



NEW YORK CITY  
HOUSING DEVELOPMENT  
CORPORATION

Gary Rodney  
*President*

March 25, 2014

Marjorie Landa  
Deputy Comptroller for Audit  
Executive Offices  
1 Centre Street  
New York, NY 10007-2341

Dear Ms. Landa:

New York City Housing Development Corporation (HDC) has completed its review of the Corporation's internal control structure for filing the NYC Comptroller's "Directive #1" Financial Integrity Statement for 2013. The review was conducted based on the Financial Integrity Statement internal control checklist questions for the following areas:

- Effectiveness and Efficiency
- Cash Receipts
- Imprest Funds (Petty Cash)
- Billings and Receivables
- Expenditures and Payables
- Inventory
- Payroll and Personnel
- Management Information Systems: Mainframe/Midrange
- Management Information Systems: Personal Computers/Local Area Networks
- Management Information Systems: Internet connectivity
- Risk Assessment, Data Classification, and Information Security
- Incident Response
- Single Audit
- The Internal Audit Function

HDC is not a City agency; therefore, certain questions on the checklists regarding specific Directives, City payroll and personnel procedures, compliance with PPBR, DoITT's Citywide Information Security Policies and Standards and certain reporting requirements are not applicable. The Corporation does however have procedures and controls established for these areas. Our evaluation was based on a review of these internal HDC procedures for each area and on prior internal audit reviews conducted throughout the Corporation's fiscal years. The checklist reviews were completed by February 28, 2014. It should be noted that the Corporation also undergoes an annual audit by an external auditing firm, currently Ernst & Young, and part of their auditing procedures includes a review of the Corporation's systems of internal controls. The Corporation has had clean opinions to date.

Upon conclusion of our evaluation, it is our opinion that the New York City Housing Development Corporation's present internal control structure, taken as a whole, is sufficient to meet internal control objectives that pertain to the prevention and detection of errors or irregularities that would be material to the Corporation.

This Financial Integrity Statement was prepared by Shirley Jarvis, Vice President of Internal Audit at (212) 227-7604.

Sincerely

A handwritten signature in black ink, appearing to read 'G. Rodney', with a long horizontal flourish extending to the right.

Gary Rodney