2007   5573

Non-Instructional/Business
Operations

SUBJECT: INTERNAL AUDIT FUNCTION

No later than July 1, 2006, the District shall establish an Internal Audit Function to be in operation no later than December 31, 2006. The Internal Audit Function shall include:

a)   Development of a risk assessment of District operations including, but not limited to, a review of financial policies, procedures and practices;

b)   An annual review and update of such risk assessment;

c)   Annual testing and evaluation of one or more of the District's internal controls, taking into account risk, control weaknesses, size, and complexity of operations;

d)   Preparation of reports, at least annually or more frequently as the Board may direct, which analyze significant risk assessment findings; and recommend changes for strengthening controls and reducing identified risks, and specify timeframes for implementation of such recommendations.

The District is permitted to utilize existing District personnel to fulfill the Internal Audit Function, but such persons shall not have any responsibility for other business operations of the District while performing Internal Audit Functions. The District shall also be permitted to use inter-municipal cooperative agreements, shared services to the extent authorized by Education Law Section 1950 or independent contractors to fulfill the Internal Audit Function as long as the personnel or entities performing this Function comply with any Regulations issued by the Commissioner of Education and meet professional auditing standards for independence between the auditor and the District.

Personnel or entities serving as the Internal Auditor and performing the Internal Audit Function shall report directly to the Board of Education. The Audit Committee shall assist in the oversight of the Internal Audit Function on behalf of the Board.

Education Law Sections 1950, 2116-b and 2116-c
8 New York Code of rules and Regulations (NYCRR)
Section 170.12(d)

NOTE: Refer also to Policy #1339 -- Duties of the Internal Auditor

Adopted: 1/30/06
Revised: