



# HICKSVILLE UFSD

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Claims Audit Presentation to the Board of Education

For July 1, 2017 to November, 30 2017



**CERINI**

ASSOCIATES  
LLP  
CERTIFIED PUBLIC ACCOUNTANTS

# Claims Audit Role

1. Ensuring proper purchasing procedures are followed and every claim is in accordance with General Municipal Law (GML) and the District's Purchasing Policy
2. Ensuring that for all of the District's disbursements, the following internal controls are in place:
  - The Purchasing Agent's signature is on the PO with the proper authorization
  - The receiving copy of the PO is signed and dated, acknowledging that materials or services were received
  - The extensions are correct, no unauthorized tax is paid, and transportation charges are accurate
  - Proper bids and quotes are obtained and prices are verified against the proper bid, contract, or quote
  - The charges are not duplicates of an item(s) already paid
  - The price billed does not exceed the bid or contract authorization
  - Expenditures were charged to the accurate budget code
  - The signer of the check is an authorized signer
  - The payee per the check is the same on the invoice and the warrant
3. Noting all instances that fall outside the GML or District policy. These include, but are not limited to:
  - Confirming purchase orders
  - Purchasing items without proper bids or quotes
  - Absence of Board approval as required by District policy



# Claims Summary

## July 1, 2017 – November 30, 2017

5 Month Total			
Claims Audit Issue	# of Instances	% of Claims	% of Instances
<b>Findings:</b>			
Incorrect check amount	4	0.17	30.77
Insufficient backup	3	0.13	23.08
<b>Total Issues:</b>	<b>7</b>	<b>0.30</b>	<b>53.85</b>
<b>Other Matters:</b>			
Confirming purchase orders	6	0.26	46.15
<b>Total Other Matters:</b>	<b>6</b>	<b>0.26</b>	<b>46.15</b>
<b>TOTAL NUMBER OF INSTANCES</b>	<b>13</b>	<b>0.56</b>	<b>100.00</b>
<b>TOTAL CLAIMS AUDITED (not including Medicare)</b>	<b>2328</b>		

- Reviewed approximately 2,328 claims from the General Fund and Trust & Agency (not including Medicare Part B premium reimbursements
- Average of 466 claims per month
- Medicare check runs are done once a year, generally in March

# Claims Exceptions

## Findings:

- **Incorrect check amount** (4 instances)
  - Due to incorrect vendor charges and/or clerical errors
  - Dollar range of over/under-payment from \$0.70 to \$164.80
  - These account for approximately 0.17% of all claims reviewed
- **Insufficient backup** (3 instances)
  - Due to missing bids, quotes or contracts, invoices that were not itemized, and missing receipts for employee reimbursements
  - Dollar amount of instances range from \$50 to \$25,000
  - These account for approximately 0.13% of all claims reviewed

## Other Matters:

- **Confirming purchase orders** (all 6 instances are from the General Fund)
  - Dollar amount of instances range from \$14.75 to \$1,200
  - These account for approximately 0.26% of all claims reviewed

# Recommendations for Improvement

- ❖ The Accounts Payable department should thoroughly review vendor's invoices to ensure invoices contain mathematically accurate charges/invoice totals to prevent incorrect check amounts
- ❖ The Business Office should compile the necessary backup required to receive approval on claims (i.e. contacting other departments in the District and/or vendors to request supporting documentation) prior to our arrival
- ❖ Ensure that all purchase orders are created and approved by the Purchasing Agent before goods and/or services are purchased by any employee in the District

## **Proactive Measures Implemented by the District**

- ✓ Management continues to educate its staff on the District's purchasing policies and practices so that all authorizing administrators understand and abide by the District's purchasing policies.
- ✓ The Business Office staff continues to come to us with any claims related questions they have prior to processing their claims.

