

### INTERNAL AUDITOR POLICY

The Board of Education has created the position of Internal Auditor and will annually appoint someone to this position. The Internal Auditor shall serve at the pleasure of the Board. This function shall be performed by either staff personnel or independent contractors in accordance with Section 170.12 of the Regulations of the Commissioner of Education. This function must be operational on or before December 31, 2006.

The Internal Auditor shall include, but not be limited to the:

1. Development of a risk assessment of School District operations;
2. Review of financial policies, procedures, and practices;
3. Testing and evaluation of one or more areas of the School District's internal controls;
4. Annual review and update of such risk assessment; and
5. Preparation of reports, at least annually, which analyze significant risk assessment findings, recommend changes for strengthening controls and reducing identified risks, and specify time-frames for implementation of such recommendations.

The Internal Auditor shall report directly to the Sharon Springs Central School District Board of Education.