



BOARD OF EDUCATION OFFICE OF CLAIMS AUDITOR

65 Niagara Square • Room 818 City Hall
Buffalo, New York 14202
Phone: (716) 816-3084 • Fax: (716) 851-3502

STEPHEN GALANTE

Office of Claims Auditor for Board of Education

October 15, 2021

Board of Education
801 City Hall
Buffalo, NY 14202

Honorable Members of the Board of Education,

Attached please find the current Claims Audit Report for the period September 2021. Please be aware of the following:

- Now that two years of processing data are available the report summary will include the following for comparison purposes:
 - o The same period from two years prior.
 - o The Totals for two years prior.
 - o All Periods and Totals for the prior Fiscal Year.
 - o All Periods and Year to Date Totals for the current Fiscal Year.
 - o A straight-line projection of the current Fiscal Year Totals.
- Third consecutive month average paid invoice has decreased.
- September 2021 Discounts Taken: \$0, Fiscal YTD: \$101.80

If there are any questions, please contact me at (716) 816-4542 during office hours on Monday through Friday or send me an e-mail: sgalante@buffaloschools.org.

Sincerely,

Stephen Galante
Claims Auditor for Board of Education



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September 2021 Claim Audit Findings

| Issue Category | Issues | Net Adjustments |
|--|-----------|-------------------|
| Critical – Insufficient Supporting Documentation | 13 | \$ - |
| Critical – Unauthorized Purchases/Policy Violation | 1 | \$ - |
| Critical – Violation of Purchase Order (PO) / Contract Terms | 5 | \$ - |
| Non-Critical – Clerical | 10 | \$ (87.12) |
| Grand Total | 29 | \$ (87.12) |

NOTE: With the exception of duplicate claims, the majority of claims are ultimately paid after resolution of any issues. The net adjustment represents actual changes of processed claims.

- **Critical Issues are those issues that may result in the complete disallowance or significant reduction of a claim and/or represent a violation of BOE policy or other governing regulations**
 - o **Critical – Duplicate (submittal of a previously processed claim):**
 - No occurrence.
 - TREND - Prior Month: 0, Current Month: 0.
 - **Recommendations / Actions / Notes:**
 - Note: Third consecutive month with no duplicates.
 - o **Critical - Insufficient Supporting Documentation (claim package is missing required approvals and / or proof of delivery and / or other required documentation):**
 - Thirteen (13) invoices reviewed had insufficient or incorrect receiving records and/or were missing proof of delivery or other required supporting documentation. This included four invoices totaling **\$63,673** (Lakeshore Learning) for instructional textbooks (no packing slips), and two invoices (no packing slip) for textbooks totaling **\$41,202** (Savvas Learning). All issues resolved.
 - TREND - Prior Month: 25, Current Month: 13. Additional emphasis on verification of MUNIS receiving records supported by scanned bills of lading and/or packing lists.
 - **Recommendations / Actions / Notes:**
 - Failure to enter receiving documentation represents the single largest delay in processing of AP payments and a significant compliance issue.



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October 15, 2021

September 2021 Claim Audit Findings

- **Critical Issues are those issues that may result in the complete disallowance or significant reduction of a claim and/or represent a violation of BOE policy or other governing regulations**
 - o **Critical - Unauthorized Purchases / Policy Violation (purchase was not processed through requisition approval process and / or other procurement policy was not followed):**
 - One (1) invoice presented without Board Approval and/or other authorization. This included:
 - One invoice for Identity and Access Management Licensing for staff and student accounts totaling **\$62,500** (Integrity Schools). Invoice pending until Board Approval is completed.
 - TREND - Prior Month: 1, Current Month: 1. NOTE: Many claims that would have been classified as policy violations are now being resolved prior to invoice entry into MUNIS; therefore, they are no longer being logged as audit rejections.
 - **Recommendations / Actions / Notes:**
 - Department notified and Board Approval is pending. Payment held until approved.
 - o **Critical - Violation of Purchase Order (PO) / Contract Terms (goods / service provided and /or billing are outside the terms of the Contract and / or Purchase Order):**
 - Five (5) invoices were in violation of the purchase order/contract terms. This included:
 - Four invoices totaling **\$24,500** (E-Rated Elite Services) for E-Rate support services were submitted without a contract. Payments held until contract is obtained.
 - TREND - Prior Month: 4, Current Month: 5.
 - **Recommendations / Actions / Notes:**
 - Departments notified of errors and contract approval is in process.
- **Non-Critical Issues are those issues that may result in minor adjustments and a delay in processing**
 - o **Non-Critical - Clerical Errors (typographical errors related to pricing / quantity / discounts or metadata):**
 - Ten (10) invoices contained errors with incorrect invoice number and/or amount.
 - TREND - Prior Month: 13, Current Month: 10.
 - **Recommendations / Actions / Notes:**
 - Errors were corrected and claims processed.

Buffalo Public Schools
Monthly Invoice Processing and Claims Audit Findings Report
FY 2022 - September

| Paid Year | Paid Month | Invoices | | Turn Time | Non- | | Total | Net Adjustments |
|------------------------|------------|---------------|--------------------------|--------------|------------|------------|------------|--------------------------|
| | | Paid | Sum of Invoices (\$) | (Days) | Critical | Critical | | |
| 2020 | 03 - SEP | 1,534 | \$ 57,211,394.14 | 45.89 | 1 | 21 | 22 | \$ (20,347.20) |
| 2020 Total | | 16,528 | \$ 593,490,640.04 | 57.06 | 57 | 167 | 224 | \$ (413,356.14) |
| 2021 | 01 - JUL | 1,141 | \$ 58,161,276.65 | 72.91 | 10 | 10 | 20 | \$ (53,321.88) |
| | 02 - AUG | 955 | \$ 27,734,708.95 | 69.66 | 4 | 13 | 17 | \$ (1,154.27) |
| | 03 - SEP | 888 | \$ 44,117,078.75 | 59.04 | 3 | 11 | 14 | \$ (89.62) |
| | 04 - OCT | 1,249 | \$ 48,706,221.77 | 56.30 | 6 | 21 | 27 | \$ (33,375.98) |
| | 05 - NOV | 841 | \$ 57,121,268.91 | 47.74 | 5 | 4 | 9 | \$ (5,602.27) |
| | 06 - DEC | 994 | \$ 53,952,302.16 | 41.97 | 8 | 8 | 16 | \$ (31.41) |
| | 07 - JAN | 839 | \$ 55,699,787.27 | 47.54 | 5 | 7 | 12 | \$ (4,412.00) |
| | 08 - FEB | 1,126 | \$ 32,463,656.59 | 49.29 | 5 | 23 | 28 | \$ - |
| | 09 - MAR | 850 | \$ 46,665,167.28 | 55.89 | 4 | 16 | 28 | \$ - |
| | 10 - APR | 782 | \$ 47,400,148.66 | 70.72 | 7 | 11 | 18 | \$ (547.74) |
| | 11 - MAY | 1,242 | \$ 61,908,476.72 | 66.22 | 8 | 25 | 33 | \$ (5,352.90) |
| | 12 - JUN | 1,346 | \$ 38,135,712.84 | 66.69 | 12 | 12 | 24 | \$ (979,730.55) |
| 2021 Total | | 12,253 | \$ 572,065,806.55 | 59.13 | 77 | 161 | 246 | \$ (1,083,618.62) |
| 2022 | 01 - JUL | 1,296 | \$ 43,357,420.38 | 57.92 | 12 | 35 | 47 | \$ 3,516.54 |
| | 02 - AUG | 1,562 | \$ 55,002,832.77 | 55.91 | 13 | 30 | 43 | \$ 12,938.41 |
| | 03 - SEP | 1,143 | \$ 42,833,101.55 | 49.57 | 10 | 19 | 29 | \$ (87.12) |
| 2022 YTD | | 4,001 | \$ 141,193,354.70 | 54.47 | 35 | 84 | 119 | \$ 16,367.83 |
| 2022 Projection | | 16,004 | \$ 564,773,418.80 | 54.47 | 140 | 336 | 476 | \$ 65,471.32 |