

## **Internal Control Assessment as of 12/31/12**

### A. Define Major Business Functions

- Issue non-profit bonds
- Coordinate and deliver non-profit community development services
- Financial operations
- Administration

### B. Determine the Risks Associated with Operations

#### Assess Risk Exposure

- |                        |          |
|------------------------|----------|
| ➤ Issue Bonds          | Low      |
| ➤ Non-Profit Services  | Moderate |
| ➤ Financial Operations | Moderate |
| ➤ Administration       | Moderate |

#### Risks

- Conflicts of interest
- Improper influence of project clients or involved officials on UCCRC
- Improper influence of UCCRC on project clients or involved officials
- Negligent or fraudulent administration of UCCRC
- Projects do not accomplish their goals or meet financial obligations
- Fraud in financial operations
- Legal status of structure vis a vis state law

### C. Internal Control Systems in Place

- Mission Statement
- By-Laws
- Policies
- Procedures
- Contract with UCDC

### D. Assessment of the Effectiveness of Internal Controls

- CEO's review of CFO and Administrative functions
- Audit Committee Meetings
- Governance Committee Meetings
- Annual Reports
- External Audit
- Bond counsel project review
- Annual state ABO reporting
- Compliance with County Legislature annual reporting requirements

# UCCRC

Ulster County Capital Resource Corporation

## E. Corrective Action

- Actions are developed when weaknesses are identified
- Actions are adopted by the board and monitored by management
- Making corrective actions public records
- Implementation of underperforming enforcement policy