



Assessment of the Effectiveness of Internal Controls for FY 2014

The financial operations of the NYC Technology Development Corporation (“TDC”) are carried out by staff of TDC, supported by accounting staff provided pursuant to an Administrative Services Agreement with the New York City Office of Management and Budget (“OMB”).

TDC has also entered a client services agreement with ADP Total Source, Inc. (“Total Source”), a professional employer organization, registered pursuant to Article 31 of the New York State Labor Law. Pursuant to this agreement, Total Source processes TDC’s payroll and prepares and files all required payroll returns, including W-2s. In addition, under the client services agreement, as TDC’s “co-employer”, Total Source handles all benefits administration for TDC, including the payment of all employer taxes and employer funded fringe benefits.

At TDC’s home office, the computer systems management, security, business continuity planning and related functions are carried out by the New York City Department of Information Technology and Telecommunications (“DoITT”) pursuant to a Memorandum of Understanding between TDC and DoITT. The accounting services group that supports TDC pursuant to the Administrative Services Agreement with OMB have these same functions performed by OMB. In both cases, controls over these matters are maintained in accordance with the City of New York’s policies.

The accounting, financial reporting, cash management and related functions are carried out relying on the following controls:

- Dual signatures are required for all disbursements (via wire transfer or check).
- Vendor payments are checked by the accounts payable unit of the accounting services group to prevent duplicate payment and are approved the TDC Treasurer and the manager responsible for the goods or services received.
- Employee reimbursements are appropriately documented and approved by the Treasurer’s office.
- Checking and investment accounts are reconciled regularly and reconciliations are reviewed and approved by an accounting manager.

TDC’s By-Laws and its contract with the City require it to undergo an annual financial statement audit by an independent CPA firm and its second annual independent audit has been completed. While auditors are not engaged to perform an audit of internal controls, auditors do provide management letter comments when they encounter control weaknesses. No material weaknesses have been identified for TDC.