

Bethel Local Development Corporation

Assessment of the Effectiveness of Internal Controls 2023

In addition to complying with the Internal Controls and Financial Accountability Policy adopted and reviewed annually by the Bethel Local Development Corporation (BLDC) Board of Directors Provisions: 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.

An adequate system of internal controls is expected 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; and

(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.

In order to comply with the requirements of Section 2800 the BLDC has instituted an annual evaluation performed by management to determine the effectiveness of its internal control system. Following the recommendation of the Authorities Budget Office the BLDC utilized five major components in its internal control assessment: control environment, risk assessment, control activities, information and communication, and monitoring.

Annually, the BLDC is audited by a certified public accountant. In planning and performing the audit of the financial statements, the Bethel Local Development Corporation's internal control over financial reporting (internal control) is considered as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bethel Local Development Corporation's internal control. Given these limitations, during the audit ending 12/31/2023 material weaknesses or significant deficiencies in internal control that were consider to be material weaknesses were not identified.

Reviewed and Approved 1.2023