



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

January 15, 2022

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 December 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.
- December 2021 Discounts Taken: \$27.12, Fiscal YTD: \$290.24

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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December 2021 Claim Audit Findings

Issue Category	Issues	Net Adjustments
Critical – Insufficient Supporting Documentation	26	\$ -
Critical – Unauthorized Purchases/Policy Violation	3	\$ -
Critical – Violation of Purchase Order (PO) / Contract Terms	6	\$ (275.00)
Non-Critical – Clerical	13	\$ (24.00)
Grand Total	48	\$ (299.00)

*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:**
 - Second 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):**
 - Twenty-six (26) invoices reviewed had insufficient or incorrect receiving records and/or were missing proof of delivery or other required supporting documentation. This included two invoices totaling **\$292,604** (Apple) for iPads (no packing slips), and six invoices (missing addendum attachment) for boiler repairs totaling **\$22,512** (K&E Fabricating Co). All issues resolved.
 - TREND - Prior Month: 22, Current Month: 26. 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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January 15, 2022

December 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):**
 - Three (3) invoices were presented with Board Approval and/or other authorization, but for an amount less than the Purchase Order total. This included:
 - Three invoices for Healthmate Air Filtration Units totaling **\$35,558.28** (W B Mason Co).
 - TREND - Prior Month: 1, Current Month: 3. 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:**
 - Revised Board Approval for total Purchase Order amount requested.
 - 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):**
 - Six (6) invoices were in violation of the purchase order/contract terms. This included:
 - Two invoices totaling **\$9,388** (Ronco Specialized Systems) for repairing and installing auditorium speakers were submitted without a contract. Payments held until contract is obtained.
 - TREND - Prior Month: 14, Current Month: 6.
 - **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):**
 - Thirteen (13) invoices contained errors with incorrect invoice number, taxes included on invoice entry, wrong invoice attachment, receiving errors, and invoice total errors.
 - TREND - Prior Month: 7, Current Month: 13.
 - **Recommendations / Actions / Notes:**
 - Errors were corrected and claims processed.

“Putting children and families first to ensure high academic achievement for all”

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

Paid Year	Paid Month	Invoices		Turn Time (Days)	Non-			Net Adjustments
		Paid	Sum of Invoices (\$)		Critical	Critical	Total	
2020	06 - DEC	1,470	\$ 37,434,283.04	57.09	1	10	11	\$ (188.53)
2020 Total		16,525	\$ 593,489,868.04	57.05	57	167	224	\$ (413,356.14)
2021	01 - JUL	1,141	\$ 58,161,276.65	72.91	10	10	20	\$ (53,321.88)
2021	02 - AUG	955	\$ 27,734,708.95	69.66	4	13	17	\$ (1,154.27)
2021	03 - SEP	888	\$ 44,117,078.75	59.04	3	11	14	\$ (89.62)
2021	04 - OCT	1,249	\$ 48,706,221.77	56.30	6	21	27	\$ (33,375.98)
2021	05 - NOV	841	\$ 57,121,268.91	47.74	5	4	9	\$ (5,602.27)
2021	06 - DEC	994	\$ 53,952,302.16	41.97	8	8	16	\$ (31.41)
2021	07 - JAN	839	\$ 55,699,787.27	47.54	5	7	12	\$ (4,412.00)
2021	08 - FEB	1,125	\$ 32,462,629.26	49.32	5	23	28	\$ -
2021	09 - MAR	850	\$ 46,665,167.28	55.89	4	16	28	\$ -
2021	10 - APR	782	\$ 47,400,148.66	70.72	7	11	18	\$ (547.74)
2021	11 - MAY	1,242	\$ 61,908,476.72	66.22	8	25	33	\$ (5,352.90)
2021	12 - JUN	1,345	\$ 38,135,542.61	66.59	12	12	24	\$ (979,730.55)
2021 Total		12,251	\$ 572,064,608.99	59.12	77	161	246	\$ (1,083,618.62)
2022	01 - JUL	1,297	\$ 43,361,416.31	57.87	12	35	47	\$ 3,516.54
2022	02 - AUG	1,562	\$ 55,002,832.77	55.91	13	30	43	\$ 12,938.41
2022	03 - SEP	1,142	\$ 42,832,946.55	49.61	10	19	29	\$ (87.12)
2022	04 - OCT	1,901	\$ 61,166,416.53	44.66	16	17	33	\$ (369,253.15)
2022	05 - NOV	990	\$ 67,128,152.34	41.53	7	37	44	\$ (1,110.00)
2022	06 - DEC	1,890	\$ 48,070,813.76	47.63	13	35	48	\$ (299.00)
2022 YTD		8,782	\$ 317,562,578.26	49.54	71	173	244	\$ (354,294.32)
2022 Projection		17,564	\$ 635,125,156.52	49.54	142	346	488	\$ (708,588.64)