

# UCIDA

Ulster County Industrial Development Agency

## Internal Control Assessment as of 12/31/16

### A. Define Major Business Functions

- Foster economic development by
  - Offering Payment in Lieu of Taxes agreements
  - Issuing bonds
  - Providing sale and mortgage recording tax exemptions
- Foster real estate development
- Execute financial operations
- Administer IDA

### 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 Office of Economic Development

### 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

#### E. Corrective Action

- Actions are developed when weaknesses are identified
- Actions are adopted by the board and monitored by management
- Corrective actions are included in public records
- Underperforming Performance Policy implemented