

**NEW YORK STATE BRIDGE AUTHORITY  
ANNUAL REPORT PER SECTION 2800 OF PUBLIC AUTHORITIES LAW  
INTERNAL CONTROL STRUCTURE  
YEAR ENDED 12/31/07**

Management continually reviews and updates the Authority's Internal Control Policies and Procedures Manual as well as the Authority's Operating Procedures Manual, which enables it to effectively document the system(s) of internal controls presently in place. Reviews and updates to these manuals are performed either as a result of a problem experienced with a particular system/function or as a result of an audit report.

The Authority hired an independent accounting firm to review its policies and procedures manual. It is continuing the process of updating this manual. This will provide more consistency across all Authority departments, as far as the manner in which the manual is laid out. In addition, new policies and procedures will reflect current practices in several departments.

During 2007-2008, full scope operational audits were performed in the following areas:

- Toll Revenue
- Payroll
- Purchasing/Cash Disbursements
- Construction Contract Administration
- Business/Travel Expense Reimbursements
- Cash and Investments

Each full scope examination was performed in accordance with Generally Accepted Governmental Auditing Standards. The purpose of each full scope examination was to audit the systems of internal control on the system/function surrounding a financial statement balance or on the particular financial statement balance(s) and report the findings to management.

Additionally, in performing their annual audit of financials statements, the Authority's independent auditors consider the Authority's internal control over financial reporting in planning and performing their audit. Though this internal control consideration was for a limited purpose, no significant deficiencies or material weaknesses were identified.

The above serves to provide the Authority with an effective internal control structure.