

BUTTE SCHOOLS SELF-FUNDED PROGRAMS

POLICIES & PROCEDURES MANUAL

Subject: **AUDITS / ACTUARIAL**

Section: **2.3**

ANNUAL AUDIT

The Board of Directors shall provide for an annual financial audit of the JPA by an independent certified public accountant.

The Board will be responsible for selection of the independent auditor. A one year contract shall be issued with provision for a second and third year renewal. The Executive Director shall be responsible for recommending the terms of the contract with the auditor.

The auditor will provide a draft audit report to the Executive Director within 90 days of the close of the fiscal year. The final report shall be presented to the Board of Directors at the first Board meeting after September.

On approval of the audited annual financial report, a summary of the information in the report will be submitted to the membership as soon as possible.

CLAIMS AUDIT

The Board of Directors may provide for an independent claims audit at least every two years. The Claims Auditor will be independent of the JPA and the third party administrator. The audit will determine whether or not claims payments were accurate and appropriate. The Executive Director shall negotiate and recommend the contract with the Claims Auditor for approval to the Board.

ACTUARIAL STUDY

The Board of Directors shall provide for an actuarial study at least once every three years by an actuary enrolled under Subtitle C of Title III of the Federal Employee Retirement Income Security Act of 1974.

The draft actuarial study shall be available to the Executive Director 60 days prior to the next scheduled board meeting. The final report shall be presented at a regularly scheduled meeting of the Board.

The Board will be responsible for selection of the actuary. The Executive Director shall be responsible for recommending the terms of the contract renewal.