

**SAMPLE POLICY**

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SCHOOL DISTRICT  
BOARD OF EDUCATION POLICY  
CLAIMS AUDITOR  
Job Description  
(Adoption Date)

NOTE 1: The New York State accountability legislation of 2005 (Chapter 253) removed the word “internal” from the Claims Auditor position; the position of “Internal Claims Auditor” became “Claims Auditor” so not to be confused with the required position of “Internal Auditor.”

NOTE 2: This sample policy should be reviewed by the Board’s Attorney prior to adoption.

NOTE 3: This sample policy is for an employee of the district. If the Claims Auditor is an independent contractor (individual or firm) the policy should be modified as needed.

**Employee of the District**

CERTIFICATION: Exempt Class Civil Service  
- Annual Appointment by the Board of Education  
STATUS: Board of Education Appointment  
SUPERVISOR: Board of Education

The Claims Auditor is an annual appointment of the Board of Education with the same powers, authority, duties, responsibilities for the audit of each and all claims to the District according to New York State and Federal laws and regulations, Board of Education Policies, Administrative Regulations, and established procedures and requirements. As provided in Chapter 263 of the NYS Laws on 2005, neither the Board of Education nor any administrator of the district may overrule the decisions of the Claims Auditor regarding the decision to pay or reject a claim.

QUALIFICATIONS

A. Legal

A member of the Board, the Clerk or Treasurer of the Board, Superintendent or official of the district responsible for business management, the person designated as Purchasing Agent, personnel involved in business operations, or vendors providing services to the school district shall not be appointed as Claims Auditor.

The position of Claims Auditor may be created or abolished by the Board of Education at any time. The Claims Auditor need not be a resident of the District. The Board may fill the position by part time or full time employee, inter-municipal cooperative agreement, BOCES shared service, or independent contractor.

B. Knowledge and Skills

The Claims Auditor must have regular (annual if possible) training as a Claims Auditor. The Claims Auditor must have an understanding of school business operations and purchasing practices, NYS purchasing Laws, district purchasing and business policies, accounting skills including the ability to perform auditing functions accurately, the ability to

organize work in a logical manner, time to perform the responsibilities of the position, familiarity with the accounts payable system used by the district, good judgment, and a high degree of personal integrity.

The Claims Auditor must be vigilant in review of claims and cognizant as to Board policy, employee and vendor contracts, and State and Federal laws and regulations. The Claims Auditor shall be familiar with actions of the Board of Education through the review of Board minutes, a listing of vendors with product categories of bid awards, service contracts and amounts, and District claimants. The Claims Auditor shall compare claims against all relevant contracts, bids, purchasing information, and Board policies to insure compliance with Board action and NYS laws.

The Claims Auditor is an important part of the total internal controls structure of the District, serving to protect the District's resources and improve its purchasing and claims processes. The Claims Auditor must report weaknesses observed in the district's purchasing, receipt, payment, and business functions, and recommend changes to Board policies affecting the business functions of the district.

Good judgment is expected of the Claims Auditor. He/She is to be a rigid tester and a positive force in improving the business operational structure. All claim errors, omissions, and challenges must be logged by the Claims Auditor. All significant errors, omissions, and challenges, and all patterns of minor errors, omissions, and challenges shall be reported to the Board of Education. Spurious patterns of errors, omissions, and challenges may be reported to the Board of Education at the Claims Auditor's discretion.

Claims of a trivial amount, or of a minor and infrequent nature, should be handled appropriately. The actions and temperament of the Claims Auditor shall not unnecessarily impede the district's business operation or harm its reputation among vendors.

## APPOINTMENT

The Claims Auditor is an annual appointment of the Board of Education. The Claims Auditor serves at the pleasure of the Board of Education. The salary for the Claims Auditor shall be set by the Board of Education, normally in the appointing motion and at the annual Board Reorganization Meeting. The Claims Auditor shall be administered the Oath of Office by the District Clerk as required of other Board of Education Officers.

## DUTIES AND RESPONSIBILITIES

The Claims Auditor is directly responsible for the powers and duties of the Board with respect to auditing, and allowing or rejecting accounts, charges, claims or demands against the school district, and the authorization of District Treasurer payment of claims, during the continuance of appointment.

All claims for payment from the following funds shall be presented to and approved by the Claims Auditor prior to payment:

- General Fund
- Special Aid
- Capital

Trust and Agency  
School Lunch

[other funds as listed here by the Board: Extraclassroom Activity, Payroll, etc.]

The Claims Auditor shall devote the time necessary to fulfill the duties of this appointment. The Claims Auditor shall be available and proceed in a manner to provide timely payment of all valid claims against the District.

The Claims Auditor is expected and required each month to carry out unannounced, random verifications (testing) of the validity of claims by examination of source services and documents. The Claims Auditor shall, as necessary, request source documents, and question employees and vendors as he or she deems necessary. These verifications and the results shall be recorded in the monthly reports to the Board of Education.

Claims delivered to the Claims Auditor shall have the following tests performed prior to releasing the claims for payment:

1. Prove the mathematical accuracy of all computations; including verification of extensions and additions and the recalculation of any discount.
2. Determine that the charges are not duplicate of items already paid.
3. Compare the voucher with the purchase orders, contracts, bids, quotes, etc.
4. 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 appropriate to the commodity purchased. Vouchers for multiple deliveries of items such as gasoline or fuel oil shall be supported by delivery tickets signed by the person accepting delivery. Vouchers claiming reimbursement for authorized expenses incurred by district personnel 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. When a personal car is used for travel, the voucher should indicate the purpose of travel, the number of miles traveled, the dates and points of travel and the rate per mile established by the Board. Expense vouchers should be submitted by the person incurring the expense, as a part of a general claim for all persons traveling to a common destination. Vouchers must contain sufficient detail to permit a satisfactory audit of the transaction.

In the event of travel advances under Section 77-b of the General Municipal Law, the Claims Auditor should review the written request prior to forwarding the request to the treasurer. When the claim for reimbursement is filed, the claims auditor should 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.

5. Observe whether the official who gave rise to the claim has indicated his approval by signature.
6. See that the voucher is accompanied by a signed receipt of the employee who actually received the materials or equipment for which the claim is made.

The audit of a voucher by the Claims Auditor shall be a deliberate and thorough process to determine that each proposed payment is proper and just. This audit process shall ascertain that:

- a. the proposed payment is for a valid, legal, and appropriate purpose;
- b. the obligation was incurred by an authorized district official; the goods or services for which payment is claimed were in fact received;
- c. the voucher is in proper form; it is mathematically correct; meets legal requirements; does not include any charges for taxes from which the district is exempt; including any discounts to which the district is entitled; does not include charges previously claimed and paid; and is in agreement with an attached purchase order.

#### CERTIFICATION

The Claims Auditor is required to provide the District Treasurer with evidence that each claim has been audited and is eligible for payment. This evidence is provided through notations on each voucher and claim, and a warrant or order on which the audited vouchers have been listed. The vouchers and claims, and warrant or order is directed to the Treasurer when certified by the Claims Auditor.

A warrant or order shall specify (1) the number of the voucher or claim; (2) the name of the claimant; (3) the amount allowed; (4) the fund and appropriation account chargeable; and (5) any other information that might be deemed essential.

After conveying the warrant to the District Treasurer, the Claims Auditor shall keep on file for reference a copy of the warrant or order bearing his/her signed certification. The Claims Auditor shall compare the check issued by the District Treasurer with each approved claim.

#### NON-COERCION

The Claims Auditor is required to report to the Board of Education any and all attempts by any District officer, employee or vendor to pressure or coerce the Claims Auditor into modification of his or her reports to the Board of Education.

#### REPORTS

[The Board should set the required level of detail in and frequency of Claims Auditor's Reports at each of the following organization levels.]

[Annual direct Claim Auditor's Reports to the Board of Education are required by law.]

BOARD - MONTHLY - The Claims Auditor shall present the Board of Education with a report within two weeks of the end of each month. The report to the Board shall contain:

- a. the number of claims audited, dates, and total amount approved for payment,
- b. a listing of Discovered Condition [challenge], Claim Auditor's Action, Corrective Plan of Action, and Results of Corrective Action [and listing previous Discovered Conditions until resolved], and
- c. signature and date of the Claims Auditor.

BOARD – ANNUAL - The Claims Auditor shall report to the Board of Education in a face to face meeting the least once during the year, within two months of the end of the fiscal year. At this meeting the Claims Auditor shall come prepared to discuss claims auditing in the District, including but limited to improvements or problems in claims handling by all District personnel.

AUDIT COMMITTEE – [The reporting relationship between the Claims Auditor and Audit Committee can be set out here. There are no provisions in law for the Claims Auditor to report to the Audit Committee; therefore the Board should define this relationship.]

ADMINISTRATION - [The reporting relationship between the Claims Auditor and administration can be set out here. There are no provisions in law for the Claims Auditor to report to the administration; therefore the Board should define this relationship.]

The Claims Auditor shall present the Superintendent and business official with a report within two weeks of the end of each month. The report to the Superintendent and business official shall contain:

- a. the number of claims audited
- b. a detailed listing of discovered conditions [challenges], buildings or units involved, personnel involved, and administrative/supervisor response [and listing previous discovered conditions until resolved], and
- c. signature of the Claims Auditor.