

Ulster County Development Corporation  
(UCDC)  
Internal Control Assessment  
As of 12/31/12

A. Define Major Business Functions

- Coordination and delivery of economic development services
- Administration of Ulster County Industrial Development Agency (UCIDA)
- Facilitation of real estate development
- Financial operations
- Administration of Revolving Loan Funds

B. Determine the Risks Associated with Operations

Assess Risk Exposure

- |                           |                  |
|---------------------------|------------------|
| ➤ Economic Development    | Low              |
| ➤ UCIDA                   | Moderate         |
| ➤ Real Estate Development | Moderate         |
| ➤ Financial Operations    | Moderate to High |
| ➤ Administration of RLFs  | Moderate to High |

Risks

- Conflicts of Interest
- Improper influence of project clients or involved officials on UCDC
- Improper influence of UCDC on project clients or involved officials
- Non-Repayment of Loans
- Negligent or fraudulent administrations of UCIDA
- Loss of Funding
- Negligence in agency operations and program activities

C. Internal Control Systems in Place

- Mission Statement
- Policies
- Procedures
- Job Descriptions
- Board Oversight

D. Assessment of the Effectiveness of Internal Controls

- Board review of controller and administrative functions
- Audit Committee meetings
- Governance Committee meetings
- Annual Reports
- External audit

E. Corrective Action

- Plans developed when weakness is identified
- Plans adopted by the board and monitored by management
- Change in personnel
- Change in policies and procedures