

**Utica Industrial Development Agency
Assessment of the Effectiveness of Internal Controls 2021**

A. Define the Authority's Major Business Functions

The Utica Industrial Development Agency, a public benefit corporation organized in 1981 under the laws of New York State, was created to assist business development and to advance opportunities and the economic welfare of the people of the City of Utica.

The UIDA provides financial assistance to companies, including low-cost financing through sale-leasebacks or lease-leasebacks, PILOT agreements, mortgage recording tax exemptions, and sales tax exemptions and the issuance of Industrial Revenue Bonds.

B. Determine the Risks Associated with Its Operations

The agency owns no property and acts as a pass through of state granted benefits. Staff of the Agency (Executive Director) is employed by the City of Utica. Checks received from project fees are immediately deposited into the Agency's account. No cash is ever utilized for transaction purposes

C. Identify the Internal Control Systems in Place

The UIDA's existing controls will prevent significant fraud from occurring. The Executive Director presents all bills and vouchers to Agency members. Two agency members must sign each check and reconciliations are provided for review and signatures at the end of each month. In addition, the Board oversees all expenditures and is provided with financial reports on a monthly basis.

Risk, as assessed, is low. The Board of Directors evaluates on a yearly basis.

D. Assess the Extent to Which the Internal Control System is Effective

To the knowledge of management, there has never been an outstanding issue with the effectiveness of the Internal Control System nor has any issue been brought to the attention of the Board of Directors through the annual audit.

E. Take Corrective Action

Should the event of fraud or a weakness in the effectiveness of the Internal Control System be identified, a corrective plan will be developed and adopted by the Board and monitored by management ensure that the vulnerability is addressed.