

The Dormitory Authority of the State of New York Audit Committee Meeting was held by videoconference technology among DASNY's Offices in New York City, 28 Liberty Plaza, New York, New York; 515 Broadway, Albany, New York; and 6047 Transit Road, East Amherst, New York at 9:30 a.m. Wednesday, April 12, 2023

CALL TO ORDER/ROLL CALL

The following Board Members and Staff were present:

Audit Committee Members Present

Joan Sullivan, Audit Committee Chair (Albany Office)
Beryl Snyder, Esq., Committee Member (NYC Office)
Alfonso Carney, Committee Member, DASNY Board Chair (NYC Office)
Lisa Gomez—Board Member (NYC Office)

Other Board Members Present

Gerard Ronski, Esq. – Vice Chair (NYC Office)
Janice McKinnie – Board Member (Buffalo Office)
Ken Evans--- Designated representative of the Commissioner of Health, Board Member (ex officio) (Albany Office)

Board Members Absent

Wellington Chen—Board Member
Christina Coughlin---Designated representative of the Commissioner of Education, Board Member (ex officio)
Adrian Swierczewski--Designated Representative of the Director of the Budget, Board Member (ex officio)

Staff Members Present

Reuben R. McDaniel, III, President and Chief Executive Officer
Paul G. Koopman, Vice President
Stephen Curro, Managing Director of Construction
Kimberly A. Ellis, Chief Financial Officer
Nadine Fontaine, Esq., General Counsel
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring
Sara Potter Richards, Chief of Staff
Ricardo Salaman, Esq., Deputy General Counsel
Jeffrey Gordon, Senior Director, Communications and Marketing
Jenilee M. Flinton, Director, Internal Audit
Nicholas Palas, Assistant Director, Internal Audit
Matthew Bergin, Director, Public Finance
Dan Brown, Director, Intergovernmental Relations

Craig Schreivogl, Director, Portfolio Monitoring
Gregory Maisenbacher, Senior Internal Auditor
Jia Wu, Senior Internal Auditor
Mamadou Berry, Internal Auditor
Karen Ehlinger, Manager, Internal Controls Analysis
Amanda Nazario, Confidential Legal Assistant
Lori Huelle, Executive Assistant
Dave Byam, Senior Systems Specialist

Several members of the public also joined the meeting via Zoom.

PUBLIC SESSION

Audit Committee Chair Sullivan welcomed the Members and staff to the Audit Committee meeting. She noted this is her first meeting as Committee Chair and thanked the Members for their support. Ms. Sullivan introduced Jenna Flinton, Internal Audit Director and Karen Ehlinger, Manager of Internal Control Analysis. Ms. Flinton introduced the Internal Audit Department team present at the meeting, Nick Palas, Jia Wu, Gregory Maisenbacher and Mamadou Barry.

Upon a motion from Ms. Snyder and a second from Board Chair Carney, the minutes from the November Audit Committee meeting were unanimously approved.

Audit Committee Charter

Chair Sullivan informed the Committee Members that the Committee is required to review the Audit Committee Charter annually and that no changes are recommended at this time.

Upon a motion from Ms. Snyder and a second from Board Chair Carney, the Audit Committee Charter was unanimously approved in its current form.

Internal Audit Department Charter

Chair Sullivan informed the Committee Members that the Committee is required to review the Internal Audit Department Charter annually and that no changes are recommended at this time.

Upon a motion from Ms. Snyder and a second from Chair Carney, the Internal Audit Department Charter was unanimously approved in its current form.

Internal Controls Report

Ms. Ehlinger delivered the Internal Controls Report. She informed the Committee Members that the internal control guidelines were last updated in April of 2018 and that she is not recommending any changes to the guidelines at this time. Ms. Ehlinger explained that DASNY continues to comply with OSC guidelines regarding Internal Controls, which were last updated in 2016. As there have been no updates to authoritative internal control pronouncements, no changes are necessary to DASNY's guidelines. Ms. Ehlinger stated that DASNY's underlying

departmental policies, procedures, guidelines, and processes are periodically updated to address changes in the business environment as needed. As a high-level document, the Internal Control Guidelines would not be expected to change on a regular basis.

Ms. Ehlinger informed the Committee Members that DASNY's Control Self-Assessment program is an important element of the overall control environment. She stated that this program was started in the early 2000's and brings cross-functional teams together to identify activities within a particular area, assess risks to the achievement of those activities and the controls in place to mitigate the risks. If weaknesses are identified, they are addressed by management. Ms. Ehlinger further stated that the CSA program has been very well-received, and some business units use the CSA as training tools for new and existing employees.

Ms. Ehlinger reported that the CSA for IS equipment was updated during the last fiscal year and the CSAs for grants and SEQR are currently in process. She stated she works with Management to identify additional CSAs for completion based upon risk and follows up with business units to address any observations raised.

In response to a question from Chair Sullivan, Ms. Flinton stated that the Internal Audit department incorporates the findings of the CSAs into the risk assessment process, as well as discussions with management. Ms. Ehlinger stated that approximately 30 CSAs have been completed to date, and new CSAs are periodically completed. In addition, existing CSAs are updated and revised from time to time.

Ms. Ehlinger stated that the New York State Office of Employee Relations is expected to release updated internal control training for all New York State employees in the near future. She further stated that it will be made available to DASNY employees for completion. Ms. Ehlinger stated that the Internal Control Steering Committee, consisting of the President, Vice President, Managing Directors, the Director of Internal Audit, and herself continued to meet on a quarterly basis throughout the year to discuss various internal control topics.

Ms. Ehlinger reported that no changes have been made to the Internal Control Certification template that DASNY uses to certify its internal control program as required by the Authorities Budget Office. She stated that the completed certification form will be submitted as part of the annual Authority Budget Office reporting in June. Chair Carney inquired whether DASNY has ever been asked about the Internal Control Certification and Ms. Ehlinger replied in the negative.

Ms. Ehlinger informed the Committee Members that all management employees within DASNY provide signed certifications to support the certification signed by the President. She stated that for this year's certification, there are 48 signers, as compared to 45 last year. Ms. Ehlinger further stated that DASNY provides the annual internal control certification to the Authorities Budget Office, and the President also signs an internal control certification to the Office of the State Comptroller for SFS. She noted that the review of the SFS certification is currently ongoing and will be submitted by the April 30 deadline.

Mr. Koopman informed the Members that Ms. Ehlinger works very hard to produce a complete and accurate certification each year. He stated that it is a critical component of DASNY's

control environment. Mr. Koopman thanked Ms. Ehlinger and Kelly Chrzanowski, Senior Policy Analyst, for their work on the Internal Controls program. He noted that they also review all of DASNY's policies, procedures, business continuity plans and other such documents. Ms. Sullivan concurred with the importance of these underlying documents and stated that the attention paid to the internal control environment and the integrity of the corporate documents is what makes DASNY a premier State entity. She noted that DASNY is frequently cited as a model entity in this regard.

The Board Chair stated that he has worked with Ms. Ehlinger for many years and is also appreciative of her diligence and the quality of her work.

Internal Audit Update

Ms. Flinton delivered the Internal Audit update. She stated that she will present the results of the Fiscal Year 2022-2023 Internal Audit Plan and present for approval the Fiscal Year 2023-2024 Internal Audit Plan. Ms. Flinton further stated that the Internal Audit team has successfully completed a variety of engagements and projects over the past year. Ms. Flinton reported that the Internal Audit team attended a variety of industry specific, construction, and information security trainings. She informed the Committee Members that the team also coordinated audit activities with KPMG, reviewed 31 internally and externally hosted applications over the past 2 years as a part of account management access review, and expanded the construction audit program, highlighting risks, controls, and compliance with contracts. Ms. Flinton thanked her Internal Audit staff and stated that the results of the work presented today is a direct reflection of their hard work.

Ms. Flinton directed the Members to the 2022-2023 audit plan status, included within the Audit Committee materials. She summarized that the internal audit team has completed 20 engagements to date, including 3 IT audits and 3 business function area audits.

The Board Chair moved that the Members go into executive session to discuss the financial and credit history of particular corporations, proposed pending or current litigation, and the employment histories of particular persons with matters leading to the appointment of employment, promotion, demotion, discipline, suspension, dismissal, or removal of particular persons. Ms. Snyder seconded the motion, and the Members went into Executive Session.

EXECUTIVE SESSION

While in Executive Session no action was taken other than that to return to public session.

PUBLIC SESSION

Board Chair Carney moved the adoption of the Fiscal Year 2023-2024 Internal Audit Plan. Ms. Gomez seconded the motion, and the motion was unanimously approved. Ms. Sullivan thanked Ms. Flinton, Ms. Ehlinger, and their teams for their hard work. Mr. Carney agreed with Ms. Sullivan, and stated that in his view, DASNY is unique in that it recognizes and appreciates the

importance of the internal audit function. He acknowledged that the role of the Internal Audit Team is a difficult one and thanked Ms. Flinton, Ms. Ehlinger and their teams for their efforts.

President McDaniel echoed the comments regarding the professionalism of the Internal Audit Team. He stated that Ms. Flinton has adjusted very well to her new role as Internal Audit Director and works very well with Executive Leadership and her Internal Audit Team.

ADJOURNMENT

Ms. Snyder moved to adjourn the meeting. The motion was seconded by Lisa Gomez and the meeting adjourned at 10:20 a.m.

Respectfully submitted,

Sara P. Richards
Assistant Secretary