

Energy Improvement Corporation, LDC (EIC)

2018 Assessment of The Effectiveness of EIC's Internal Controls

A. Define the Authority's Major Business Functions:

- 1) Energize NY facilitates qualified energy efficiency improvement projects and renewable energy system projects by offering Energize NY PACE and other services to residents, organizations, institutions and businesses in participating municipalities in New York
- 2) Marketing and Outreach targeted at increasing the uptake of energy upgrades and other energy improvements to buildings within EIC Member Municipalities
- 3) Support for property owners and clean energy providers to facilitate additional energy efficiency and renewable energy upgrades to existing building stock

B. Determine the Risks Associated with Its Operations

- 1) Internal Financial

C. Identify the Internal Control Systems in Place

- 1) Procurement Policy that specifies actions related to spending funds
- 2) Quarterly review of expenses
- 3) Robust Underwriting Criteria and approval process
- 4) Expenditure Policy that requires multiple signing authorities when expending funds over certain thresholds
- 5) Quarterly review of bank reconciliations and journal entries

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

- 1) Effective

E. Take Corrective Action if a weakness is Identified

- 1) Quarterly reviews of Budget spending by external party. Quarterly reviews by Co-Executive Directors, Board and other officers as needed.

Approved by the EIC Board of Directors on: 2/13/2019