

**UNITED NATIONS DEVELOPMENT CORPORATION**

**ASSESSMENT OF THE EFFECTIVENESS OF THE CORPORATION'S  
INTERNAL CONTROL STRUCTURE AND PROCEDURES**

**2007**

In accordance with the requirements of the Governmental Accountability, Audit and Internal Control Act of 1999, United Nations Development Corporation (the "Corporation") maintains a system of internal controls, has a program of internal control review, and appoints an Internal Control Officer. Officers and employees are expected to comply with management policies and procedures on internal controls.

The Internal Control Officer coordinates all internal control activities with the Corporation's personnel. Management conducts internal control assessments and reviews to assure adherence to controls, to analyze and improve control systems, and to identify potential weaknesses and implement corrective actions to any potential weaknesses.

In conjunction with the annual audit of the Corporation's financial statements, the Corporation's outside auditor issues a report on the Corporation's internal controls over financial reporting for review by the Corporation's Audit Committee and management.