

SUBJECT: FINANCIAL ACCOUNTABILITY

School districts must have internal controls in place to ensure that the goals and objectives of the District are accomplished; laws, regulations, policies, and good business practices are complied with; operations are efficient and effective; assets are safeguarded; and accurate, timely and reliable data are maintained.

The Port Jervis City 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 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. Cash flow reports, and
 5. Fund balance projections (usually starting in January).
- e) The District will develop 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.

(Continued)

SUBJECT: FINANCIAL ACCOUNTABILITY (Cont'd.)

- i) All computer files are secured with passwords or other controls, backed up on a regular basis, and stored at an off site location.
- j) The District periodically verifies that its controls are working efficiently.
- k) The District requires all staff to take vacations during which time another staff member performs the duties of the staff on vacation.

Adopted: 04/11/06

