



INTERNAL CONTROL ASSESSMENT

As of 12/31/19

- 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