

1051

2015-2016 Regular Sessions

I N S E N A T E

January 8, 2015

Introduced by Sens. RANZENHOFER, DeFRANCISCO, GALLIVAN, LARKIN,  
MARCHIONE, SEWARD -- read twice and ordered printed, and when printed  
to be committed to the Committee on Education

AN ACT to amend the education law, in relation to extending provisions  
for internal audits by school districts from annually to every five  
years

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivisions 1 and 7 of section 2116-b of the education  
2 law, as added by chapter 263 of the laws of 2005, are amended to read as  
3 follows:

4 1. No later than July first, two thousand six, each school district  
5 shall establish an internal audit function to be in operation no later  
6 than the following December thirty-first. Such function shall include:  
7 (a) development of a risk assessment of district operations, including  
8 but not limited to, a review of financial policies and procedures and  
9 the testing and evaluation of district internal controls; (b) [an annu-  
10 al] A review and update of such risk assessment; and (c) preparation of  
11 reports[, at least annually or more frequently as the trustees or board  
12 of education may direct,] which analyze significant risk assessment  
13 findings, recommend changes for strengthening controls and reducing  
14 identified risks, and specify timeframes for implementation of such  
15 recommendations. AUDITS PERFORMED PURSUANT TO THIS SECTION SHALL BE  
16 COMPLETED EVERY FIVE YEARS.

17 7. Nothing in this section shall be construed as requiring a school  
18 district in any city with a population of one hundred twenty-five thou-  
19 sand or more to replace or modify an existing internal audit function  
20 where such function already exists by special or local law, so long as  
21 the superintendent of the district [annually] certifies to the commis-  
22 sioner that the existing internal audit function meets or exceeds the  
23 requirements of this section; PROVIDED, HOWEVER, NOTWITHSTANDING ANY

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 SPECIAL OR LOCAL LAW TO THE CONTRARY, SCHOOL DISTRICTS SHALL PERFORM  
2 SUCH INTERNAL AUDITS EVERY FIVE YEARS.  
3 S 2. This act shall take effect on the first of July next succeeding  
4 the date on which it shall have become a law.