§ 2116-a. Books and records to be kept by school districts. Unless otherwise prescribed by the state comptroller pursuant to section thirty-six of the general municipal law:

1. All school districts shall be required to maintain books and records in such form as the commissioner of education shall approve.

2. All school districts, except those employing fewer than eight teachers, shall be required to use a double entry bookkeeping system incorporating the fund method of accounting in accordance with a uniform system of accounts approved by the commissioner of education and any school district under the jurisdiction of a district superintendent may at its option request the district superintendent to provide such accounting service. The cost of accounting service so requested shall be allocated by the district superintendent to and be paid by the school district receiving such service.

3. (a) The school authorities of each school district, except those employing fewer than eight teachers, but including the city school districts of the cities of Buffalo and Rochester, shall obtain an annual audit of its records by an independent certified public accountant or an independent public accountant. The report of such annual audit shall be presented to the trustees or board of education by such accountant. The board of education of the city school district of the city of New York, districts of such city shall obtain an annual audit by the comptroller of the city of New York, or by an independent certified public accountant or an independent public accountant. Such city school district audit shall include, but not be limited to, transactions processed at the level of the central administrative office, the district, and the individual school. The community districts of such city school district shall obtain an annual audit by the bureau of audit of the board of education of the city school district of the city of New York or by an independent certified public accountant or an independent public accountant. A copy of the audit report in form prescribed by the commissioner and certified by the accountant, or, in the city school district of the city of New York or the community districts therein, by the accountant, or the comptroller or bureau of audit, as the case may

be, shall be furnished to the commissioner on or before October fifteenth following the end of the fiscal year audited, except that such report shall be furnished to the commissioner on or before January first following the end of the fiscal year audited for the city school districts of the cities of Buffalo, Rochester, Syracuse, Yonkers, and New York and for the community school districts of the city of New York.

(b) On or after July first, two thousand five, all school districts, except the city school district of the city of New York, shall utilize a competitive request for proposal process when contracting for such annual audit. In addition, on or after July first, two thousand five, and applicable to all school districts, no audit engagement shall be for a term longer than five consecutive years; provided, however, that nothing in this subdivision shall preclude a district, in its discretion, from permitting an independent certified public accountant or an independent public accountant engaged under an existing contract for such services to (i) submit a proposal for such services in response to a request for competitive proposals, or (ii) be awarded a contract to provide such services under a request for proposal process. School district procurement policies and procedures adopted pursuant to section one hundred four-b of the general municipal law shall be amended, if necessary, to be consistent with this requirement.

(c) Notwithstanding the provisions of subparagraph one of paragraph (b) of subdivision four of section thirty-five of the general municipal law, each school district shall (i) prepare a corrective action plan in response to any findings contained in the annual external audit report or management letter, or any final audit report issued by the state comptroller, within ninety days of receipt of such report or letter, and (ii) to the extent practicable, begin implementation of such corrective action plan no later than the end of the next fiscal year.

3-a. In addition to the annual audit required by subdivision three of this section, each school district and board of cooperative educational services within the state shall be subject to audits of the state conducted by the comptroller as set forth in section thirty-three of the general municipal law.

3-b. Each school district shall in a timely fashion post on its

website, if any, the annual external audit report and the corrective action plan prepared in response to any findings contained in the annual external audit report or management letter, or any final audit report issued by the state comptroller.

4. The school authorities of each school district may employ or contract for the preparation of payrolls, accounts and records by persons, firms or corporations using electronic computer systems.