

UCCRC

Ulster County Capital Resource Corporation

Internal Controls Assessment as of 12/31/21

A. Define major business functions

- **Enhance economic development potential by:**
 - Issuance of bonds
- **Foster increased living wage jobs by inducing quality projects for residents and tax payers**
- Ensure CRC Applications are correct, and appropriate tracking is conducted.
- Ensure the financial stability of the CRC
- Promote a culture of governance through transparency while adhering to and adopting CRC statewide best practices

B. Determine the risks associated with operations

Risks:

- | | |
|---|----------|
| • Issuance of Bonds | Low |
| • Foster Business development while balancing tax Payer concerns | High |
| • Improper influence of project taxing jurisdictions on UCCRC decisions | Moderate |
| • Improper political influence on UCCRC decisions | High |
| • Board conflicts of interest | Moderate |
| • Negligent or fraudulent administration of UCCRC | Moderate |
| • Independence of CRC | High |
| • Project does not accomplish its goals or meet financial obligations | Moderate |
| • Financial Operations Fraud | Moderate |
| • Administrative Errors | Moderate |

C. Internal and External controls in place to mitigate above risks

- Mission Statement
- Bylaws
- Policies
- Rigorous pre-screening and questioning of applicant for suitability of projects

UCCRC

Ulster County Capital Resource Corporation

- Strong project compliance by administrative staff
- Clear procedures involving approval process
- Rigorous review of contract and contract negotiation
- Annual audit of financials
- Website for information and education
- Rigorous examination and audit of tax bills utilized by municipal taxing entities

D. Assessment of effectiveness of internal controls

- Internal review suggests a more rigorous annual compliance with reporting from CRC clients that is timely for State Reporting and also requires higher accuracy and precision in data reporting.
- Internal review suggest much more rigorous adherence to some of the CRC provisions either at the application stage.
- Internal review suggests greater control and procedures around bond confirmations.
- Internal review suggests continuous and rigorous review of policies to insure equitable balance between being “business-fair” and “taxpayer-friendly.”

DI. Corrective Actions

- Actions will be developed where weaknesses have been identified
- Actions are reviewed with appropriate committees with read out to the entire Board
- Corrective Actions are included in public records
- Create and adapt enhanced prescreen and review process
- Review of process for tax payment confirms as well as bond confirm
- Annual New York State Authorities Budget Office reporting accuracy