STATE OF NEW YORK

6936

2021-2022 Regular Sessions

IN SENATE

May 20, 2021

Introduced by Sen. RATH -- 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 Assembly, do enact as follows:

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

1. No later than July first, two thousand six, each school district shall establish an internal audit function to be in operation no later than the following December thirty-first. Such function shall include: (a) development of a risk assessment of district operations, including but not limited to, a review of financial policies and procedures and the testing and evaluation of district internal controls; (b) [~~an annual~~] a review and update of such risk assessment; and (c) preparation of reports[~~, at least annually or more frequently as the trustees or board of education may direct,~~] which analyze significant risk assessment findings, recommend changes for strengthening controls and reducing identified risks, and specify timeframes for implementation of such recommendations. **Audits performed pursuant to this section shall be completed every five years.**

7. Nothing in this section shall be construed as requiring a school district in any city with a population of one hundred twenty-five thousand or more to replace or modify an existing internal audit function where such function already exists by special or local law, so long as the superintendent of the district [~~annually~~] certifies to the commissioner that the existing internal audit function meets or exceeds the requirements of this section**; provided, however, notwithstanding any**

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

LBD11636-01-1

special or local law to the contrary, school districts shall perform such internal audits every five years.

§ 2. This act shall take effect on the first of July next succeeding the date on which it shall have become a law.