INTERNAL CONTROLS OVER THE PAYMENT PROCESS
ANNUAL CERTIFICATION FORM

Email this completed and signed form on or before July 31, 2020 to BSEInternalControlCert@osc.ny.gov.

Hudson River-Black River Regulating District
Agency Name
John C. Callaghan
Commissioner/Department Head

Please indicate the system in which the agency certifies claims payments:

☐ SFS ☒ Other Financial Management System

As part of this certification, the agency has assessed the adequacy of controls over one or more of the following specific payment-related areas as indicated below:

☐ Accounts Payable	☐ Capital Construction	☐ Grants
☐ Purchasing	☐ Employee Expenses	☐ Evidence and Record Retention
☐ P-Card Purchases	☒ Program Area Payments	☐ Contracts Requiring Electronic Payments
☐ Receiving	☐ SFS/FMS Security Access	☐ Other (please specify) ________________

In accordance with Title 2, Chapter I, Part 6.6 of the New York Codes, Rules and Regulations, I hereby certify that the agency's internal controls over the payment process to support the validity of the agency claim certification for processing payments is:

☐ Satisfactory (i.e., the agency has established controls and has determined controls are working as intended).

☒ Satisfactory with weaknesses (i.e., the agency established controls; however, the agency has identified some weaknesses.

☐ Unsatisfactory (i.e., the agency has not established controls or has identified significant control weaknesses.

The agency should use the chart below to identify how it will address control weaknesses.

Control Area/Objective	Control Weaknesses Identified	Corrective Action Plan or Compensating Controls for Weaknesses
Hudson River Area- Erosion Control Program	All payments in Erosion Control program area reviewed for this period. Six payments for a single commodity were made to a vendor no longer providing the commodity via Office of General Services active contract. Purchases of this commodity (fuel) do not require a Needs Assessment be completed as per District Procurement Policy. The Needs Assessment is where the Procurement Method used would be documented. Further investigation revealed vendor provided commodity at roughly the same prices as OGS vendor for commodity.	Program governed by Federal, State and District requirements. Findings to be formally communicated to all District staff engaged in procurement of goods and services that exemption from Needs Assessment per District Procurement Policy for certain items does not also exempt from requirement that District shall procure all goods and services on a Competitive Basis except as otherwise provided in the Procurement Policy.
	Isolated absence of supporting documentation (e.g., District Expenditure Request Form). Documentation was located after very brief search in District files.	No corrective action recommended as an isolated and temporary incident.
	Isolated error in coding expenditure in accordance with District Chart of Accounts.	No corrective action recommended as an isolated and temporary incident.

By checking the applicable box(es), I am certifying the following:

☒ The individuals having the ability to approve vouchers and expense reports for submission to the Comptroller's Office on my behalf (i.e., Voucher Authorizers) have been appropriately authorized by me or one of my designees and filed with the Comptroller's Office through the OSC Online Contact System or the attached voucher authorizer template.

☐ The agency has authorized the ________________ (Host Agency Name) to designate its agency personnel to certify or approve vouchers on my behalf (i.e., Voucher Authorizers).

______________________ July 29, 2020 7/29/2020

Signature of Commissioner/Department Head Date

REV. 5/12/2020

INTERNAL CONTROLS OVER PROGRAM AREA PAYMENTS
AUDIT PROGRAM

Complete the audit program below to support the agency's assessment of internal controls in this area. Please describe the controls in place, the testing done to determine whether the controls are working as intended and the results of this testing. Also, if the agency identifies a lack of controls or any weaknesses in established controls, include a plan for corrective action or identify any compensating controls.

Control Objectives	Testing	Results of Testing; Corrective Action Plan or Compensating Controls for Weaknesses Identified
Agency obtains an understanding of the nature of the program area, the related payment process, and the fiscal controls in place.	1. Review written policies and procedures related to determining whether payments for the program area are appropriate. This includes identifying what drives the payment determination (e.g., eligibility criteria, milestones, deliverables, etc.). 2. Perform a walk-through of the payment process and document observations, including but not limited to, the following: a. Current controls in place b. Potential control weaknesses and any observable compensating controls c. Documentation the agency obtains and reviews to support the payment process 3. Select a sample of transactions to test based on the information obtained above and the agency's resources available to complete this audit program.	Reviewed written policies and procedures with Senior Staff member that oversees the Erosion Control Program. Reviewed written guidelines established by Federal Energy Regulatory Commission, which mandates Erosion Control program. Reviewed District's Shoreline Management Plan, which governs the Erosion Control program. Reviewed District's data intake form and database structure that is used to assess and track Erosion Control risk and response.
Agency ensures fiscal controls are operating as intended by testing a sample of program area payment transactions.	1. For the sample, trace transactions through the approval process and review supporting evidence the agency used to determine the payments were appropriate. See Guide to Financial Operations *Chapter XII, Section 4.B.1 – Supporting Information* for guidance on the type of information agencies should use to determine whether claims for	Reviewed all transactions coded to Erosion Control program for 2019-20 Fiscal Year. Six payments for a single commodity were made to a vendor no longer providing the commodity via Office of General Services active contract.

	payment are appropriate prior to certifying the claims to the Comptroller.	Purchases of this commodity (fuel) do not require a Needs Assessment be completed as per District Procurement Policy. The Needs Assessment is where the Procurement Method used would be documented. Further investigation revealed that vendor is providing commodity at roughly the same prices as OGS vendor for commodity in Fulton County. Self-assessment also revealed an isolated absence of supporting documentation (e.g., District Expenditure Request Form). Documentation was located after very brief search in District files. Self-assessment also revealed an isolated error in coding expenditure in accordance with District Chart of Accounts.
	2. If the sample includes Drawdown payments, ensure the subsequent funds were appropriately spent. Examples include federal government disbursements, funds appropriated to public benefit corporations and/or authorities, etc. See Guide to Financial Operations *Chapter IX, Section 6 – Drawdown Process* for guidance on this topic. 3. For any payment lacking supporting evidence, or for a payment where the evidence supports a different amount than was paid, assess the internal controls over the payment process to determine why the payment was not supported or was not appropriate. Prior year Internal Control Certification audit programs may be used to assess controls related to: a. Evidence and Record Retention b. Accounts Payable	Reviewed findings with Senior Staff member overseeing Erosion Control program. Exceptions where payment was not supported or not appropriate will be formally communicated to all District staff engaged in procurement of goods and services that exemption from Needs Assessment per District Procurement Policy for certain items does not also exempt from requirement that District shall procure all goods and services on a Competitive Basis except as otherwise provided in the Procurement Policy.

	c. Receiving d. Employee Expenses e. Purchasing f. Grants g. Procurement Card Purchases 4. Document exceptions identified from testing steps 1 through 3 where the payment was not supported or was not appropriate. Review with management and develop a plan for corrective action.	

Hudson River - Black River Regulating District
As of 7/29/20

Business Unit	BusinessUnitName	Salutation	FName	MiddleInitial	LName	Suffix	Title
PBC01	Public Benefit Corporations	Mr.	Mark	M	Finkle		Board Chair
PBC01	Public Benefit Corporations	Mr.	John	C	Callaghan		Executive Director
PBC01	Public Benefit Corporations	Mr.	Timothy	M	Maniccia		Chief Fiscal Officer/Treasurer
PBC01	Public Benefit Corporations	Mr.	Robert		Foltan		Chief Engineer/ Assistant Secretary-Treasurer
PBC01	Public Benefit Corporations	Mr.	Robert		Leslie		General Counsel/ Secretary
PBC01	Public Benefit Corporations	Mr.	John		Hodgson	Sr.	Area Administrator
PBC01	Public Benefit Corporations	Ms.	Stephanie		Ruzycky		Compliance Officer

Company_Name	Phone1	ExtPH1	Phone2	ExtPH2	Fax1	ExtFax1	EMail1	Facility
Hudson River - Black River Regulating District	518-465-3491							
Hudson River - Black River Regulating District	518-465-3491						jcallaghan@hrbrrd.ny.gov	
Hudson River - Black River Regulating District	518-465-3491						tmaniccia@hrbrrd.ny.gov	
Hudson River - Black River Regulating District	518-465-3491						rfoltan@hrbrrd.ny.gov	
Hudson River - Black River Regulating District	518-465-3491						rleslie@hrbrrd.ny.gov	
Hudson River - Black River Regulating District	518-661-5535				518-661-5720		jhodgson@hrbrrd.ny.gov	
Hudson River - Black River Regulating District	518-661-5535				518-661-5720		sruzycky@hrbrrd.ny.gov	

Address1	Building1	City1	State1	Zip1	Organizational Role
350 Northern Boulevard	Suite 307	Albany	NY	12204	
350 Northern Boulevard	Suite 307	Albany	NY	12204	State Agency - Deputy for Administration;State Agency - Voucher Authorizer;State Agency - Head of Agency
350 Northern Boulevard	Suite 307	Albany	NY	12204	State Agency - Deputy for Administration;State Agency - Voucher Authorizer;State Agency - Fiscal Officer;State Agency - Internal Auditor;State Agency - Internal Control Officer;State Agency - Audit Liaison
350 Northern Boulevard	Suite 307	Albany	NY	12204	State Agency - Voucher Authorizer
350 Northern Boulevard	Suite 307	Albany	NY	12204	State Agency - Voucher Authorizer
737 Bunker Hill Road		Mayfield	NY	12117	State Agency - Voucher Authorizer
737 Bunker Hill Road		Mayfield	NY	12117	State Agency - Voucher Authorizer