

## **CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

### **ANNUAL ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS**

#### **1. BACKGROUND:**

Section 2800(1)(a)(9) and Section 2800(2)(a)(8) of Public Authorities Law require all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

#### **2. MISSION OF AGENCY AND MAJOR BUSINESS FUNCTION(S).**

The mission of the Agency is to continue to undertake projects that improve the quality of life for the citizens of the Town. These projects will include the support of job creation and the expansion of local businesses, as well as the improvement of public infrastructure. The Agency will continue to secure and manage resources to improve the social, physical and economic characteristics of the Town by strengthening neighborhoods and the local economy, and supporting other community activities.

#### **3. MAJOR RISKS ASSOCIATED WITH OPERATIONS**

Major risks associated with the functions are conflicts of interest, collusion, fraud or theft when handling monetary functions, operational issues.

#### **4. INTENT:**

The intent of the Agency's system of internal control shall be to:

- a) Promote effective and efficient operations so as to help the Agency carry out its mission.
- b) Provide reasonable assurance that the Agency's assets are safeguarded against inappropriate or unauthorized use.
- c) Promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with the Agency Boards' authorization and recorded properly in accounting records.
- d) Encourage adherence to the Agency Board's policies and procedures for conducting programs and operations.
- e) Ensure compliance with applicable laws and regulations.

#### **5. ASSESSMENT**

The Agency reviews internal controls on an on-going basis. Additionally, the Agency undergoes an annual financial audit by an independent CPA firm. Any internal control weakness identified either by agency staff or by the CPA firm is communicated to the Audit Committee and the Board of Directors. To the extent that deficiencies are identified, the Agency develops corrective action plans to reduce any corresponding risk. For the year ended December 31, 2017 the present internal control procedures appear to be sufficient to meet internal control objectives that pertain to the prevention and detection of material weaknesses or deficiencies.