

SUBJECT: INTERNAL AUDIT FUNCTION

The District has established an internal audit function which includes:

- 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, recommend changes for strengthening controls and reducing identified risks, and specify timeframes for implementation of these recommendations.

The District is permitted to utilize existing district personnel to fulfill the internal audit function, but these individuals will not have any responsibility for other business operations of the District while performing internal audit functions. The District will 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 will report directly to the Board. The audit committee will assist in the oversight of the internal audit function on behalf of the Board.

The District annually certifies to the Commissioner that it meets one or more of the above criteria for an exemption.

Education Law Sections 1950, 2116-b, and 2116-c
8 NYCRR Section 170.12

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

Adopted: 8/12/25