

## AUDITING CLAIMS FOR PAYMENT

### I. Purpose and Board Responsibility

This Policy governs the payment of claims against the Waterville Central School District (the District) of any sort, including payment for goods, services, and reimbursement of expenses. The claims audit process consists of confirming that the purchase was authorized, the product was received, the amount claimed is accurate, and there is supporting documentation. A warrant compiling approved claims is prepared and submitted to the School Business Official for payment.

The Board of Education (the Board) may appoint, by resolution, a Claims Auditor to perform this function. If the Board creates the Office of Claims Auditor, its operation shall be governed by the provisions of Part II of this Policy. If the Board does not appoint a Claims Auditor, or the Board abolishes the office, the Board is responsible for performing the claims audit function directly.

### II. Office of Claims Auditor

#### A. Reporting

1. The Claims Auditor shall report directly to the Audit Committee, and the Claim Auditor's job performance shall be evaluated by the Board.
2. The Claims Auditor shall report to the Audit Committee semi-annually or more frequently if requested by the Audit Committee.

#### B. Authority

The Claims Auditor is invested with, and shall exercise, the full powers of the Board to audit, allow, or reject any account, charge, claim, or demand against the District.

#### C. Duties

1. The Board shall review the duties of the Claims Auditor position with the Claims Auditor at least annually.
2. The Claims Auditor is responsible for performing all claims auditing upduties imposed by law on the Board, including:
  - a. examine demands against the District;
  - b. determine that the proposed payment is for a valid and legal purpose;

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- c. determine that the obligation was approved by an authorized District official;
  - d. determine that the product or service for which payment is demanded was received;
  - e. determine that the payment demanded does not exceed the available appropriation;
  - f. determine that the voucher is in proper form, is mathematically correct, does not duplicate previously paid charges, and mirrors the purchase order; and
  - g. meet other requirements established by regulations of the State Education Department and the Office of State Comptroller.
3. The Claims Auditor shall be alert to any indications of fraud, abuse, or illegal acts. If the Claims Auditor detects apparent violations of law or apparent instances of abuse by an employee or other vendor, or information that such behavior may occur, the Claims Auditor shall report directly to the Board.

#### D. Eligibility

1. The Claims Auditor shall not be required to be a resident of the District.
2. The Claims Auditor position shall be classified as an exempt civil service position.
3. The following persons are prohibited from holding the position of Claims Auditor:
  - a. a member of the Board;
  - b. the clerk or treasurer of the Board;
  - c. the Superintendent or other official responsible for business management;
  - d. the person designated as purchasing agent;
  - e. clerical or professional personnel directly involved in accounting and purchasing functions of the District.
  - f. the individual or entity responsible for the internal audit function;
  - g. the independent auditor responsible for the annual external audit of the financial statements; and

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- h. a close family member (parent, person(s) in parental relation, sibling or nondependent child) or an immediate family member (spouse, spouse equivalent, or dependent (whether or not related)) of an employee, officer, or contractor providing services to the District.

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Waterville Central School District

Legal Ref: NYS Education Law § 1724

Adopted: 02/28/06

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