

[] Required
 [X] Local
 [] Notice

CLAIMS AUDITOR

The Board of Education will designate and appoint a claims auditor for the district. The claims auditor shall serve at the pleasure of the Board. The claims auditor shall report directly to the Board. The claims auditor may not be a member of the Board of Education; the clerk or treasurer of the Board; the Superintendent of Schools or other official of the district responsible for business management; the person designated as purchasing agent; and/or clerical or professional personnel directly involved in accounting and purchasing functions of the district.

The Board shall, at least once every five (5) years, consider proposals from interested parties (including the incumbent) for the position of claims auditor.

The claims auditor is responsible for formally examining, allowing or rejecting all accounts, charges, claims or demands against the school district. The auditing process should determine:

1. that the proposed payment is for a valid and legal purpose;
2. that the obligation was incurred by an authorized district official;
3. that the items for which payment is claimed were in fact received or, in the case of services, that they were actually rendered;
4. that the obligation does not exceed the available appropriation; and
5. that the submitted voucher is in proper form, mathematically correct, does not include previously paid charges, and is in agreement with the purchase order or contract upon which it is based.

The claims auditor shall provide periodic written reports as may be requested by the Board.

Cross-ref: 6680, Internal Audit Function

Ref: Education Law §§1604 (35); 1709(20-a); 1724; 2509; 2526; 2554(b)
 8 NYCRR §170.2
Matter of Levy, 22 EDR 550 (1983)

Adoption Date: October 18, 2011

CLAIMS AUDITOR REGULATIONS

A. Claims Auditor Relationship

1. Board of Education - The claims auditor is an employee of the Board of Education and is directly responsible to the Board of Education. The claims auditor shall serve at the pleasure of the Board and the office of claims auditor may be abolished by the Board at any time. The claims auditor may, at times, be requested to attend meetings of the Board of Education but is not expected to attend regularly.
2. Superintendent of Schools – The claims auditor shall recognize that the Superintendent of Schools is the chief executive officer of the school district. The claims auditor, while not responsible to the Superintendent of Schools, shall work cooperatively with the Superintendent and his staff in the best interest of the school district.
3. Business Official – The claims auditor shall recognize that the Business Official is the chief business official of the school district. The claims auditor, while not responsible to the Business Official, shall work cooperatively with that administrator and his/her staff in the best interests of the school district.
4. Business Office Staff Members – The claims auditor is responsible for reviewing and approving payment of claims, which were processed and recommended by the business office. The claims auditor shall work cooperatively with the business office staff to assure legal and businesslike payment of claims.

In the event of a difference of opinion regarding the approval of a claim for payment that cannot be resolved by reviewing the questioned claim with the appropriate business office personnel (such as the Business Official), the opinion of the claims auditor shall prevail and the item referred to the Board of Education.

B. Internal Claims Tests

When the claims are delivered to the Claims auditor for approval, he/she should ascertain that at least the following tests have been performed prior to releasing the claim for payment.

1. Track the numerical sequence of the checks being approved.
2. Prove the mathematical accuracy of all computations. This should include verification of extensions and additions and recalculations of any discount.

3. Determine that the charges are not duplicates of items already paid. In this respect, recollection of a previous voucher with similar charges from the same vendor might be prompting influence to cause further investigation.
4. Compare the voucher with the purchase order.
5. See that the voucher is properly itemized. Vouchers for supplies or materials should show such items as weight or quantity, size, grade, unit price and total, as well as any other data appropriate to the commodity purchased. Vouchers for multiple deliveries of items such as gasoline or fuel oil should be supported by delivery tickets signed by the person accepting delivery and identifying the equipment, storage area or building into which each delivery was made. Delivery tickets furnish added proof that the district actually did receive the item for which it is paying.
6. Vouchers claiming reimbursement for authorized expenses incurred by the district personnel, in addition to a copy of the authorization, should show the reason for incurring the expense, as well as details of the various items, such as travel, lodging and meals. Where possible, receipted bills should be attached to expense vouchers – a hotel bill is a good example of this type of bill. When a personal car is used for travel, the voucher should indicate the purpose of the travel, the number of miles traveled, the dates and points of travel and the rate per mile. The rate per mile should be the rate established by resolution of the Board. Expense vouchers should be submitted by the person incurring the expense and not by another individual, as a part of a general claim for all persons traveling to a common destination.
7. The voucher must contain sufficient detail to permit a satisfactory audit by a person who is entirely unfamiliar with the transaction.
8. In the event that the district has authorized travel advances under Section 77-b of the General Municipal Law, the claims auditor should review the written request in advance for proper authorization prior to forwarding the request to the treasurer. When the claims for reimbursement is filed, the claims auditor should, in addition to tests previously mentioned for travel claims, make certain that the value of the advance has been deducted from the amount of the claim. Where the amount of such advance exceeds the amount of the final claim, the voucher should be returned to the business office for recovery of the amount due the district.
9. Observe whether the official who gave rise to the claim has indicated his approval. This official is ordinarily the purchasing agent.

10. See that the voucher is accompanied by a receipt of the employee who actually received the materials or equipment for which the claim is made. Normally, this is transmitted through signing and dating the receiving copy of the purchase order.

The audit of a voucher by the Claims auditor should not be a casual review but a deliberate and thorough process to determine that the proposed payment is proper and just. In summary, the audit process should ascertain that:

1. The proposed payment is for a valid and legal purpose, as per applicable policies, laws, rules, and regulations;
2. The obligation was incurred by an authorized district official and the goods or services for which payment is claimed were, in fact, received;
3. The voucher is in proper form, is mathematically correct, meets legal requirements, does not include any charges for taxes from which the district is exempt, includes any discounts to which the district is entitled, does not include charges previously claims and paid, and is in agreement with an attached purchase order.

The foregoing is limited to vendor claims for goods and services and to claims for travel of officers and employees. However, the Board of Education may, at is option, designate the Claims auditor to review and certify payrolls, in accordance with the provisions of Section 170.2(b) of the Regulations of the Commissioner of Education.

C. Certification

The claims auditor is required to provide the treasurer with evidence that claims have been audited and are eligible for payment. This evidence is provided through a warrant or order on which the audited vouchers have been listed. The warrant or order is directed to the treasurer and is certified by the claims auditor.

A warrant or order should specify: (a) the number of the voucher; (2) the name of the claimant; (3) the amount allowed; (4) the fund and the appropriation account chargeable; and (5) any other information that might be deemed essential.

After conveying the warrant to the treasurer, the claims auditor should keep on file for reference, a copy of the warrant bearing his signed certification. A copy of the suggested warrant certification is provided in exhibit 6650-E.

Review Date: September 20, 2011
Adoption Date: October 18, 2011

CLAIMS AUDITOR EXHIBIT

Claims Auditor Warrant Certification

To the District Treasurer:

I hereby certify that I have audited the above claims, _____,
in number, in the total amount of \$_____.

You are hereby authorized and directed to pay to the claimants certified
above the amount of each claim allowed and charged to the proper fund.

Date

Claims Auditor Signature