

NEW YORK STATE THOROUGHBRED BREEDING AND DEVELOPMENT FUND
CORPORATION

INTERNAL CONTROLS GENERAL POLICY STATEMENT

June 2010

It is the policy of the NYS Thoroughbred Breeding and Development Fund Corporation (Fund) to advocate the development and maintenance of a reliable system of internal controls and a program of internal control review consistent with the requirements of;

- Title 8 - Public Authorities Law - Internal Control Responsibilities of Public Authorities
- 1999 New York State Governmental Accountability Audit and Internal Control Act (Act)
- 2007 Standards of Internal Control in New York State Government Office of the State Comptroller

A reliable system of controls helps us achieve our mission while also providing accountability in government. Internal controls are important to everyone, as they essentially integrate all of our activities, plans, attitudes, policies, systems, resources and operating procedures to provide reasonable assurance that the Fund can achieve its objectives.

There are five components of internal controls:

- 1. Control Environment** Attitude towards control established by management and staff
- 2. Communication** Communication of information in a form and timeframe helpful in carrying out duties and responsibilities
- 3. Assessing and Managing Risk** Identification and evaluation of occurrences that threaten achievement of our mission
- 4. Control Activities** Automated and manually driven activities that ensure that we are operating as intended and that databases and business are accurate
- 5. Monitoring** Monitoring to ensure that transactions and occurrences are valid, properly authorized, processed accurately and compliant with governing statutes, rules, and procedural directives

While management has the primary responsibility of establishing and maintaining an effective system of controls, all staff members have the responsibility to ensure that controls are operating as intended.

Tracy Egan, Executive Director, has been designated as Internal Control Officer.