

UCIDA

Ulster County Industrial Development Agency

Internal Control Assessment as of 12/31/12

A. Define Major Business Functions

- Issue Bonds
- Provide real property, sale and mortgage recording tax exemptions
- Foster Real Estate Development
- Financial Operations
- Administration
- Foster Economic Development

B. Determine the Risks Associated with Operations

Assess Risk Exposure

- Issue Bonds Low
- Provide tax exemptions Moderate to High
- Foster Real Estate Dev Low
- Financial Operations Moderate to High
- Administration Moderate to High

Risks

- Improper influence of projects or taxing jurisdictions on UCIDA
- Improper influence of UCIDA on projects or taxing jurisdictions
- Conflicts of Interest
- Improperly implemented PILOTS
- Project does not accomplish its goals or meet its financial obligations
- Fraud in financial operations

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 Legislative Reporting Requirements

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 Performance Policy