



Approved: 9/4/1998

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Systems Internal Controls Examination

1. The ERFC Board of Trustees (Board) shall conduct an independent examination of the effectiveness of the System's internal controls over financial reporting as follows:
 - a. at least every eight years.
 - b. Whenever a new or updated operations system is implemented and the Board deems it necessary to evaluate the internal controls associated with the new or updated system.

The purpose of the independent examination shall be to provide the Board a report, which details the effectiveness of ERFC's internal financial controls and to meet the Board's responsibility to maintain a sound framework of internal financial controls.

2. The independent examination shall be performed by a person qualified to examine ERFC management's assertions on the effectiveness of its internal control systems in accordance with applicable standards.
3. The independent examination may be performed by the County's independent auditor in conjunction with the annual audit of the System's financial statements, by an independent outside auditor hired by ERFC, or by FCPS' internal audit staff.
4. The Executive Director, working on behalf of the Board of Trustees, shall enter into a contract with the qualified independent auditor to perform the examination. The fee for the examination will be paid out of the System's budget for the fiscal year during which the examination takes place.
5. The independent auditor shall perform such testing of the System's internal controls over financial reporting as it deems necessary for the examination.
6. The ERFC shall provide the information required by the independent auditor for the examination.
7. The independent auditor will provide a written report on the examination of internal controls to the Board.