

ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS

A. Define the Authority's Major Business Functions

The core purpose of the Troy Community Land Bank is to redevelop vacant, abandoned and under-utilized properties through community partnerships and strategic planning. Our goal is to encourage economic growth, long-term sustainability and new opportunities for all of Troy's residents and businesses so that we can build stronger neighborhoods and enjoy a greater quality of life.

To achieve this, the Land Bank enters into business agreements with various subcontractors that rehabilitate and/or renovate properties in preparation for resale. Policies and procedures have been established that outline, detail and underscore the specific legal and regulatory steps the Land Bank must adhere to.

B. Determine the Risks Associated With its Operations

Land Bank management fully understands the various potential risks which may arise from carrying out its mission. These issues range from personal harm on Land Bank owned properties to fiscal malfeasance on the part of subcontractors and/or directors of the board.

C. Identify the Internal Control Systems in Place

The Troy Community Land Bank adopted an Internal Control Policy in March of 2015 specifically to address the potential risks and vulnerabilities associated with Land Bank activities. This policy is referred to and reviewed at several points throughout the year, and most certainly each time a contract is entered into, severed or completed, or payment is tendered.

D. Assess the Extent to Which the Internal Control System is Effective

Generally speaking, the Land Bank's internal control system is effective in considering, vetting and awarding contracts and assorted payments. The execution of those payments, on the Land Bank side, is an area of opportunity. There were multiple instances in 2015 of payments being completed without signed vouchers attached to approved invoices. This is a focus area of improvement for the Land Bank in 2016.