accounting pronouncement which should not have a significant impact to NYCIDA for the current year. Lastly, Ms. Hurlburt stated results will be presented during the IDA Audit Committee's next meeting which will take place sometime in September.

## **3. Internal Audit Activity Update**

Mr. Katz made a brief introduction of the new co-sourced Internal Audit function with external consultant, KPMG LLP, which formally commenced in April 2024.

Mr. Katz provided an overview of the annual risk assessment process and development of an audit plan for FY25. He stated that no audits for NYCIDA are planned for FY2025. Mr. Katz also stated that there are no open issues Internal Audit issues for NYCIDA.

## **4. Compliance Activity Update**

Mr. Mitsugi gave an update on the ongoing audit by the Office of the State Controller (OSC) on IDA, including the scope and timeline of the audit. Mr. Mitsugi reviewed the key recommendations by OSC and also highlighted their main concerns with the OSC audit findings. He mentioned NYCIDA provided final responses to OSC in March 2024 and are awaiting the final report to be issued by OSC.

Regarding a question from Ms. Thomas on any valuable insights that have been implemented as a result of the audit, Ms. Marcus noted they want to first review the final report and also highlighted improved file retention since 2018 which should address some of the findings.

Mr. Ciampa asked about best practices for collaboration with other IDAs or other entities under audit. Ms. Marcus noted as a member of the Board of Directors for the New York State Economic Development Council (NYSEDC), NYCIDA and other industrial development agencies share their experiences and have had similar experiences and findings from with the OSC audits. Mr. Mitsugi added that his department performs a self-audit on 20% of projects in their portfolio, which includes site visits.

## **6. Session with External Auditors**

A private session with EY was not held at this time.

## **7. Session with Management**

A private session with Management was not held at this time.

**8. Session with Internal Audit**

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

**9. Other Business**

The Committee approved the dates for the FY2025 Audit Committee meetings.

**10. Adjournment**

There being no further business, the meeting was adjourned at 11:14 a.m.