

2019 Assessment of the Effectiveness of Internal Controls  
Genesee County Funding Corporation (GCFC)

The GCFC entered into a Management & Administrative Service agreement with HB Solutions, LLC in March 2015. HB Solutions, LLC has delegated completion of tasks to GCEDC staff. GCEDC internal controls continue to be relied on.

Internal Controls

The accounting, financial reporting, and cash management functions are carried out relying on a multitude of internal controls. Examples of some of the controls used are listed below:

- Payroll for the GCEDC's employees is processed externally by a payroll processing company, Complete Payroll Processing, Inc. (CPP). The Operations Manager and/or CFO verify that payments are only made to employees that are entitled to be paid. – ***Low risk.***
- All invoices must be reviewed and verified by the CFO, CEO or Sr. VP of Operations. All GCFC checks require two signatures of authorized GCFC Board Members. The CFO opens and reviews all bank statements and bank reconciliations. – ***Multiple persons signing off on the process and the CFO opens and reviews bank statements and does not have authorization to sign checks.***
- All checks received by the GCFC are recorded and stamped “for deposit only” by the Operations Assistant and given to the Operations Manager for review. The Operations Manager ensures that all funds are coded correctly and that each transaction is recorded in Peachtree (accounting software). Deposit slips are then prepared by the Staff Accountant and deposited in the bank. The deposit receipt from the bank is then attached to the appropriate back up for the deposit. – ***Bank verification and receipts make this low risk.***
- Computers are password protected. Accounting software is separately password protected. Access to the accounting software is limited to the Operations Manager, Staff Accountant and CFO. – ***Password protection and limited access to accounting software makes this low risk.***

Note: Internal controls are reviewed continuously and adjustments are made as necessary.

The system of controls applicable to the GCEDC was last reviewed by the GCEDC's Audit Committee on July 9, 2018 and the GCFC's Board of Directors on March 28, 2019. These reviews affirmed that there are no material control weaknesses to be reported. The GCEDC and GCFC undergo annual financial audits by an independent CPA firm. While auditors are not engaged to perform an audit of internal controls, auditors do provide management letter comments when they encounter internal weaknesses. No material weaknesses have been identified by the independent auditors.

In summary, the present internal control structure appears to be sufficient to meet internal control objectives that pertain to the prevention and detection of errors and irregularities.