

INTERNAL AUDIT FUNCTION

I. Statement of Policy

- A. The Waterville Central School District (the District) maintains an internal audit function that operates in conformance with Section 2116-b of the Education Law. Each year, the Board of Education (the Board) shall determine, by resolution, whether the internal audit function shall be performed during the following fiscal year by:
1. existing District personnel who have the required professional qualifications and who shall have no responsibility for other business operations of the District while performing the internal audit function;
 2. inter-municipal agreement;
 3. shared services obtained through a cooperative educational services agreement authorized by Section 1950 of the Education Law; or
 4. independent contractor(s).
- B. The Board shall make this determination after receiving a recommendation from the Audit Committee.

II. Scope of Work

- A. It shall be the responsibility of the person performing the internal audit function to:
1. develop a risk assessment of District operations based on, at a minimum, a review of the District's financial policies and procedures, and a test and evaluation of District internal controls;
 2. review and update the risk assessment each year;
 3. annually test and evaluate one or more areas of the District's internal controls, taking into account risk, control weaknesses, size, and complexity of operations; and
 4. report to the Board significant risk assessment findings, with recommended changes for reducing identified risks and strengthening internal controls, and proposed time frames for implementing the recommendations; these reports shall be made at least annually, and more frequently if requested by the Board.

POLICY

FISCAL MANAGEMENT

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III. Independence

The person performing the internal audit function shall report directly to the Board, and must meet professional standards for independence of the internal audit function.

Waterville Central School District

Legal Ref: NYS Education Law §§2116, 2524, and 2525; and 8 NYCRR §170.12

Adopted: 4/4/23