

Management's Assessment of Internal Controls & Procedures – 2023

Internal Control and Procedure Assessment

Purpose:

The purpose of this assessment is to evaluate the effectiveness of Griffiss Utility Services Corporation's ("GUSC") and GUSC Energy's ("Subsidiary") internal controls and procedures. Internal controls are essential to safeguard assets, ensure the accuracy and reliability of financial information, and promote operational efficiency.

Scope:

This assessment covers key areas including financial reporting, compliance, and operational effectiveness. It evaluates the design and implementation of internal controls and procedures to mitigate risks and achieve organizational objectives.

Methodology:

The assessment is conducted primarily through an annual audit done by a Certified Public Accounting Firm using interviews with management and staff, review of documentation such as policies and procedures, and testing of key controls. In addition, GUSC and Subsidiary have ongoing and monitored internal controls and policies in place to ensure proper approvals are required to engage in all business operations, procedures, and policies.

GUSC and Subsidiary have identified key areas to help mitigate risk and fraud and pursue highly effective internal controls:

- Control Environment:
 - Management demonstrates a commitment to integrity and ethical values.
 - Organizational structure supports effective communication and accountability.
 - Policies and procedures are established to address risks and achieve objectives.
- Risk Assessment:
 - Risks are identified and assessed regularly.
 - Controls are designed to mitigate identified risks.
 - Risk management is integrated into decision-making processes.
- Control Activities:
 - Key controls are identified and documented.
 - Controls are effectively designed to achieve objectives.
 - Monitoring activities ensure controls are operating as intended.
- Information and Communication:
 - Information systems support the identification, capture, and exchange of information.
 - Communication channels facilitate the flow of information internally and externally.
 - Policies and procedures are communicated effectively to relevant parties.
- Monitoring:

- Monitoring activities are conducted regularly.
- Findings from monitoring activities are reported and addressed in a timely manner.
- Continuous improvement is emphasized to enhance the effectiveness of controls.
- Training and awareness:
 - Provide training to employees on internal controls and procedures to ensure understanding and compliance.

Conclusion:

Based on the assessment, the authority's internal controls and procedures are largely effective. Addressing these key areas will enhance the overall effectiveness of internal controls and procedures.

This statement certifies that GUSC and Subsidiary, followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending 12/31/2023. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.