

## 2019 Assessment of the Effectiveness of Internal Controls:

The Livingston County Capital Resource Corporation complies with Section 2800 (1)(a)(9) and Section 2800 (2)(a)(9) of Public Authorities Law require all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

### **Purpose:**

The purposes of the Livingston County Capital Resource Corporation are to create and retain employment opportunities for the residents of Livingston County and generate tax revenues to support government services. This mission is accomplished through the issuance of tax exempt and taxable civic facility revenue bonds for certain economic development projects. Through the fulfillment of the corporation's mission, the corporation expects to deliver employment, health and general prosperity, economic welfare, and needed services for the residents of Livingston County.

The importance of an adequate system of internal control is to:

- a) promote effective and efficient operations so as to help the authority carry out its mission;
- b) provide reasonable, but not absolute, assurance that 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 management's authorization and recorded properly in accounting records;
- d) encourage adherence to management's policies and procedures for conducting programs and operations;
- e) ensure compliance with applicable laws and regulations.

A successful system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions. Internal controls are reviewed continuously and adjustments are made as necessary.

The following is a summary of the Internal Control System currently in place:

- All invoices must be reviewed and verified by the Director or Deputy Director.
- All checks over \$1,000.00 require two signatures.
- The Director opens and reviews all bank statements.
- Cash payments are not accepted.
- Deposit slips are attached to appropriate backup.
- All bank accounts are recorded through QuickBooks.
- A monthly and year to date financial report is prepared using QuickBooks and presented to the board each month for review and approval.
- A full audit is conducted by an independent auditor annually to review the finances, operations, internal controls, and procedures of the agencies.

This statement certifies that the Livingston County Capital Resource Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2019.

The following corrective actions were identified and will be enacted moving forward:

- Bank statements will be reviewed by a third party and reconciled to QuickBooks.
- A separate User ID will be secured for additional parties authorized for QuickBooks entries.

**Approved and adopted this 6<sup>th</sup> day of March 2020**

Approved by: 