

SUBJECT: FINANCIAL ACCOUNTABILITY

School districts must have internal controls in place to ensure that:

- a) The goals and objectives of the District are accomplished;
- b) Laws, regulations, policies, and good business practices are complied with;
- c) **Audit recommendations are considered and implemented;**
- d) Operations are efficient and effective;
- e) Assets are safeguarded; and
- f) Accurate, timely and reliable data are maintained.

The _____ School District's governance and control environment will include the following:

- a) The District's code of ethics addresses conflict of interest transactions with Board members and employees. Transactions that are less-than-arm's length are prohibited. Less-than-arm's length is a relationship between the District and employees or vendors who are related to District officials or Board members.
- b) The Board requires corrective action for issues reported in the Certified Public Accountant's (CPA's) management letter, audit reports, the Single Audit, and consultant reports.
- c) The Board has established the required policies and procedures concerning District operations.
- d) The Board routinely receives and discusses the necessary fiscal reports including the:
 - 1. Treasurer's cash reports,
 - 2. Budget status reports,
 - 3. Revenue status reports,
 - 4. Monthly extra-classroom activity fund reports, and
 - 5. Fund balance projections (usually starting in January).

(Continued)

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Non-Instructional/Business
Operations

SUBJECT: FINANCIAL ACCOUNTABILITY (Cont'd.)

- e) The District has a long-term (three to five years) financial plan for both capital projects and operating expenses.
- f) The District requires attendance at training programs for Board members, business officials, treasurers, claims auditors, and others to ensure they understand their duties and responsibilities and the data provided to them.
- g) The Board has an audit committee to assist in carrying out its fiscal oversight responsibilities.
- h) The District's information systems are economical, efficient, current, and up-to-date.
- i) All computer files are secured with passwords or other controls, backed up on a regular basis, and stored at an off-site [or in a secure fireproof](#) location.
- j) The District periodically verifies that its controls are working efficiently.
- k) The District requires all staff to take ~~vacation~~ [leave time](#) during which time another staff member performs the duties of the staff on ~~vacation~~ [leave](#). [Staff may also schedule transactions and other responsibilities to occur electronically before taking a leave.](#)

Audit Response

Periodically, the District receives audit reports ~~and risk assessments~~ from the External (Independent) Auditor, ~~the Internal Auditor~~ and/or the Office of the New York State Comptroller. The Board will review all audit recommendations ~~developed by the Superintendent~~, in consultation with the Audit Committee, and respond appropriately. ~~Independent and Comptroller A~~ audit reports and the accompanying management letters will be made available for public inspection. Notice of the availability of [independent and Comptroller](#) audit reports will be published in the District's official newspaper or one having general circulation in the District. If there is no newspaper, notice must be placed in ten (10) public places within the District. Additionally, final audit reports from the Office of the NYS Comptroller should be posted on the District website, if one is available, for a period of five (5) years.

8 NYCRR Section 170.12
General Municipal Law Section 33(2)(e) and 35(1)(2)
[NY Education Law Section 2116-a](#)

Please note that the "Audit Response" portion of this policy has been clarified to reflect the current state of the law. Initially, the language of this paragraph applied to internal audits, as well as external and Comptroller's audits. Consistent with the General Municipal Law, the policy now provides that notice and publication will be provided for external and Comptroller audits only.

Adoption Date