



## **INTERNAL CONTROL ASSESSMENT**

As of 12/31/18

- A. Define Major Business Functions
- Support economic development in Ulster County
  - Administration of Revolving Loan Funds
- B. Determine the Risks Associated with Operations
- Assess Risk Exposure
- |                          |                  |
|--------------------------|------------------|
| ➤ Economic Development   | Low              |
| ➤ Administration of RLFs | Moderate to High |
- Risks
- Conflicts of interest
  - Improper influence of project clients or involved officials on UCEDA
  - Improper influence of UCEDA on project clients or involved officials
  - Non-repayment of loans
  - Loss of funding
  - Negligence in agency operations and program activities
- C. Internal Control Systems in Place
- Mission statement
  - Policies
  - Procedures
  - 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
- a. Plans developed when weakness is identified
  - b. Plans adopted by the board and monitored by management
  - c. Change in personnel
  - d. Change in policies and procedures