

<u>Risk Categories</u>	<u>Organizational Responsibilities</u>	<u>Risk</u>	<u>Current Risk Management Policies</u>	<u>What CEDC is Doing</u>	<u>What CEDC could do</u>
<b>COMPLIANCE WITH LAWS AND REGULATIONS</b>	An organization must understand and comply with applicable laws in order to conduct business consistent with its corporate and public responsibilities.	Non-compliance with laws and regulatory requirements can lead to financial penalties, revocation of tax exempt status, and loss of public confidence.	Regularly evaluate CEDC's compliance with relevant federal and state laws and regulations	<ul style="list-style-type: none"> <li>* The Chief Executive Officer and the Board of CEDC monitor the Organization's compliance with laws and regulations.</li> <li>* CEDC's annual audit is performed in accordance with Government Auditing Standards which includes a review of compliance with laws and regulations including contracts and grant agreements.</li> <li>* CEDC engages an attorney to review contracts and attend each board meeting to ensure compliance with laws and regulations.</li> </ul>	Continue as it has been doing.
<b>Public Authorities Accountability Act (PAAA)</b>	A Public Authority must understand and comply with the applicable PAAA laws.	The failure of the board or chief executive officer to properly perform these duties and obligations may result in the ABO exercising its enforcement authority.	Implement basic principles of effective corporate governance	<ul style="list-style-type: none"> <li>* CEDC has adopted the policy guidance of the NYS Authority Budget Office for its operations and commits to full implementation of these standards and practices.</li> </ul>	Continue as it has been doing.
<b>Governance</b>	The Organization should adopt principles that establish culture, values, organizational structure and control systems.	The lack of these principles could prevent CEDC from operating effectively and result in lack of public confidence in the performance and decision making of the organization.	The Board should be informed of current best practices in governance and update governance principles and practices as required.	<ul style="list-style-type: none"> <li>* A Board Member Orientation Manual has been prepared (available on website) which includes information on CEDC's 1) Mission, 2) Committee charters, 3) Board Accountability and Responsibilities and 4) Required board member training</li> </ul>	Continue as it has been doing.
	Establish governance committee to review, develop, draft, revise or oversee policies and practices	Lack of appropriate policies and practices could lead to loss of credibility in CEDC'S mission	Establish a Governance Committee	<ul style="list-style-type: none"> <li>* The CEDC has established a Governance Committee which reviews policies on a regular basis and updates as necessary</li> <li>* The Governance Committe has established policies and procedures covering: 1) Ethics, 2) Conflicts of interest, 3) Acquisition and disposal of property, 4) Compensation, 5) Whistleblower Policy, 6) Defense and indemnification of board members</li> </ul>	Continue as it has been doing.
	Official conduct that enhances ethical and professional performance of board members and employees	CEDC's management team and board members may not conduct themselves ethically which could lead to conflicts of interest, loss of assets and damage to CEDC's reputation.	Develop a Code of Ethics	<ul style="list-style-type: none"> <li>* The CEDC has established a Code of Ethics which sets forth clear expectations and principles to guide practice.</li> <li>* Any Board member or employee found in violation will be suspended and could be removed.</li> </ul>	Continue as it has been doing.
	Establish and preserve independence	The appearance of conflicts of interest in actions and decisions causes loss of public confidence	Board members must disclose any relationships with 3rd parties and recuse themselves from any related discussions.	<ul style="list-style-type: none"> <li>* The CEDC has established a Conflict of Interest Policy which establishes responsibilities of Board members and employees. Board members and employees with executive positions must complete an annual disclosure form.</li> </ul>	Continue as it has been doing.

	Fiduciary Responsibility - duty of loyalty and care to the organization , its mission and the public interest.	Board members and management may not cary out their duties resulting in reputation risk and penalties imposed by the Attorney General's office.	Acknowledge Fiduciary Duties	* Board members must sign the "Acknowledgement of Fiduciary Duties and Responsibilities" form which was developed by the ABO and covers acting in the best interest of CEDC's mission and the public, confidentiality and conflicts of interest. Board members also sign and acknowledge the "Notice to Directors and Officers"	Continue as it has been doing.
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	The board must hold itself accountable to the mission of the CEDC and to the public interest.	The Board may not be held accountable resulting in ineffective governance.	Each board member must complete an evaluation of Board Performance	The Board members of CEDC complete the model board evaluation tool developed by the Authorities Budget Office. The results of the evaluations are confidential and should be summarized by the governance committee. If evaluation indicates need for improvement in Board performance, then the Board should implement suitable corrective actions.	Review the evaluation summaries before filing them with the ABO.
	Ensure Board has the relevant skills and commitment to the organization.	If Board is lacking in relevant skills or commitment to the organization, unmanaged these cause long-term risk for organizational instability.	Ensure periodic review and assessment of organizational needs with regard to the governing Board.	* The Governance Committee advises those responsible for appointing new Board members on the skills, qualities and professional and/or educational experience necessary to be effective Board Members.	Continue as it has been doing.
	Ensure by-laws match evolving needs and practices	By-laws may not be up to date and/or in compliance with laws and regulations.	Periodically review by-laws by outside attorney and revise as needed.	The governance committee has been charged with reviewing the effectiveness of the by-laws and recommending modifications as needed.	Continue as it has been doing.
	Public disclosure and transparent reporting of financial and management information	Information may not be up to date or may be inaccurate. Required documents may not be disclosed in a timely manner.	Make appropriate information available to the public in a manner that is easy to find and navigate	* CEDC has a web site that discloses the following information: 1) Board members, 2) Agendas, time, location & minutes of board meetings and committees, 3) By Laws 4) Mission statement, 5) Various policies and reports and 6) Audited financial statements.	Continue as it has been doing.
			Develop and adopt a mission statement	The Board of CEDC has developed and adopted a mission statement that defines the purpose of the authority and the public interests it serves. The mission statement is included on CEDC's website.	Continue as it has been doing.
			Review and assess performance on an annual basis	The board of CEDC has also developed a list of performance goals which are used to assess the organization's performance.	Continue as it has been doing.

			The Board should prepare a measurement report based on that assessment	The performance assessment is a means for the Board to evaluate and monitor whether the authority's policies and operating practices are in accordance with its mission.	CEDC's measurement report needs to more adequately address performance
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<i>Fiscal Oversight</i>	The governing board should develop and adopt policies for control procedures for financial operations of the CEDC	Loss of accountability could result in inappropriate actions which could lead to inability of the Organization to continue or the loss of public confidence	Establish an Audit Committee and a Finance Committee. Formalize policies and control procedures.	* CEDC has established an Audit Committee which helps insure that the organization has 1) a financial reporting process, 2) a system of risk assessment, 3) internal controls over financial reporting, and 4) an external audit process including communication with the auditors. * CEDC has established a finance committee which is responsible for 1) reviewing management's proposed budget and recommending approval by Board (as revised if necessary), 2) Monitoring compliance with the budget during the year, 3) Reviewing and making recommendations regarding procurement and 4) Reviewing and recommending changes to the Organization's fee schedules.	Continue as it has been doing.
	It is CEDC's responsibility to establish and maintain internal controls.	Fraud and embezzlement	Maintain and review system of internal control	CEDC has established a system of internal control to 1) promote effective and efficient operations to carry out mission, 2) provide assurance that assets are safeguarded against inappropriate use, 3) promote accuracy and reliability of financial reporting and 4) to ensure compliance with laws and regulations.	Formalize testing of certain key controls over higher risk areas in addition to annual external audit.
	It is CEDC's responsibility to monitor the system of internal control.	Internal controls may not be adequately designed and/or operating effectively.	Perform annual assessment of effectiveness of internal controls to identify potential weaknesses.	CEDC prepares a report on their internal control assessment. The report should include 1) determining the level of risk associated with each of the functions of its operations, 2) determining what controls are in place to provide assurance that functions are carried out appropriately and properly reported, 3) assess whether controls in place are adequate to protect the organization from waste, abuse and/or misconduct.	Continue as it has been doing.

	CEDC must prepare and file a budget with the Authorities Budget Office at least 60 days before the start of each new year.	The Budget may not be completed and approved timely and may not be prepared in a reasonable manner.	Budget to be submitted by October 31 of each year	CEDC staff prepare a budget which is approved by the board and then submitted to the ABO. The ABO then publishes on their website for public review. The budget includes actual information for the last completed year, estimated information for the current year, adopted budget for the next year and estimated budgets for the following 3 years.	Continue as it has been doing.
	Ensure CEDC keeps accurate financial records in accordance with Generally Accepted Accounting Principles (GAAP).	Financial reporting may not present a true picture of CEDC's financial position and results of operations on an interim basis.	Staff will enter significant accrual adjustments before presenting financial statements to the board.	CEDC has instituted a new policy of including major accruals in the monthly financial statements that are presented to the board for review.	Implement the new closing checklist and update monthly accrual entries to ensure compliance with GAAP each month.
	Ensure proper use of restricted funds	Could result in the required return of the funds to the funding source	Restricted funds have a separate accounting	The CEO reviews recording of restricted activity for appropriateness	Continue as it has been doing.
	Ensure the Board receives and reviews interim financial reports and statements on a timely basis.	The Board may not receive timely financial reports and those reports may not be in conformity with GAAP.	Financial statements are prepared and presented to the Board.	Board receives monthly accrual basis financial statements for review.	CEDC to finalize accrual basis monthly reports
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	Ensure Board is covered for General Liability issues.	Board members may be liable for breaching the duties of care, loyalty, and obedience; against wrongful conduct; and statutory liabilities such as civil or criminal laws resulting in sanctions, lawsuits against the CEDC, and loss of reputation.	Directors and Officers Insurance; Ethics Policy.	CEDC carries D & O Liability Insurance.	Continue as it has been doing.
	Deposits of funds collected by CEDC should be adequately safeguarded	Funds collected may not be adequately safeguarded from loss or theft.	Establish investment policy	The CEDC has developed an Investment policy that covers all available financial resources. The objectives include the safeguard of principal and the provision of liquidity. 1) All funds should be deposited within 5 days of receipt in a bank that has been authorized by the Board. 2) Funds in excess of the FDIC limits should be secured by a pledge of securities by the bank.	CEDC is not in compliance with their policy of obtaining a collateral agreement with those banks where funds exceed FDIC limit

	The CEDC must adopt policies and procedures for procurement of goods and services in order to assure the prudent and economical use of public money in the best interest of the public.	Lax procurement policies can result in erosion of reputation and misappropriation of assets.	Develop a procurement policy. Ensure that adequate segregation of duties exists throughout the procurement process. Evaluate existence of any fraud risks and controls established to mitigate such risks.	The CEDC has developed a procurement policy which sets forth procedures for determining 1) whether procurement is subject to competitive bidding, 2) methods to be used for Non-Bid procurement and 3) documentation requirements	Ensure that the CEDC is comfortable that proper segregation of duties exists throughout the process of selecting a vendor to the point of paying a vendor.
	The CEDC must submit an annual report to the Authorities Budget Office (ABO) by March 31 of each year	The ABO publishes a list of local authorities that have not complied with the required reporting	Ensure timely reporting and filing of annual reports including oversight of the Audit Committee.	CEDC submits its annual report to the ABO using the Public Authorities Reporting System (PARIS). This report includes references to required documents which are included on CEDC's website. In addition, CEDC's annual report and management letter are included as part of the filing.	Continue as it has been doing.
<b>Uniform Grant Guidance (Formerly OMB Circular A-133)</b>	The Organization's management and Audit Committee must establish procedures to identify whether the CEDC is required to have an annual compliance audit.	The Organization does not adequately identify federal funds and assess the need for a compliance audit resulting in non compliance with Federal grant programs.		CEDC has designated the CEO as compliance officer to monitor as appropriate.	Continue as it has been doing.
	The CEDC must seek adequate training to understand and comply with the Uniform Grant Guidance.	Without adequate training, the Organization may not comply with the grant guidance resulting in negative press and potential loss of funds.		CEDC's Employee Manual addresses Training policies	Continue as it has been doing.
	Management must comply with the general and specific compliance requirements of the Uniform Grant Guidance.	Non compliance could result in potential loss and lack of future funding.		CEDC has established and documented an understanding of the key compliance criteria and ensure that the procedures and controls are being followed during the year - monitoring responsibility with audit committee	
<b>Relevant Federal Laws</b>	Complying with requirements for maintaining status tax-exempt status (see below).				

	Ensure it maintains its tax-exempt status under section 501(c)(3) of the IRC by assuring it: 1) Is organized and operated exclusively for exempt purposes, 2) ensures none of its earnings inure to any private individual, and 3) abides by restrictions on legislative (lobbying) activities.	Failure to comply may result in loss of tax-exempt status, excise taxes, penalties, fines, and loss of reputation, as well a possible suspension or prohibition against further lobbying.	Must comply with requirements for retaining federal tax-exempt status including prohibitions on private inurement, impermissible private benefit and political campaign	CEDC's CEO ensures compliance with IRS requirements with regard to ensuring it does not jeopardize its tax-exempt status or status as a charitable organization under federal law & ensures it meets its exempt purposes, does not approve transactions that result in private inurement or confer impermissible private benefit, and do not participate in substantial lobbying.	Continue as it has been doing.
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	File annual IRS Form 990 tax return.	Non-filing may result in loss of tax-exempt status or fines.	IRS Form 990 is properly prepared and reviewed by the Board of Directors.	CEDC's IRS Form 990 is prepared by outside auditors, reviewed by staff then circulated to the Board for review, and once approved, submitted to the IRS.	Continue as it has been doing.
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	IRS Disclosure Requirements		A copy of IRS Form 990, an orgs. application for tax exemption, Form 1023, and a copy of any supporting materials and IRS response to the tax-exempt application must be made available for public inspection.	* A copy of CEDC's 990 is made available on CEDC's website through GuideStar ( <a href="http://www.GuideStar.org">www.GuideStar.org</a> ) and by request. *CEDC will provide a copy of its Form 1023, IRS tax-exempt approval letter and any other supporting materials to the public upon request.	Continue as it has been doing.
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	Retention of IRS forms.		A tax-exempt Charity must prepare, file and keep: The organization 501 (c) application (IRS Form 1023) and the IRS determination letter; IRS Form 990 and attachments	*CEDC adopted a record retention policy which spells retention of: <ul style="list-style-type: none"> <li>o 501 (c ) application (IRS Form 1023);</li> <li>o The IRS determination letter;</li> <li>o IRS Form 990 and attachments;</li> </ul>	Continue as it has been doing.
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	Federal Employment Laws and Human Resource Compliance	Organization can face significant fines and penalties for non-compliance. Workplace problems and litigation due to disputes on employment issues covered under law including discrimination/harassment, employment-at-will, employment contracts, wrongful discharge, employee benefits, ERISA, etc.	Ensure familiarity and compliance with Federal Employment & Labor Laws and regulations to prevent workplace problems	<p>* CEDC has established a relationship with The DeFeo Kane law firm that focuses on Non-profit organizations and Employment and Labor Laws and regulations. Staff confers with counsel on all matters of Employment Law and Human Resource compliance.</p> <p>* This law firm helped draft CEDC's Staff Handbook, ensuring that all federal and state laws and appropriate human resource compliance matters were covered including ADA; Employee Protection and Whistle Blower Policy; EEO and Discrimination, Harassment and Retaliation; FLSA and employment classifications; HIPPA; Posters and Worker's Compensation.</p> <p>* Information about Posters can be found on the U.S. Department of Law website.</p> <p>*Amendments were reviewed by CEDC's counsel and approved by the Board.</p> <p>* CEDC's President ensures compliance with above.</p>	Continue as it has been doing.
	Payroll Compliance and IRS tax forms are completed and filed as required.	Payroll filings are not completed accurately and/or are not filed timely resulting in penalties.	CEDC's Financial Manager submits payroll to HVRG and ensures timely filings for government reports and staff W-2's and 1099's annually, which is overseen by the President.	CEDC has engaged Hudson Valley Resource Group (HVRG) (3rd party) to process payroll each pay period and to prepare quarterly and annual payroll reports to the IRS, consultants and employees.	Continue as it has been doing.
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<b>Relevant State Laws</b>	Maintain non-profit corporate status.	The Organization may not be registered to operate as a non-profit in New York State.	Maintaining non-profit corporate status. Ensure <i>NYS CHAR 410 – Registration Statement for (new) Charitable Organizations</i> , is made available for public inspection.	* CEDC received a letter confirming it is registered with NY and such letter is maintained on file available to the public.	Continue as it has been doing
	Operating according to by- laws and articles of incorporation and updating these as necessary.	The Organization may not be operating as originally communicated in accordance with its by-laws and articles of	Ensuring state nonprofit corporation papers & bylaws are complete & up to date.	* CEDC amended, restated, updated and re-adopted its By Laws to conform to the new NY Non-Profit Revitalization Act and Executive Compensation Act of 2013.	Continue as it has been doing
	Non-profit organizations must ensure compliance with State filing requirements for information reports.	The Organization may not be filing its State reports on time.	NY orgs. must annually send its federal tax returns & reports to the New York Attorney General, including CHAR 500	* CEDC's auditors prepare the federal tax returns and NY forms which CEDC annually sends to the New York Attorney General after Audit Committee, Treasurer, and Board review. * CEDC's President, Audit Committee and Financial Manager ensure compliance with the above.	Continue as it has been doing
	Maintaining the minimum number of Board members according to NY's nonprofit corporation act.	The Organization may not be in compliance with the minimum # of board members.	By Laws comply with NY State Requirements	* The minimum number of Directors is outlined in CEDC's By Laws. CEDC's President and Board ensure that CEDC complies with maintaining this number.	Continue as it has been doing
	NY State Employment Laws and Human Resource Compliance	Organization can face significant fines and penalties for non-compliance. Workplace problems and litigation due to disputes on employment issues covered under law	Ensure compliance with State Employment & Labor Laws and regulations to prevent workplace problems.	* CEDC has established a relationship with The DeFeo Kane law firm (Name) that focuses on Non-profit organizations and Employment and Labor Laws and regulations. Staff confers with counsel on all matters of Employment Law and Human Resource compliance. * This law firm helped draft CEDC's Staff Handbook, ensuring that all state laws and appropriate human resource compliance matters were covered. * CEDC's President ensures compliance with the above.	Continue as it has been doing
	Ensure required filings related to CEDC employees including state income tax withholding, state unemployment taxes, workers' compensation, etc.	Organization can face significant fines and penalties for non-compliance.	Ensure staff person is in charge of this.	* Covered under CEDC's Financial Management Policy and Procedures (Date) * CEDC's Financial Manager, President, and Audit Committee ensure that CEDC collects and reports sales taxes as required by law.	Continue as it has been doing



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	Ensure compliance with NY State UPMIFA	If the Organization receives gifts subject to endowment requirements, it may not appropriately comply with UPMIFA requirements.	Ensure compliance with the New York Uniform Prudent Management Institutional Funds Act	* Does not currently apply because the CEDC has not received endowed gifts.	Continue as it has been doing
	New York Nonprofit Revitalization Act of 2013	Organization can face significant fines and penalties for non-compliance.	Ensure compliance with the NY Nonprofit Revitalization Act	* CEDC updated its Audit Committee Charter on (Date) to comply with the new law. * CEDC approved a Policy for Board Approval of Compensation in (Date). * CEDC updated its By Laws to comply with the new law on (Date). * CEDC's President and Board ensure compliance with the above.	Continue as it has been doing
<b>Strategic Plan</b>	In order to accomplish its mission, the CEDC has developed a strategic plan. The purpose of the plan is to establish priorities, strategies and measurable initiatives that promote economic growth in the county.	Funds are expended and goals are not met		The Strategic Plan lists the key areas of economic activity in the County and the pillars for economic growth including: 1) Entrepreneurship & Innovation, 2) Infrastructure, 3) Quality of life & Sustainability and 4) Workforce & Education	Elaborate on how the strategic plan is monitored and is integrated with the budget/risks
	Implementation of the Strategic Plan must be monitored and revised as environment changes	New opportunities for growth may be missed			See directly above
<b>Loan Programs and Grants</b>	Part of the CEDC's mission is to help retain existing businesses and attract new ones in order to improve the County's economy. The CEDC has established revolving loan programs to help accomplish that goal.	Approve loans for businesses that are unable to repay the loans which depletes the funds available for lending.	Ensure that businesses are credit worthy and able to repay loans	The CEDC has established a loan committee. The committee's responsibilities include the review and recommendation of loans in accordance with prudent lending practices including review of the following information: 1) Financial statements of borrower and any guarantors, 2) Ability of borrower to generate cash flow to support debt obligation, 3) Value and adequacy of collateral for the loan, and 4) Recent economic trends and statistics.	Continue as it has been doing
	Ensure that businesses assisted by the CEDC loan program are in economic areas targeted by the CEDC as part of its strategic plan	Emphasis on targeted areas is diluted	Ensure focus of loan programs	Annually the loan committee reviews overall strategic plans and initiatives for CEDC's lending operations and makes recommendations to the Board for changes in targeted areas and marketing of the loan program and any other lending policies and procedures that may be necessary	Continue as it has been doing
	Monitor lending activities	Troubled loans are not recognized in time to assist the borrower	Monthly reports on collections and delinquencies are prepared by staff.	The loan committee reviews at its regular meetings the monthly reports and any other significant issues within the lending operations in order to direct staff activities. In addition the committee reports to the Board on loan activities	Continue as it has been doing

	Establish adequate reserves for troubled loans	Management may not identify loans that are impaired in a timely manner and as a result may not establish adequate reserves in accordance with GAAP.		CEDC has formalized a policy and procedure including how management collects financial information and performs a written analysis of the risks - may create a risk rating system similar to a bank to create a "watch" list that can be updated	Continue as it has been doing
	Appropriately approve and account for loan modifications	Troubled loans are modified due to issues with collection and the modifications are not properly approved and/or accounted for in conformity with GAAP.		CEDC established policies and approvals for loan modifications - i.e. what circumstances are acceptable and which circumstances require additional review and approvals and the accounting for such modifications.	Continue as it has been doing
	SBA Compliance * Adequately track SBA loan activity for each SBA Borrowing and loan in GL * Completely, Accurately, and timely report SBA activity to the federal agency * Establish and maintain reserves in accordance with SBA requirements * Provide loans to businesses that qualify under the program * Adhere to SBA loan loss reserve/write off requirements * Loan modifications should follow SBA requirements	The CEDC fails to comply with SBA requirements and risks the loss of SBA funds for future program activities.		CEDC's Loan Policy specifically who is responsible and what the CEDC is doing. I suggest making sure you have a formal policy and a procedure outlining the key compliance areas, the controls to address each area and procedures and responsibilities	Continue as it has been doing
	Compliance with terms of grant agreements	The CEDC may fail to comply with the specific requirements of the government funded grant agreements		CEDC monitors the specific requirements to ensure compliance of specific grant requirements.	Continue as it has been doing
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<b>Personnel Management</b>	Ensure appropriate organizational structure.	Unmanaged organizational structure can cause long-term risk for organizational stability.	Ensure appropriate staff to perform day-to-day activities of CEDC	CEDC's President reviews staffing to ensure that the organization has appropriate staffing to meet goals and undertake projects and exercise appropriate segregation of duties	
	Ensure CEO's performance is aligned with Organization's Mission and Goals.	Mixed message to the public	Review performance annually.	* CEDC's President's performance is reviewed annually in writing by the Executive Comm. of the Board of Directors.	Continue as it has been doing
	Organizations should have appropriate personnel policies and procedures in place	Risks include potential litigation for a variety of reasons.	CEDC should have a Personnel manual that includes job descriptions and personnel policies.	* CEDC has an Employee Manual that addresses appropriate policies and procedures including employee conduct, employee work ethic, and transition policies.	Continue as it has been doing
	Job performance of personnel should be evaluated	Inappropriate behavior is not addressed and exception behavior not rewarded	Annual staff reviews	* Annual staff reviews conducted by CEDC CEO & documented in writing; * Staff Compensation is addressed by CEDC CEO and reviewed & approved by Executive Comm.	Currently being developed in concert with HR Law Firm
	Privacy of personnel records	Potential litigation	Employee personnel files should be secure	Employee personnel files are maintained in a locked location	Continue as it has been doing
<b>Risk Management</b>	Have a plan to manage public perception and reputation	Reputation & public perception are one of an organization's greatest assets. Planning to survive with the organization & its reputation intact from unforeseen circumstances is essential to risk management.	Plan should acknowledge the importance of reputation and include guidelines for responding to public challenges to reputation. Getting ahead of any negative publicity is important.	* CEDC's Employee manual includes specific reference to policies and procedures to manage its public perception and reputation.	Continue as it has been doing
<b>Recordkeeping</b>	Organizations need accurate and easily retrievable records to meet legal obligations.	Lack of proper recordkeeping could lead to numerous issues.	CEDC should have a recordkeeping and records destruction policy and all personnel should be aware of the policy and procedures.	* CEDC has a recordkeeping and records destruction policy that includes procedures for keeping original, critical documents (including documentation of financial transactions) in a secure location. * Important records are stored in an offsite Archival Storage facility.	Continue as it has been doing
<b>Technology</b>	Ensure server backed up offsite; ensure surge protection at each workstation; appropriate back up procedures for external devices.	Data loss that may be irretrievable	Ensure a staff person is in charge of electronic data protection. Maintain an up to date contract with 3rd party service provider ensuring responsibilities are clear.	CEDC has a comprehensive IT Service Contract which the Administrative staff and CEO monitor performance.	

	Computer system is guarded against unauthorized access - this includes computers on site and external lap tops and devices (i.e. smart phones).	Confidential information may be accessed and may cause damage to other data on computer. Confidential information may become available to the public resulting in reputation risk and potential loss to the CEDC.		CEDC's Employee Manual includes IT policies which the Administrative staff and CEO monitor performance.	Continue as it has been doing
	Implementation of new computer software programs is effective.	New Software applications may not be implemented properly.		CEDC's Employee Manual includes IT policies which the Administrative staff and CEO monitor performance.	Continue as it has been doing
	Known problems to software and hardware are addressed in a timely manner.	Known problems may not be corrected in a timely manner resulting in inaccurate information and losses to operating efficiencies.		CEDC's Employee Manual includes IT policies which the Administrative staff and CEO monitor performance.	Continue as it has been doing
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<i>Insurance</i>	Ensure organization is properly insured against all potential claims.	Loss of property and financial assets	Protect assets against loss	* CEDC maintains insurance for property, liability, employee bonding. Insurance coverage is reviewed annually and bids are sought every 3 years.	Continue as it has been doing
<i>Funding</i>	Unfavorable change in government policies	Reliance on too few sources of income could create issues if sources are suddenly lost.	Develop ways to diversify funding	Continue to seek additional sources of private and grant funding.	Continue as it has been doing
<i>Fiscal Sponsorships and Other Arrangements</i>	Agreements with third parties where the CEDC is acting in the capacity of a fiscal agent/sponsor or other pass through entity are formalized after proper review (see below). These transactions are appropriately accounted for.	Agreements may not be written, approved, or accounted for properly. The CEDC may be subject to financial risk if acting as a fiscal intermediary issues arise regarding the "funds" the CEDC is handling. The activity of providing this service may not be in line with the Organization's mission or non-profit purpose.		* The CEDC limits activity where it acts as a fiscal intermediary * In limited situations, if such an agreement is established, proper review and approval of the formal agreement is carried out taking into account the CEDC's mission and the underlying activity the CEDC is supporting. Procedures are established to manage the risk of loss and/or fraud.	Continue as it has been doing

<i>Contracts and Agreements</i>	Significant contracts should be reviewed by external counsel, the President, and when appropriate approved by the Board	Contracts or agreements are not formalized and if they are formalized they are not properly reviewed and approved.		<ul style="list-style-type: none"> <li>*The CEDC formalizes all contracts and grants with third parties, without exception</li> <li>* Outside legal counsel reviews all significant agreements</li> <li>* The President reviews and approves all significant agreements</li> <li>* Contracts with financial aspects are reviewed when appropriate by the Audit Committee and outside accountants</li> </ul>	Continue as it has been doing	
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