

**2008-09 INTERNAL CONTROL CERTIFICATION**

nyhomes - New York State Housing Finance Agency\* and State of New York Mortgage Agency

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Agency/Authority Name

Priscilla Almodovar

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Agency Head/Chairperson Governing Board

641 Lexington Avenue New York, NY 10022 (212) 872-0301

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Agency/Authority Address

Telephone Number

Gary Weinstock

(212) 872-0565

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Name of Internal Control Officer

Telephone Number

GWeinstock@nyhomes.org

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Email Address of Internal Control Officer

I hereby certify the agency or authority is:

- Fully Compliant (Full compliance with all provisions)**
- Partially Compliant (Partial compliance with some or all provisions)**
- Not Compliant (Noncompliance with all provisions)**

With the New York State Governmental Accountability, Audit and Internal Control Act.

This certification is supported with detailed justification of actions taken and/or outlines specific actions needed to address areas of partial compliance or noncompliance as described in the preceding Internal Control Summary.

  
\_\_\_\_\_  
Signature/Agency Head or Chairperson Governing Board

4/24/09  
Date

\*Covers these additional affiliated agencies: New York State Affordable Housing Corporation; State of New York Municipal Bond Agency; Tobacco Settlement Financing Corporation

## 2008-09 INTERNAL CONTROL SUMMARY & CERTIFICATION FORM

The Internal Control Summary and Certification Form provides supporting justification for an agency's or authority's level of compliance with the requirements of the Internal Control Act as outlined below. This form requests information regarding specific actions taken, or needed to be taken, by agencies/authorities to comply with each of the Act's requirements as described in Budget Policy and Reporting Manual (BPRM) Item B-350. A completed and signed Internal Control Summary and Certification Form should be submitted by April 30, 2009, via e-mail as an attached PDF file to the Division of the Budget's internal control reporting mailbox at [dob.sm.icreporting@budget.state.ny.us](mailto:dob.sm.icreporting@budget.state.ny.us).

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nyhomes - April 30, 2009 Gary Weinstock (212) 872-0565  
New York State Housing Finance  
Agency (HFA)\* & State of New York  
Mortgage Agency (SONYMA)  
\*(covers: AHC, TSFC, and  
MBBA)

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Agency Name	Date	Completed by (Name)	Phone
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**A. Establish and maintain guidelines for a system of internal controls for the agency or authority.** Internal control guidelines communicate an organization's management and programmatic objectives to its employees and provide the methods and procedures used to assess the effectiveness of its internal controls in supporting those objectives. Internal control guidelines should:

1. State the agency head's support of internal controls to provide staff with an understanding of the benefits of effective controls;
2. Identify the agency's primary responsibilities and the objectives;
3. Explain how internal controls are organized and managed;
4. Define responsibilities of agency management and supervisors and agency staff.
5. Acknowledge that internal controls adhere to accepted standards.
6. Describe the organization's process for evaluating internal controls.

**For this requirement, the agency/authority is:**

Fully Compliant       Partially Compliant       Not Compliant

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

See attachment 1

**B. Establish and maintain a system of internal controls and a program of internal control review for the agency or authority.** The system of internal control should be developed using the COSO (Committee of Sponsoring Organizations of the Treadway Commission) conceptual framework adopted in the *Standards for Internal Controls in New York State Government*, and should incorporate COSO's five basic components of internal control: control environment, risk assessment, control activities, information and communication and monitoring.

The program of internal control review shall be a structured, continuing and well documented system designed to identify internal control weaknesses, identify actions that are needed to correct these weaknesses, monitor the implementation of necessary corrective actions and periodically assess the adequacy of the agency's or authority's internal controls.

Organizations can adopt a system of internal control review tailored to their needs, size and degree of centralization. The procedures for evaluating the adequacy of that system also vary, but at a minimum should:

1. Identify and clearly document the primary operating responsibilities (functions) of the agency or authority;
2. Define the objectives of these functions so they are easily understood by staff accountable for carrying out the functions;
3. Identify/document the policies and procedures used to execute functions;
4. Identify the major functions of each of the agency's assessable units;
5. Develop a process or cycle to assess risk and test controls for major functions;
6. Assess the risks and consequences associated with controls failing to promote the objectives of major functions;
7. Test controls to ensure they are working as intended (see the "Manager's Testing Guide" which can be downloaded from BPRM Item B-350);
8. Institute a centrally monitored process to document, monitor and report deficiencies and corrective actions.

**For this requirement, the agency/authority is:**

**Fully Compliant**       **Partially Compliant**       **Not Compliant**

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement and specifically address the following points:**

1. Describe the process used to review the agency's/authorities internal controls.
  - The four step process, which was suggested as a possible alternative by the Internal Control Unit of the Division of Budget, has been adopted by both Agencies.
  - Completed Functional Vulnerability Assessment and Internal Control Review forms are on file with the Internal Control Officer for each department within the

Agencies. Department heads are responsible for performing the testing to ensure that the controls are in place and are properly functioning.

- All completed forms are reviewed by the Agencies Internal Control Officer and Senior Management.
- In addition to management reviews, Internal Control is evaluated annually by the Agencies external auditors, Deloitte & Touche LLP as well as the Agencies' internal audit department. An additional review concentrating on SONYMA procedures, which also overlap HFA procedures, is performed annually by the New York State Banking Department.

2. List all high-risk activities and indicate which were reviewed during 2008-09.

All activities are rated low to moderate risk.

3. Identify the significant deficiencies revealed during the 2008-09 review process. Outline the actions taken, or planned, to eliminate deficiencies, highlighting the most important improvements made during the year.

The Agencies continue to be compliant with all published applicable guidelines.

We have continued to diligently document and test controls in place.

Again, conscious of the Sarbanes Oxley Act, the Agency places great emphasis on the Internal Control Review process. Annually, each Department Head is required to perform a, full review of the Internal Control Vulnerability for the unit.

Beginning in 2008, each functional unit is required to review, and summarize all changes that have occurred since the last full Internal Control Vulnerability assessment. Functions that have significantly changed or are added as new functions require a new full review.

Testing for the 2008-09 has not been concluded and final results will be forthcoming.

Testing for the 2007-08 was completed by June, 2008, and no exceptions were found.

4. Describe the monitoring system installed by the agency to verify that corrective actions are taken. Discuss the extent to which IT systems are used to track corrective actions.

Immediate action is taken to resolve any deficiency that is identified as a result of the internal control review process. Deficiencies are further noted and corrected after testing in the area. Lastly, the Agencies' Internal Audit Group

will include in their audit testing, an evaluation of the system of internal controls for all audited areas.

The agency uses a software package called LanDesk to continuously identify desktop and server vulnerabilities. The software also facilitates the patching of those systems after the vulnerability has been assessed and the appropriate patch has been verified and tested. We are then able to pull reports that display a track record of when the vulnerability was defined to when it was patched.

The agency also employs the 3rd party services of QualysGuard which performs weekly vulnerability scans of the agency's internet facing servers, routers and firewall. The QualysGuard engine reports are sent to security and IT staff. Newly identified vulnerabilities are assessed and patched appropriately. Mitigated vulnerabilities are then dropped from the report as they are not detected on subsequent scans.

5. Summarize specific actions the agency has taken to install a compliance testing program. Describe actions taken during 2008-09 to verify test results and expand the testing program.

Functions of all areas of the Agencies' internal controls were tested. Each area, after completing the tests, is required to submit the Internal Control Testing Assessment, which describes the function being tested, the methods used to test the function, attached results from the testing and a signed corrective action plan if necessary.

6. Describe measures instituted to sustain the effectiveness of the internal control program during 2008-09. Include information on reorganizations and other revisions in the program to enhance operations.

All departments continue to present quarterly internal control certifications to the President.

7. Describe efforts agency/authority management has taken to coordinate and integrate the documentation and reporting of activities the Office of the State Comptroller's *Standards for Internal Controls in New York State Government* recognize as supporting a good internal control system: evaluation, strategic planning and internal audit.

([http://www.osc.state.ny.us/agencies/ictf/docs/roadmap\\_app\\_a.pdf](http://www.osc.state.ny.us/agencies/ictf/docs/roadmap_app_a.pdf)).

See attached Compliance Roadmap for nyhomes, with applicable sections completed. (Appendix A)

8. Describe efforts agency/authority management has taken to effectively communicate information within the organization. Information should be communicated to management and other employees who need it in a form and within a time frame that helps them to carry out their responsibilities.

Communication is not an isolated internal control component. It affects every aspect of an organization's operations and helps support its system of internal control. The feedback from this communication network can help management evaluate how well the various components of the system of internal control are working.

Communication begins with a memo from upper management (as referenced in our response to part A of this questionnaire) to all employees of the Agencies, and continues throughout the year with periodic meetings between the Internal Control Officer and the individual department heads. Internal control issues are reviewed and when necessary, new policies are implemented. Information and guidelines are updated periodically and are available to all employees through postings on the agencies internal network.

**- Add Additional Pages if Needed -**

**C. Make available to each officer and employee of the agency or authority a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency or authority shall be expected to comply along with detailed policies and procedures the employees are expected to adhere to in completing their work.** The statement should set the tone at the top. It should be issued periodically and emphasize the importance of effective internal controls to the agency or authority and the responsibility of each officer and employee for effective internal controls.

Managerial policies and procedures for the performance of specific functions are articulated in administrative manuals, employee handbooks, job descriptions and applicable policy and procedure manuals. While it is not necessary for all employees to possess all manuals, employees should be provided with, or have access to, applicable policies and procedures for their position.

**For this requirement, the agency/authority is:**

**Fully Compliant**       **Partially Compliant**       **Not Compliant**

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

Communication begins with a memo from upper management (attachment 1) to all employees of the Agencies. Procedures and policies are first discussed between department heads and the Internal Control Officer, and then further discussed between department heads and employees. Each department has its own written policy manuals that are available for review by each employee. The Internal Control Officer has a complete copy of all departmental control assessments, which are available for review by all employees.

- D. Designate an Internal Control Officer (ICO), who shall report to the head of the agency or authority or to their designee within the executive office, to implement and review the internal control responsibilities established pursuant to this Item. The designation of the ICO should be communicated to all employees.**

The ICO works with appropriate personnel within the agency or authority to coordinate the internal control activities and to help ensure that the internal control program meets the requirements established by BPRM Item B-350. Although the ICO evaluates the adequacy of the internal control reviews performed by agency or authority staff, program and line managers are primarily responsible for conducting reviews to assure adherence to controls and analyzing and improving control systems. The ICO should be an individual with sufficient authority to act on behalf of the agency head in implementing and reviewing the agency's internal control program. This individual should have a broad knowledge of agency operations, personnel and policy objectives.

**For this requirement, the agency/authority is:**

**Fully Compliant**       **Partially Compliant**       **Not Compliant**

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

Gary Weinstock, Vice President/Comptroller, is the Internal Control Officer, who reports directly to senior management. Mr. Weinstock has been with the Agencies since 1981, and has served as the Agencies ICO since 1999. As a result, Mr. Weinstock possesses a broad knowledge of agency operations, personnel and policy objectives.

Part of the responsibility of the ICO includes meetings with department heads to discuss internal control matters. Responses to the annual nyhomes Managers Internal Control Self-Assessment forms are reviewed and signed off by the Internal Control Officer.

**E. Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.**

Agencies and authorities should identify staff requiring internal control training and the depth and content of that training. Such education and training should be on-going with specific courses directed at line staff, middle managers and executive management. For organizations that have established internal audit functions, training and education should be offered on the appropriate role of the internal auditor within the organization's internal control system.

**For this requirement, the agency/authority is:**

**Fully Compliant**       **Partially Compliant**       **Not Compliant**

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

Meetings and training sessions take place periodically between the ICO and department managers. Information and training are ongoing throughout the year.

Internal audit staff periodically attend courses to enhance their audit skills.

**- Add additional pages if needed -**

**F. Periodically evaluate the need for an internal audit (IA) function. If an IA function exists, it should be maintained in compliance with generally accepted professional auditing standards. Agencies on the Division of the Budget's list of agencies required to establish IA functions – and those choosing to have an IA function – are required to comply with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* (see BPRM Item B-350 Section III "IA Responsibilities").**

As outlined in BPRM Item B-350, agencies and authorities are required to periodically evaluate the need to establish, maintain or modify an IA function utilizing the *Internal Audit Evaluation Criteria* (Attachment C).

Agencies concluding that an IA function is warranted should submit their evaluation to DOB as outlined in BPRM Item B-350. Periodically thereafter, agencies with IA functions should review current operations to determine whether the function should be altered or maintained.

Agencies concluding an IA function is not warranted should periodically reevaluate the need for such a function using Attachment C, especially when organizational, operating, fiscal, program, legal, or personnel changes occur which affect the agency's exposure to risk or which could otherwise change the results of the initial assessment.

Pursuant to BPRM Item B-350, agencies required to have – and those entities choosing to have – an internal audit unit should comply with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Therefore, IA units should comply with the guidance outlined below regarding organizational placement, independence and reporting.

1. Directors of Internal Audit (DIA) should report functionally to the agency head or audit committee and may report administratively to the designated executive deputy (or equivalent position). If the executive deputy has line or staff duties, the DIA should report directly to the agency head.
2. A current organizational chart should be available that identifies the placement of the IA unit, the individual that has responsibility for overseeing the internal audit activity, and other organizations/activities under its purview.
3. The IA function should be independent of the ICO, but should work closely with the ICO. Limitations should be established on IC activities where those duties overlap. Agencies should identify impairments to the independence of the DIA that may be created where the DIA is performing the ICO function. Furthermore, IA units should not assume operating responsibilities, perform management functions, make management decisions or assume other monitoring roles (e.g., Information Security Officer).
4. Internal audit staff should complete an annual independence statement identifying actual/potential impairments to independence and notifying the DIA whenever a new actual/potential impairment arises.

5. At a minimum, DIAs should hold quarterly meetings with agency executive management and the audit committee, where applicable, to report on audit results. Final reports should be distributed to the agency head, executive deputy, auditee, ICO, and the audit committee.
6. The DIA should assure that agency audit staff have the skills, knowledge and ability to perform the audit work required, and that the size of the audit staff is appropriate given the size and complexity of the organization.
7. IA units should take steps to ensure sufficient audit resources are available given the size and complexity of the organization. This can be accomplished by exploring in-sourcing, outsourcing and sharing audit services.

**For this requirement, the agency/authority is:**

**Not Applicable – This agency/authority does not have an IA function.**

**Fully Compliant**       **Partially Compliant**       **Not Compliant**

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement by providing the following information:**

1. A current organizational chart identifying the placement of the IA unit, the name and title of the IA director, other organizations/activities under the IA function's purview and the name and title of the person to whom the IA director reports.  
See attached organizational chart.
2. A description of how the internal audit director's credentials, education and experience meets the minimum qualifications established in BPRM Item B-350.  
  
See attached resume
3. A description of how continuing professional education requirements are met by the director and each staff member.  
  
See attached training schedules.
4. A description of how quality assurance review requirements are being met.  
  
Reviewed annually by Deloitte & Touche and NYS Banking Department.
5. A description of how the IA function ensures that it does not compromise its independence if it is also responsible for other functions (i.e., internal control, information security or other duties).

# STAFF MEMORANDUM

Attachment 1

## Inter-Office Correspondence

**To:** All Staff

**From:** Charles Rosenwald 

**Date:** March 25, 2009

**Subject:** Internal Controls - Management Policies and Standards

Periodically, a review of the Agencies' internal management policies and standards is needed to ensure that internal controls are being maintained and implemented, in accordance with internal control requirements established by the New York State Division of the Budget and the Public Authorities Accountability Act of 2005. This memorandum will provide all staff of the State of New York Mortgage Agency ("SONYMA") and the New York State Housing Finance Agency ("HFA") and their affiliated agencies (together, the "Agencies") with further information on the Agencies' internal control program.

As you know, part of SONYMA's mission is to provide affordable housing by issuing tax-exempt mortgage revenue bonds and applying the proceeds to originate new mortgage loans through participating financial institutions within the State. Furthermore, our Mortgage Insurance Fund Program was established to encourage the investment of mortgage capital by approved lenders in communities where mortgage capital is currently insufficient for preservation and rehabilitation. Its primary funding source is the mortgage recording surtax charges. HFA and its sister Agencies engage in a variety of activities to provide affordable housing by issuing bonds and making grants and loans.

In order for the Agencies to provide their stated services, it is critical that internal controls are in place, reviewed and properly adhered to. Each employee is expected to participate in establishing and maintaining the Agencies' system of internal controls. Internal controls encompass the plan of organization and all methods and

(over)

procedures adopted by management to safeguard assets, check the reliability and accuracy of all financial data, and encourage adherence to prescribed managerial policies. Effective internal control systems are designed to ensure management that resource use is consistent with laws, regulations and policies, and that resources are safeguarded against waste, loss and misuse.

Policies and procedures have been established, and an Internal Control Officer has been appointed, to ensure that tasks and responsibilities are performed in accordance with management's expectations and provide the intended results. The systems of internal controls are documented in the Agencies' internal control program, departmental manuals, personnel and administrative policies and procedures. These documents provide staff with management's standards for their performance and functional objectives and are available through your supervisor. You should become familiar with the standards represented therein and discuss any questions you may have with your supervisor.

**Compliance Roadmap**  
**For**  
**Internal Control Officers**  
**Directors of Internal Audit**  
**And Other Stakeholders**

nyhomes  
**INTERNAL CONTROL PROGRAM  
COORDINATION AND IMPLEMENTATION**

<b>Recommendations</b>	<b>Status</b>	<b>Required Modifications</b>	<b>Page</b>
1. Each Agency/Authority Head should provide a communication to all staff in support of its internal control program, including the importance of assessing internal controls.	Complete. Annual memo distributed.		4
2. Internal control programs should include a preliminary risk self-assessment by function.	In place.		4
3. Internal control programs should include an in-depth assessment of each function and should include the identification of inherent risks and internal controls for each function.	In place.		4
4. Internal control programs should establish the frequency of reporting cycles for each risk assessment, internal control review, and other internal control reporting documents.	Completed annually.		4
5. Internal control programs should establish an approval or independent review process of the preliminary risk assessments and the more in-depth internal control reviews.	Senior VP's and Internal Control Officer signoff.		5
6. Internal control programs should establish minimum and maximum timeframes for periodically reviewing its organizational structure and its inventory of functions.	Completed annually.		5
7. Internal control programs should establish a process for identifying improvement areas, corresponding corrective actions, and implementation status of all corrective actions.	Completed annually.		5
8. Internal control programs should establish and maintain documentation standards (what needs to be kept; by whom; where; and for how long).	Documentation on file with the internal control coordinator.		5

**nyhomes**  
**INTERNAL CONTROL EDUCATION AND TRAINING**

<b>Recommendations</b>	<b>Status</b>	<b>Required Modifications</b>	<b>Page</b>
1. Agency management should assign staff to one of three training levels: Line Staff, Middle Managers, and Executive Management.	Training is on-going.		37
2. Agency management should identify training objectives and key concepts (see Appendix), for each level.	Training is on-going.		38
3. Agency management should identify methods of delivery and frequency following the recommended framework of quick hitters, instruction-based learning, and executive meetings.	Complete		39
4. NYSICA should establish a centralized resource library.	Complete	Maintain Updates	40

<p>2. Agencies should:</p> <ul style="list-style-type: none"> <li>a. Maintain an inventory of recurring audit projects.</li> <li>b. Report on internal audit staffing as part of an annual internal audit report to agency management (discussed in the independence section of this report).</li> <li>c. Review internal audit staffing levels annually and discuss with agency management the need for any additional internal audit staff.</li> </ul>	<p>Functions completed at Audit Committee level.</p>	<p>OSC I/C Standards</p>	<p>91</p>
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## INTERNAL AUDIT PROCESS

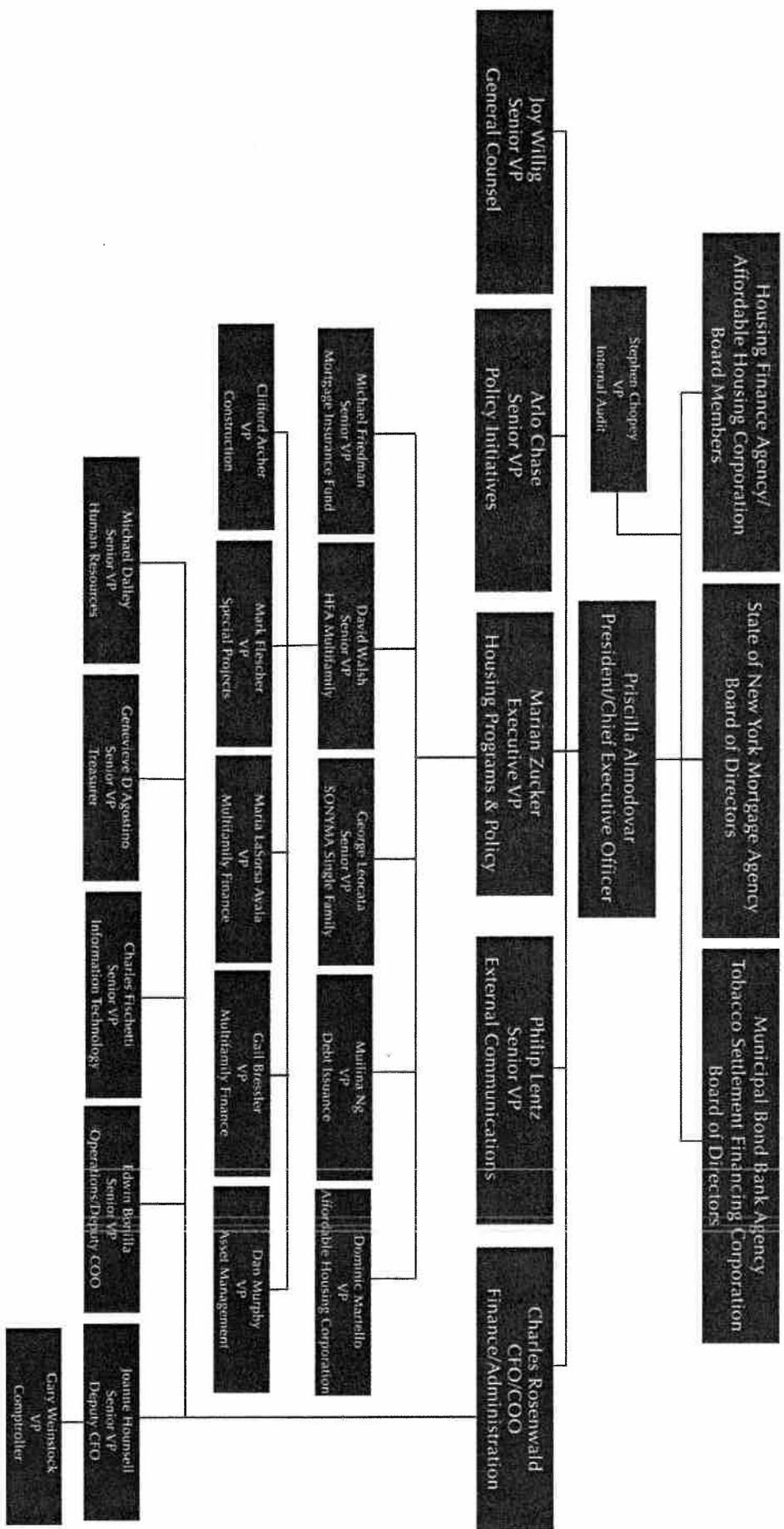
Recommendations	Status	Required Modifications	Page
1. The Director of Internal Audit (DIA) in each State agency should periodically develop a risk-based audit plan to determine the priorities of the internal audit activity, consistent with the organization's goals.	Completed annually.	OSC I/C Standards	116
2. The internal audit activity's plan of engagements should be primarily based on a risk assessment, updated at least annually. The input of senior management and the board (if applicable) should be considered in the process.	Completed 12/31/08.	OSC I/C Standards	116
3. In developing the audit plan the DIA should share information and coordinate activities with other internal and external providers of relevant assurance and consulting services to ensure proper coverage and minimize duplication of efforts.	Completed.	OSC I/C Standards	116
4. The DIA should communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and to the board for review and approval. The Director should also communicate the impact of resource limitations.	Completed. Audit committee meeting held on 4/2/09.	OSC I/C Standards	116
5. The DIA should ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.	Resources are sufficient to complete audit plan.	OSC I/C Standards	116
6. The DIA should establish policies and procedures to guide the internal audit activity.	Completed internal audit policy manual.	OSC I/C Standards	116
7. The DIA should establish and maintain a system to monitor the disposition of audit recommendations communicated timely to management.	Completed. Audit tracking system in place.	OSC I/C Standards	116

8. The DIA should document the rationale used by internal audit units in deciding which audit recommendations should be followed up on and when, as opposed to recommendations where no follow up will be conducted.	Annual follow up audit. All recommendations examined.	OSC I/C Standards	116
9. The DIA should follow up with management to document that audit recommendations have been effectively implemented, or that senior management has accepted the risk of not implementing the recommendations.	Management responses to audit report. Annual follow up audit.	OSC I/C Standards	116
10. The DIA should monitor the disposition of recommendations of consulting engagements to the extent agreed upon with the client.	Completed. Audit tracking system in place.	OSC I/C Standards	116
11. The DIA should require each internal audit unit establish a written policy for security and control of audit work papers that, at a minimum, address the following topics: physical control, storage, retention, and release to internal and external parties.	Completed. Internal audit policy manual.	OSC I/C Standards	116
12. Internal audit units should maintain work paper documentation for each audit and follow-up.	Work papers on file.	OSC I/C Standards	117
13. Internal audit units should establish a written policy governing work paper review and approval.	Completed. Included in policy manual.	OSC I/C Standards	117
14. The ICTF should develop a mechanism for internal audit units to create and share standard work paper elements to meet minimum requirements and incorporate best practices.			118
15. The ICTF should explore licensing an electronic work paper package (such as TeamMate) on a statewide basis for use by all agencies.			118

## INTERNAL AUDIT CONTINUING PROFESSIONAL EDUCATION

Recommendations	Status	Required Modifications	Page
1. Agencies should implement a continuing education program which includes all the elements of the New York State Internal Auditor Continuing Education Guidance document.	Completed. Training schedule on file.		126
2. DOB and OSC should help to facilitate continuing education and CPE tracking services for NYS Internal Audit Units.			126
3. DOB should facilitate a NYS Internal Auditor web page to share information.			126
4. Agencies should share best practices for in-house systems for tracking CPEs.			126

# NYHomes Organizational Chart



Stephen B. Chohey

**SUMMARY**

Experienced executive for both major financial institution with assets in excess of \$100 billion and for governmental housing programs with assets totalling \$9 billion. Proven leadership, administrative and organizational skills with emphasis on innovation and results.

**EXPERIENCE**

1994 - Present                    STATE OF NEW YORK MORTGAGE/HOUSING FINANCE  
AGENCIES, NEW YORK, NY

1988 - 1993                    STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK, NY

**Vice President/Internal Audit**

- . Responsible for establishing the goals and policies for the Internal Audit Group and effectively implement such policies by developing and executing a comprehensive audit program which evaluates the financial and operational soundness of the Agencies. Reporting directly to the Board of Directors. Responsible for auditing the programs of the combined agencies including the regional offices, mortgage servicers and originators, as well as coordinating activities with external auditors. Planned total audits, determined audit scope and developed and administered audit budgets. Prepared final audit reports for discussion with senior management and for presentation to the Board of Directors.
  
- . Reorganized the audit function to comply with professional standards. Developed a mission statement, internal audit standards, policy and procedural guidelines for the direction of staff during their performance of audits. Recruited, hired and trained audit personnel.
  
- . Interfaced with external audit firms and regulatory and compliance groups.

1972 - 1987

CHASE MANHATTAN BANK, N.A., NEW YORK, NY

Vice President/Audit Manager

1982 -1987

- . Responsible for directing the activities of a professional staff of 28 internal auditors in the conduct of operational, financial and conventional audits for the Corporate/Consumer Banking Division with audit responsibilities of various operating departments, as well as branches and subsidiaries. Planned total audits, determined audit scope and prepared and administered audit budgets. Prepared final audit reports for senior management.
- . Utilized the Systems Evaluation Approach to review operating, accounting and internal control procedures. These procedures were "flow-charted" and analyzed. Developed and implemented a Zero-Based Budgeting Approach. Increased staff utilization and efficiency and decreased costs of audit expenditures.
- . Recruited, hired and trained audit personnel. Participated in an on-campus college recruiting program. Developed comprehensive training programs designed to teach new internal auditors accounting, statistical sampling and workpaper principles and techniques.
- . Interfaced with regulatory personnel and developed audit programs, operating procedures and manuals.

Audit Supervisor

1979 - 1981

EDUCATION

FAIRLEIGH DICKINSON UNIVERSITY, MBA, Accounting  
Graduate School of Business Administration (1981)

ST. LOUIS UNIVERSITY, B.S., Management Science  
School of Business Administration (1971)

HONORS/PROFESSIONAL SOCIETIES

Delta Mu Delta - National Honor Society in Business Administration  
(1981)

Academic Honor Society of Fairleigh Dickinson University (1981)

Association of Government Accountants

Government Financial Officers' Association

**INTERNAL AUDIT GROUP  
EMPLOYEE TRAINING RECORD**

**NAME:** Barbara Maillard

**TITLE:** Associate Auditor

**JOB FUNCTION:** Audit and evaluate the safeguarding of assets, accuracy and reliability of accounting data, compliance with agency policies, procedures and regulatory requirements to protect the agencies from loss through error, fraud or gross inefficiencies. Recommend improvements in internal accounting control and operating procedures. Perform special examinations at the request of management or the Audit Committee and prepare reports of such audits and reviews.

<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Asset Management	1/05/01	Adrienne Driben	To give an overview of the functions of the Asset Management unit.
Tax Credits	1/19/01	Mark Flescher	To give an overview of Low Income Housing Tax Credits and how it applies to the agency.
Future of Tax Credits	7/20/01	Special Projects Unit	To give an overview of the highlights of the 2001 NCSHA Tax Credit Conference held in Seattle.
Audit College <i>MIS Training Institute</i>	10/9-10/12/01	Gregory Clark	Four day seminar covering the scope, process and steps underlying all operational audits. (Management, Purchasing, Marketing, Human Resources, Finance & Accounting)
Sexual Harassment	1/10/02	Michael Hitsman, Hitsman, Hoffman & O'Reilly	Instruct employees on what constitutes sexual harassment, counseling and the laws pertaining to it.
IT Auditing & Controls <i>MIS Training Institute</i>	4/22-4/24/02	Richard Tarr	Three day seminar regarding Information Technology & Auditing Controls. Outlines the concepts of information technology all auditors should know in order to understand the audit concerns in the IT environment.

**INTERNAL AUDIT GROUP  
EMPLOYEE TRAINING RECORD**

**NAME:** Barbara Maillard

**TITLE:** Associate Auditor

**JOB FUNCTION:** Audit and evaluate the safeguarding of assets, accuracy and reliability of accounting data, compliance with agency policies, procedures and regulatory requirements to protect the agencies from loss through error, fraud or gross inefficiencies. Recommend improvements in internal accounting control and operating procedures. Perform special examinations at the request of management or the Audit Committee and prepare reports of such audits and reviews.

<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
HPD Tax Incentive Presentation	7/11/02	Lisa Yee, Director Tax Incentive Unit & Aileen Gribben, HPD Assist. Commissioner	To give an overview of the various tax abatement and tax exemption programs that encourage rehabilitation and new construction in NY City, which many of the Agency's projects benefit from.
Fundamentals of Internal Auditing <i>M/S Training Institute</i>	June 2003	On-line Seminar	On-line seminar regarding the Fundamentals of Internal Auditing. Learn the concepts of traditional and operational auditing and gain proven tools and techniques for performing effective audits. Examine critical elements of internal auditing, i.e., assessing risk, flow-charting, designing flexibility into audit program, performing the audit, and applying results to solve business problems.
Using Risk Assessment To Help Build Individual Audit Programs <i>M/S Training Institute</i>	June 14-16, 2004	Gary Duckert	Learn how to use risk assessment to help build individual audit programs that will uncover critical business issues and boost auditor productivity. Explore the differences between traditional control-based risk assessment and a business, risk-based approach that addresses management's concerns at the individual audit

**INTERNAL AUDIT GROUP  
EMPLOYEE TRAINING RECORD**

**NAME:** Barbara Maillard

**TITLE:** Associate Auditor

**JOB FUNCTION:** Audit and evaluate the safeguarding of assets, accuracy and reliability of accounting data, compliance with agency policies, procedures and regulatory requirements to protect the agencies from loss through error, fraud or gross inefficiencies. Recommend improvements in internal accounting control and operating procedures. Perform special examinations at the request of management or the Audit Committee and prepare reports of such audits and reviews.

<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Advanced Auditing for In-Charge Auditors <i>MIS Training Institute</i>	June 13-15, 2005	Joel Kramer	Three-day seminar to learn all the elements involved in traditional and operational auditing from the unique perspective of the in-charge position. Will review such concepts as audit program flexibility, risk assessment, priority setting during fieldwork, and effective oral and written communication of the audit findings. Will cover preliminary fieldwork, audit program development, self-assessment and auditing the control environment in the era of Sarbanes-Oxley.
Fundamentals of Auditing Financial Statements & Processes <i>MIS Training Institute</i>	June 12-14, 2006	Doug Brown	Three-day seminar to learn general concepts and techniques for planning and conducting financial audits and how to apply these basic skills to audits of specific business cycles and functions. Fraud risk and how to work effectively with external auditors will also be covered.

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Employee Awareness Training	May 1, 2008	John O'Reilly Hitsman, Hoffman & O'Reilly	Instruct employees on what constitutes sexual harassment, counseling and the laws pertaining to it.
Auditing Treasury Activities <i>MIS Training Institute</i>	June 2, 3, 2008	Rob O'Donough	Two day seminar to learn the basics of traditional markets as stocks and bonds and cover specific responsibilities of the front office, back office and middle office of a treasury function. Explore issuing debt in both short-term and capital markets and find out about hedging foreign currency risk by employing derivative hedging strategies.

**INTERNAL AUDIT GROUP  
EMPLOYEE TRAINING RECORD**

**NAME:** Jerry Bleiweiss

**TITLE:** Audit Officer

**JOB FUNCTION:** Supervise Associate Auditors. Audit and evaluate the safeguarding of assets, accuracy and reliability of accounting data, compliance with agency policies, procedures and regulatory requirements to protect the agencies from loss through error, fraud or gross inefficiencies. Recommend improvements in internal accounting control and operating procedures. Perform special examinations at the request of management or the Audit Committee and prepare reports of such audits and reviews.

<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Asset Management	1/05/01	Adrienne Driben	To give an overview of the functions of the Asset Management unit.
Tax Credits	1/19/01	Mark Flescher	To give an overview of Low Income Housing Tax Credits and how it applies to the agency.
Future of Tax Credits	7/20/01	Special Projects Unit	To give an overview of the highlights of the 2001 NCSHA Tax Credit Conference held in Seattle.
Sexual Harassment	1/5/02	Michael Hitsman, Hitsman, Hoffman & O'Reilly	Instruct employees on what constitutes sexual harassment, counseling and the laws pertaining to
HPD Tax Incentive Presentation	7/11/02	Lisa Yee, Director Tax Incentive Unit & Aileen Gribben, HPD Assist. Commissioner	To give an overview of the various tax abatement and tax exemption programs that encourage rehabilitation and new construction in NY City, which many of the Agency's projects benefit from.

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Project Management For Auditors <i>MIS Training Institute</i>	June 12-13, 2003	Len Vona	To provide proven techniques in how to achieve improved cost control, resource utilization and timely audit conclusions with project management techniques.
Audit Director's Guide To Information Technology <i>MIS Training Institute</i>	April 1-2, 2004	Stan Fromhold	To provide a comfortable working knowledge of IT terms and concepts; update on new and emerging technologies affecting the business; and help establish a strategic response to IT challenges that will favorably position audit in your organization.
Building & Managing A Small Audit Department <i>MIS Training Institute</i>	August 15-16, 2005	Richard Tarr	Two-day seminar designed as a step-by-step guide to planning, organizing and directing a small internal audit shop. Will gain skills needed to identify the basic components that are necessary for successful IA activities, cover how to demonstrate compliance with professional standards, and learn how to improve communication with the board and senior management.

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Sarbanes-Oxley After Phase One: Capitalizing On Your Compliance Efforts <i>MIS Training Institute</i>	June 15-16, 2006	William Nealon	Two-day seminar to explore how to develop a compliance strategy to capitalize on the benefits of phase one of S-OX and review the key components of the Act that are needed to focus on 2006 compliance and beyond. Topics to be covered include the need for an efficient and effective compliance infrastructure that enables repeatable, reliable actions, the objectives of COSO ERM and how they apply to S-OX compliance, how to deal with fraud detection from a S-OX perspective and a review of the 5/16/05 SEC statement.
Understanding and Auditing Derivatives	June 6-8, 2007	Robert McDonough	Understanding derivative strategies to effectively reduce or transfer risk in your organization. Examine general risk categories associated with derivatives and the controls necessary to mitigate those risks.
Employee Awareness Training	April 10, 2008	John O'Reilly Hitsman, Hoffman & O'Reilly	Instruct employees on what constitutes sexual harassment, counseling and the laws pertaining to it.

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Uncovering Fraud In Core Business Functions <i>MIS Training Institute</i>	Sept. 8 to 10, 2008	Leonard Vona	Three 3 day seminar to show how to pinpoint the areas most prone to internal fraud and identify key indicators of potential crime. Focus will be on the expenditure, revenue/cash receipts, treasury, contract, inventory, travel expense, payroll and HR, computer, marketing, and out-sourced functions as targets for fraud...and high payback audits.

**INTERNAL AUDIT GROUP  
EMPLOYEE TRAINING RECORD**

**NAME:** Howard Wasserman  
**TITLE:** Associate Auditor

**JOB FUNCTION:** Audit and evaluate the safeguarding of assets, accuracy and reliability of accounting data, compliance with agency policies, procedures and regulatory requirements to protect the agencies from loss through error, fraud or gross inefficiencies. Recommend improvements in internal accounting control and operating procedures. Perform special examinations at the request of management or the Audit Committee and prepare reports of such audits and reviews.

<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Asset Management	1/05/01	Adrienne Driben	To give an overview of the functions of the Asset Management unit.
Tax Credits	1/19/01	Mark Flescher	To give an overview of Low Income Housing Tax Credits and how it applies to the agency.
Future of Tax Credits	7/20/01	Special Projects Unit	To give an overview of the highlights of the 2001 NCSHA Tax Credit Conference held in Seattle.
Sexual Harassment	1/10/02	Michael Hitsman, Hitsman, Hoffman & O'Reilly	Instruct employees on what constitutes sexual harassment, counseling and the laws pertaining to it.
HPD Tax Incentive Presentation	7/11/02	Lisa Yee, Director Tax Incentive Unit & Aileen Gribben, HPD Assist. Commissioner	To give an overview of the various tax abatement and tax exemption programs that encourage rehabilitation and new construction in NY City, which many of the Agency's projects benefit from.

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EMPLOYEE TRAINING RECORD**

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Fraud In The Changing Regulatory Environment <i>Foundation for Accounting Education Group</i>	July 10, 2003	David Belsky	Designed to provide insight pertaining to current issues in fraud, cyber-intrusions and forensic accounting investigations.
IT Auditing & Controls <i>MIS Training Institute</i>	June 14-15, 2004	Stuart Holoman	To provide a comfortable working knowledge of IT terms and concepts; update on new emerging technologies affecting the business; and help establish a strategic response to IT challenges that will favorably position audit in your organization.
Project Management For Auditors	June 16, 17, 2005	Bryan Wood	Learn the basics of project management, including how you can achieve improved cost control, resource utilization, and more timely audit conclusions. You will then apply these techniques to improving productivity in the internal audit process.

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Writing Audit Reports that Get Results <i>MIS Training Institute</i>	June 6-7, 2006	Joel Kramer	To give an overview of the logic, format, crafting and streamlining of report writing. Analyze writing samples and discuss strengths and weaknesses.
Employee Awareness Training <i>MIS Training Institute</i>	April 10, 2008	John O'Reilly Hitsman, Hoffman & O'Reilly	Instruct employees on what constitutes sexual harassment, counseling and the laws pertaining to it.
Financial Analysis for Auditors <i>MIS Training Institute</i>	Sept. 8 to 10, 2008	Byron Wood	Three day seminar where all aspects of company financial statements will be analyzed. Will learn old as well as new financial analysis techniques that will help to improve the quality and efficiency of audits and focus on uncovering key risk areas in all aspects of the audit process.

**INTERNAL AUDIT GROUP  
EMPLOYEE TRAINING RECORD**

**NAME:** Stephen Choppey  
**TITLE:** Vice President

**JOB FUNCTION:** Responsible for directing the activities of professional staff of internal auditors in the conduct of financial, operational and EDP audits of the agencies. Develop goals and objectives pertaining to the agency's audit function. Create an audit plan that is based on a risk assessment of the agency's financial records. Provide direction and leadership to achieve the established goals of the audit group and maintain an effective relationship with the Board Members and agency management and staff.

<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
Asset Management	01/05/01	Adrienne Driben	To give an overview of the functions of the Asset Management unit.
Tax Credits	01/19/01	Mark Flescher	To give an overview of Low Income Housing Tax Credits and how it applies to the agency.
Future of Tax Credits	07/20/01	Special Projects Unit	To give an overview of the highlights of the 2001 NCSHA Tax Credit Conference held in Seattle.
Sexual Harassment	08/08/01	Michael Hitsman, Hitsman, Hoffman & O'Reilly	Instruct managers on what constitutes sexual harassment, counseling and the laws pertaining to it.
HPD Tax Incentive Presentation	7/11/02	Lisa Yee, Director Tax Incentive Unit & Aileen Gribben, HPD Assist. Commissioner	To give an overview of the various tax abatement and tax exemption programs that encourage rehabilitation and new construction in NY City, which many of the Agency's projects benefit from.

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF CLASS</u>
The 47 <sup>th</sup> Audit Directors and Managers Symposium <i>MIS Training Institute</i>	October 19, 2002 to October 23, 2002	Joel F. Kramer, CPA, Manager Director	The four day program offers comprehensive up-to-date information, covering both important and complex issues within today's auditing profession, as well as one's that are expected to surface in the future.
The Audit Director's Guide to Information Technology <i>MIS Training Institute</i>	June 12-13, 2003	Joel F. Kramer	Technical briefing designed to help audit management get up-to-speed on a wide range of technologies, meet the new challenges posed by technological change, and ensure IT risks are being addressed within the organization.
The 52nd Audit Directors and Managers Symposium <i>MIS Training Institute</i>	October 18, 2004 to October 20, 2004	Joel F. Kramer	The three-day program offers comprehensive, up-to-date information covering both important & complex issues within today's auditing profession. Will participate in roundtable discussions to discuss current practices, technical issues and be able to explore the internal audit strategies for compliance with the Sarbanes-Oxley Act.

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<u>TRAINING CLASS</u>	<u>DATE</u>	<u>INSTRUCTOR</u>	<u>PURPOSE OF</u>
The 56 <sup>th</sup> Audit Directors & Managers Symposium <i>MIS Training Institute</i>	October 16-18, 2006	Joel Kramer	The three-day program offers comprehensive, up-to-date information covering both important complex issues within today's auditing profession. Will participate in roundtable discussions to discuss current practices, technical issues and be able to explore the internal audit strategies for compliance with the Sarbanes-Oxley Act.
Audit Executive's Guide To IT	October 25-26, 2007	Fred Roth	Two-day seminar designed to help audit management become knowledgeable on a wide range of technologies in order to meet new challenges posed by technological changes and to ensure that IT risks are being addressed.
Employee Awareness Training	April 3, 2008	John O'Reilly Hitsman, Hoffman & O'Reilly	Instruct employees on what constitutes sexual harassment, counseling and the laws pertaining to it.