

UNITED NATIONS DEVELOPMENT CORPORATION

2018 Internal Control Assessment

The United Nations Development Corporation (UNDC) maintains an internal control system comprised of the following elements:

- 1) Budget and planning system. This system requires management to prepare operating and capital budgets on an annual basis, subject to approval by the Board of Directors. These budgets provide detailed parameters to help assure proper planning and allocation of UNDC's resources.
- 2) Financial management system. This system includes accounting, financial, and investment procedures and standards to provide controls over receipt and disbursement of funds, accurate recording of financial information, and investment of UNDC's funds.
- 3) Personnel management system. This system includes approved practices and procedures related to hiring, staff control, and benefits available to UNDC's employees.
- 4) Materials management system. This system includes procedures governing receipt and control of inventory and related record-keeping.
- 5) Procurement system. This system includes procedures for procurement of goods and services.

UNDC has adopted policies, procedures and guidelines to guide staff in the conduct of its business. UNDC's Controller is designated as the officer responsible for coordinating the implementation, maintenance, and review of UNDC's internal control system.

UNDC's internal control system is periodically reviewed by management to assess its adequacy, to ensure that all appropriate functions are covered and that any weaknesses in the system are identified. UNDC has assessed the adequacy of its internal control structure and procedures for the year ending December 31, 2018. To the extent that weaknesses were identified, UNDC has developed corrective actions to reduce any corresponding risk.