

## INTERNAL AUDIT AGREEMENT

**THIS AGREEMENT**, made as of December 9, 2014, by and between Yorkshire-Pioneer Central School District (hereinafter referred to as the DISTRICT), with its principal business address at County Line Road, PO Box 579, Yorkshire, NY 14713, and Nichele A. James, CPA, CIA, CGAP (hereinafter referred to as the INTERNAL AUDITOR), with her principal business address at 2002 W. Sullivan St., Olean, NY 14760;

**WHEREAS**, Education Law section 2116-b, as added by Chapter 263 of the Laws of 2005, directs the DISTRICT establish an internal audit function to include the development of risk assessment of district operations, a review of financial policies and procedures, the testing and evaluation of district internal controls, and an annual review of risk assessment.

**NOW, THEREFORE**, in consideration of the mutual promises herein given, it is agreed as follows:

1. **TERM** – The term of this AGREEMENT shall begin on July 1, 2015 and extend through and including June 30, 2016.
2. **EMPLOYMENT OF INTERNAL AUDITOR** – The DISTRICT agrees to utilize the services of the INTERNAL AUDITOR who will report directly and exclusively to the Board of Education of the DISTRICT regarding the work done by the INTERNAL AUDITOR.
3. **QUALIFICATIONS** – The DISTRICT agrees that the INTERNAL AUDITOR shall have appropriate and suitable qualifications (such as having obtained either a CPA or CIA designation) that allow her to perform internal audit functions, as directed by the Board of Education, in accordance with generally accepted professional practices and applicable regulations of the Commissioner of Education.
4. **COST OF INTERNAL AUDIT SERVICES** – The DISTRICT agrees to compensate the INTERNAL AUDITOR in the amount of six thousand two hundred dollars (\$6,300.00) for the fiscal year ending June 30, 2016.  
An invoice will be issued by the INTERNAL AUDITOR to the DISTRICT after issuance of the final internal audit report and presentation to the Board of Education. Payment will be due within 30 days of receipt of the invoice.
5. **INTERNAL AUDITING** – The DISTRICT shall remain responsible for establishing and maintaining its own internal controls and directing the work of the INTERNAL AUDITOR to be done on its behalf.
6. **AVAILABILITY OF INFORMATION, RECORDS, AND PERSONNEL** – The DISTRICT shall be responsible for making all financial records, related information, and relevant personnel available to the INTERNAL AUDITOR as may be necessary for the INTERNAL AUDITOR to undertake any work directed by the DISTRICT. The DISTRICT is responsible for the accuracy and completeness of its own information.
7. **DISPUTE RESOLUTION** – In the event the DISTRICT has a dispute relating to the agreement, including but not limited to the applicability of professional standards for work undertaken, it shall provide written notice to the INTERNAL AUDITOR of such dispute. This dispute shall include a detailed description of the nature of the dispute and proposed method of resolution. Within fifteen (15) business days of receiving such notice, the INTERNAL AUDITOR shall contact the DISTRICT and a mutually acceptable time shall be set for the DISTRICT and INTERNAL AUDITOR to meet and discuss the resolution. The DISTRICT shall provide documentation or other information useful for resolution of such dispute. Both parties shall make good faith effort to resolve such dispute in a mutually acceptable and timely manner. In the event the parties cannot agree to resolve such dispute, the aggrieved party may exercise its right to termination the agreement pursuant to paragraph eight (8) of this agreement.
8. **TERMINATION** – The DISTRICT and INTERNAL AUDITOR reserve the right to terminate this agreement effective at the end of any fiscal year (June 30) upon providing ninety (90) days written notice to the other party. Prior to

requesting termination, the parties shall participate in dispute resolution as described in paragraph seven (7) of this agreement.

9. **NOTICE** – Any notices or other communications that must be given in connection with this agreement shall be in writing and shall be deemed to have been validly made or given when delivered personally or when received if properly mailed through the United States Postal Service, postage prepaid, certified or registered mail, return receipt requested to the address set forth below:

Nichele A. James, CPA, CIA, CGAP  
2002 W. Sullivan St.  
Olean, NY 14760

10. **FULL AGREEMENT** – This agreement constitutes the full agreement between the parties.

11. **EXECUTION OF AGREEMENT** – This agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute the same agreement and shall become binding upon the undersigned upon delivery of an executed copy of this agreement to the INTERNAL AUDITOR.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement on the day and year written below:

**Yorkshire-Pioneer Central School District**

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Internal Auditor**

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CERTIFICATION BY BOARD CLERK**

I, \_\_\_\_\_, Clerk of the Board of Education for the Yorkshire-Pioneer Central School District, do certify that an agreement for internal audit services between the District and Nichele A. James, CPA, CIA, CGAP, was duly approved by a majority vote of the voting strength of the Board of Education on \_\_\_\_\_, 201\_\_.

Board Clerk signature: \_\_\_\_\_

Date: \_\_\_\_\_