

Michael E. Nawrocki
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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Lauren M. Agunzo
John K. Hoffman
Darin V. Iacobelli
David M. Tellier

April 12, 2019

VIA EMAIL

Ms. Kathi Kivi
District Clerk
East Ramapo Central School District
105 South Madison Avenue
Spring Valley, NY 10977

Re: Claims Audit Report for March 2019

Dear Ms. Kivi:

Enclosed please find a copy of our Claims Audit Report for March 2019. Please distribute a copy to the Assistant Superintendent for Finance and distribute a copy to each of the Board members of the East Ramapo Central School District.

Thank you for your assistance in this matter.

Sincerely yours,

Darin V. Iacobelli

Darin V. Iacobelli, CPA

Enclosure



April 12, 2019

VIA EMAIL

Board of Education
East Ramapo Central School District
105 South Madison Avenue
Spring Valley, NY 10977

***Re: Claims Audit Report for the Month of
March 1, 2019 through March 31, 2019***

Board of Education:

We have completed our claims auditing services to the East Ramapo Central School District covering the time period of March 1, 2019 through March 31, 2019. The services we performed, as outlined within our proposal, include reviewing all claims against the District. The purpose of this report is to update the Board of Education on work performed to date, our findings, and recommendations.

For ease of reference we have categorized the remainder of this report as follow:

Claims Audit Services

Exhibits

CLAIMS AUDIT SERVICES

The claims audit services performed on each claim against the District consisted of:

1. Verification of the accuracy of invoices and claim forms.
2. Ensuring proper approval of all purchases; checking that purchases constitute legal expenses of the school district.
3. Determining that purchase orders have been issued in accordance with Board of Education policy, and applicable state law.

*Board of Education
East Ramapo Central School District
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*Re: Claims Audit Report for the Month of
March 1, 2019 through March 31, 2019*

4. Comparison of invoices or claims with previously approved contracts.
5. Reviewing price extensions, claiming of applicable discounts, inclusion of shipping and freight charges.
6. Approving all charges that are presented for payment which are supported with documentary evidence indicating compliance with all pertinent laws, policies and regulations.

Over the time period of March 1, 2019 through March 31, 2019 we have audited **1,722** claims against the District in the amount of **\$18,149,373.67** (See attached Exhibit I). We made inquiries and/or observations into **43** claims in the amount of **\$2,510,598.07**. It should be noted that currently, there are no outstanding inquiries in regard to the audit of claims made against the District for the period of July 1, 2018 through March 31, 2019. We have summarized the inquiries and/or observations as well as the resolutions within Exhibit II.

Please note that for comparative purposes, we have attached Exhibit II – “Summary of Inquiries/Resolutions” for each of the prior months, if applicable.



We trust that the foregoing comments are clear. If you have any questions or you would like to discuss this matter further, please contact me at 631-756-9500.

Very truly yours,

Nawrocki Smith LLP

Claims Audit By Fund
East Ramapo Central School District
Exhibit I
March 2019

| Legend: | |
|------------------|---------------------|
| A - General | H - Capital |
| C - School Lunch | TA - Trust & Agency |
| F - Special Aid | CM - Scholarship |

| Check Date | Audit Date | Warrant # | Fund | # of Checks | \$ Value of Checks | # of Inquiries | \$ Value of Inquiries | # of Resolved Inquiries | # of Outstanding Inquiries | Check Sequence |
|--------------|------------|-----------|------|-------------|------------------------|----------------|------------------------|-------------------------|----------------------------|----------------|
| 03/08/19 | 03/07/19 | 174 | A | 10 | 11,064.10 | - | - | - | - | 400172-400181 |
| 03/08/19 | 03/07/19 | 175 | A | 8 | 1,598,368.92 | 2 | 1,575,559.41 | 2 | - | 400182-400189 |
| 03/08/19 | 03/07/19 | 177 | A | 80 | 288,314.45 | 8 | 41,358.53 | 8 | - | 400190-400269 |
| 03/08/19 | 03/07/19 | 172 | C | 3 | 17,489.90 | - | - | - | - | 16287-16289 |
| 03/08/19 | 03/07/19 | 176 | F | 22 | 686,837.10 | 1 | 1,150.00 | 1 | - | 51688-51709 |
| TOTAL | | | | 123 | \$ 2,602,074.47 | 11 | \$ 1,618,067.94 | 11 | - | |

| Check Date | Audit Date | Warrant # | Fund | # of Checks | \$ Value of Checks | # of Inquiries | \$ Value of Inquiries | # of Resolved Inquiries | # of Outstanding Inquiries | Check Sequence |
|--------------|------------|-----------|------|-------------|------------------------|----------------|-----------------------|-------------------------|----------------------------|----------------|
| 03/15/19 | 03/14/19 | 179 | A | 30 | 1,071,870.72 | - | - | - | - | 400270-400299 |
| 03/15/19 | 03/14/19 | 180 | A | 21 | 40,542.60 | 2 | 6,804.60 | 2 | - | 400300-400320 |
| 03/15/19 | 03/14/19 | 182 | A | 66 | 4,381,471.83 | 7 | 26,281.49 | 7 | - | 400321-400386 |
| 03/31/19 | 03/14/19 | 184 | A | 1118 | 606,139.40 | - | - | - | - | 400387-401504 |
| 03/15/19 | 03/14/19 | 181 | C | 3 | 5,263.28 | 1 | 1,672.64 | 1 | - | 16290-16292 |
| 03/15/19 | 03/14/19 | 185 | F | 31 | 620,705.10 | 3 | 1,315.23 | 3 | - | 51710-51740 |
| 03/15/19 | 03/14/19 | 183 | TA | 3 | 57,041.34 | - | - | - | - | 36541-36543 |
| TOTAL | | | | 1272 | \$ 6,783,034.27 | 13 | \$ 36,073.96 | 13 | - | |

| Check Date | Audit Date | Warrant # | Fund | # of Checks | \$ Value of Checks | # of Inquiries | \$ Value of Inquiries | # of Resolved Inquiries | # of Outstanding Inquiries | Check Sequence |
|--------------|------------|-----------|------|-------------|----------------------|----------------|-----------------------|-------------------------|----------------------------|----------------|
| 03/20/19 | 03/20/19 | 186 | A | 1 | 146,589.60 | - | - | - | - | 401505 |
| TOTAL | | | | 1 | \$ 146,589.60 | - | - | - | - | |

| Check Date | Audit Date | Warrant # | Fund | # of Checks | \$ Value of Checks | # of Inquiries | \$ Value of Inquiries | # of Resolved Inquiries | # of Outstanding Inquiries | Check Sequence |
|--------------|------------|-----------|------|-------------|------------------------|----------------|-----------------------|-------------------------|----------------------------|-----------------------|
| 03/22/19 | 03/21/19 | 187 | A | 25 | 51,043.60 | - | - | - | - | 401507-401531 |
| 03/22/19 | 03/21/19 | 192 | A | 97 | 1,070,663.63 | 7 | 9,351.78 | 7 | - | 401506; 401539-401634 |
| 03/22/19 | 03/21/19 | 189 | A | 7 | 960,828.66 | 1 | 764,574.49 | 1 | - | 401532-401538 |
| 03/22/19 | 03/21/19 | 190 | C | 3 | 4,301.22 | - | - | - | - | 16293-16294; Wire |
| 03/22/19 | 03/21/19 | 193 | F | 60 | 1,461,604.25 | 2 | 16,659.70 | 2 | - | 51741-51800 |
| 03/22/19 | 03/21/19 | 191 | H | 6 | 1,030,768.36 | 1 | 50,622.42 | 1 | - | 201-206 |
| 03/22/19 | 03/21/19 | 188 | TA | 2 | 702.62 | - | - | - | - | 36544-36545 |
| TOTAL | | | | 200 | \$ 4,579,912.34 | 11 | \$ 841,208.39 | 11 | - | |

| Check Date | Audit Date | Warrant # | Fund | # of Checks | \$ Value of Checks | # of Inquiries | \$ Value of Inquiries | # of Resolved Inquiries | # of Outstanding Inquiries | Check Sequence |
|--------------|------------|-----------|------|-------------|------------------------|----------------|-----------------------|-------------------------|----------------------------|----------------|
| 03/29/19 | 03/28/19 | 194 | A | 62 | 2,006,023.21 | 3 | 6,878.35 | 3 | - | 401635-401696 |
| 03/29/19 | 03/28/19 | 198 | A | 23 | 45,582.20 | - | - | - | - | 401697-401719 |
| 03/29/19 | 03/28/19 | 199 | A | 3 | 705,729.35 | - | - | - | - | 401720-401722 |
| 03/29/19 | 03/28/19 | 196 | C | 2 | 279,565.48 | - | - | - | - | 16295-16296 |
| 03/29/19 | 03/28/19 | 200 | F | 35 | 986,026.93 | 5 | 8,369.43 | 5 | - | 51801-51835 |
| 03/29/19 | 03/28/19 | 197 | TA | 1 | 14,835.82 | - | - | - | - | 36563 |
| TOTAL | | | | 126 | \$ 4,037,762.99 | 8 | \$ 15,247.78 | 8 | - | |

| | | | | | | | | | | |
|--------------------|--|--|--|-------------|-------------------------|-----------|------------------------|-----------|----------|--|
| GRAND TOTAL | | | | 1722 | \$ 18,149,373.67 | 43 | \$ 2,510,598.07 | 43 | - | |
|--------------------|--|--|--|-------------|-------------------------|-----------|------------------------|-----------|----------|--|

*Payroll Warrants are included for informational purposes only and have not been reviewed.

| Check Date | Payroll Run Date | Warrant # | Fund | # of Checks | \$ Value of Checks | # of Inquiries | \$ Value of Inquiries | # of Resolved Inquiries | # of Outstanding Inquiries | Check Sequence |
|--------------|------------------|-----------|------|-------------|------------------------|----------------|-----------------------|-------------------------|----------------------------|--------------------|
| 03/07/19 | 03/07/19 | 173 | TA | 6 | 28,059.66 | - | - | - | - | Wires |
| 03/15/19 | 03/15/19 | 178 | TA | 44 | 2,072,488.29 | - | - | - | - | 36525-36540; Wires |
| 03/29/19 | 03/29/19 | 195 | TA | 36 | 1,929,999.49 | - | - | - | - | 36546-36562; Wires |
| TOTAL | | | | 86 | \$ 4,030,547.44 | - | - | - | - | |

East Ramapo Central School District
Claims Audit - Analysis by Number of Inquiries & Dollar Value
Summary of Inquiries / Resolutions and Percentage of Total Claims & Dollar Value of Claims
Exhibit II
2018 / 2019 YTD

| Reason For Inquiry | Resolution | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 |
|---|----------------------------------|--------------------|--------------------|----------------------|--------------------|--------------------|----------------------|
| Incorrect accounts payable amount | Amount adjusted prior to payment | - 0.00% | 3 0.71% | 1 0.07% | 7 1.39% | 1 0.15% | - 0.00% |
| Paid sales tax | Amount adjusted prior to payment | - 0.00% | - 0.00% | - 0.00% | 1 0.20% | 1 0.15% | - 0.00% |
| Incorrect remittance address | Address verified | 1 0.17% | 3 0.71% | 1 0.07% | 2 0.40% | 3 0.46% | 1 0.06% |
| Insufficient supporting documentation | Documentation provided | - 0.00% | - 0.00% | - 0.00% | 2 0.40% | - 0.00% | - 0.00% |
| Invoice date precedes purchase order date | Noted by Business Office | 8 1.36% | 8 1.90% | 15 1.03% | 125 24.80% | 65 9.88% | 34 2.20% |
| Invoice over 90 days outstanding | Verified not a duplicate payment | 15 2.55% | 7 1.67% | 9 0.62% | 11 2.18% | 34 5.17% | 23 1.49% |
| Missing receiving or approval signature | n/a | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% |
| Not an original invoice or receipt | Copy or fax accepted | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | 2 0.13% |
| Receipts not itemized | n/a | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% |
| Total Number (#) of Inquiries | | 24 4.07% | 21 5.00% | 26 1.79% | 148 29.37% | 104 15.81% | 60 3.89% |
| Total Claims Audited | | 589 100.00% | 420 100.00% | 1,455 100.00% | 504 100.00% | 658 100.00% | 1,544 100.00% |

Total Outstanding Inquiries none none none none none none

| Reason For Inquiry | Resolution | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 |
|---|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Incorrect accounts payable amount* | Amount adjusted prior to payment* | - 0.00% | 120,764.18 0.74% | 895.84 0.01% | 42,458.02 0.22% | 18,697.13 0.12% | - 0.00% |
| Paid sales tax* | Amount adjusted prior to payment* | - 0.00% | - 0.00% | - 0.00% | 178.00 0.00% | 11,638.44 0.07% | - 0.00% |
| Incorrect remittance address | Address verified | 73.26 0.00% | 17,637.69 0.11% | 678.88 0.01% | 587,535.93 3.02% | 5,430.73 0.03% | 788.72 0.00% |
| Insufficient supporting documentation | Documentation provided | - 0.00% | - 0.00% | - 0.00% | 26,356.16 0.14% | - 0.00% | - 0.00% |
| Invoice date precedes purchase order date | Noted by Business Office | 375,001.82 2.28% | 60,974.33 0.37% | 308,363.75 2.63% | 3,014,308.76 15.52% | 3,025,896.90 19.23% | 3,326,704.24 19.38% |
| Invoice over 90 days outstanding | Verified not a duplicate payment | 37,270.99 0.23% | 285,419.76 1.75% | 46,520.34 0.40% | 107,363.07 0.55% | 200,124.87 1.27% | 195,976.15 1.14% |
| Missing receiving or approval signature | n/a | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% |
| Not an original invoice or receipt | Copy or fax accepted | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | 1,283.00 0.01% |
| Receipts not itemized | n/a | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% | - 0.00% |
| Total Value (\$) of Inquiries | | \$ 412,346.07 2.50% | \$ 484,795.96 2.97% | \$ 356,458.81 3.05% | \$ 3,778,199.94 19.45% | \$ 3,261,788.07 20.73% | \$ 3,524,752.11 20.53% |
| Total Claims Audited | | \$ 16,483,144.39 100.00% | \$ 16,312,569.19 100.00% | \$ 11,704,655.23 100.00% | \$ 19,427,174.48 100.00% | \$ 15,735,948.34 100.00% | \$ 17,164,677.68 100.00% |

Total Outstanding Inquiries none none none none none none

* Note: Inquiry Amounts for each month reflect the entire check amounts associated with each incorrect accounts payable amount and paid sales tax inquires.
The table below reflects each month's actual net adjustment for incorrect accounts payable amount and paid sales tax inquires.

| Reason For Inquiry | Resolution | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 |
|------------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Incorrect accounts payable amount* | Amount adjusted prior to payment* | \$ - 0.00% | \$ (268.50) 0.00% | \$ (4.00) 0.00% | \$ (27,395.68) 0.14% | \$ (0.03) 0.00% | \$ - 0.00% |
| Paid sales tax* | Amount adjusted prior to payment* | \$ - 0.00% | \$ - 0.00% | \$ - 0.00% | \$ (7.12) 0.00% | \$ (0.84) 0.00% | \$ - 0.00% |
| Total Claims Audited | | \$ 16,483,144.39 100.00% | \$ 16,312,300.69 100.00% | \$ 11,704,651.23 100.00% | \$ 19,399,771.68 100.00% | \$ 15,735,947.47 100.00% | \$ 17,164,677.68 100.00% |

East Ramapo Central School District
Claims Audit - Analysis by Number of Inquiries & Dollar Value
Summary of Inquiries / Resolutions and Percentage of Total Claims & Dollar Value of Claims
Exhibit II
2018 / 2019 YTD

| Reason For Inquiry | Resolution | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|---|----------------------------------|--------------------|--------------------|----------------------|--------|--------|--------|
| Incorrect accounts payable amount | Amount adjusted prior to payment | 7 1.00% | 6 1.15% | 8 0.46% | | | |
| Paid sales tax | Amount adjusted prior to payment | - 0.00% | - 0.00% | - 0.00% | | | |
| Incorrect remittance address | Address verified | 5 0.71% | 2 0.38% | 2 0.12% | | | |
| Insufficient supporting documentation | Documentation provided | 1 0.14% | - 0.00% | - 0.00% | | | |
| Invoice date precedes purchase order date | Noted by Business Office | 29 4.14% | 21 4.02% | 18 1.05% | | | |
| Invoice over 90 days outstanding | Verified not a duplicate payment | 56 7.99% | 31 5.94% | 15 0.87% | | | |
| Missing receiving or approval signature | n/a | - 0.00% | - 0.00% | - 0.00% | | | |
| Not an original invoice or receipt | Copy or fax accepted | 1 0.14% | - 0.00% | - 0.00% | | | |
| Receipts not itemized | n/a | - 0.00% | - 0.00% | - 0.00% | | | |
| Total Number (#) of Inquiries | | 99 14.12% | 60 11.49% | 43 2.50% | | | |
| Total Claims Audited | | 701 100.00% | 522 100.00% | 1,722 100.00% | | | |

Total Outstanding Inquiries none none none

| Reason For Inquiry | Resolution | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|---|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|--------|--------|--------|
| Incorrect accounts payable amount* | Amount adjusted prior to payment* | 27,482.43 0.18% | 144,266.41 1.09% | 56,053.14 0.31% | | | |
| Paid sales tax* | Amount adjusted prior to payment* | - 0.00% | - 0.00% | - 0.00% | | | |
| Incorrect remittance address | Address verified | 84,303.08 0.54% | 685.92 0.01% | 2,355.32 0.01% | | | |
| Insufficient supporting documentation | Documentation provided | 403.86 0.00% | - 0.00% | - 0.00% | | | |
| Invoice date precedes purchase order date | Noted by Business Office | 683,601.45 4.40% | 2,479,865.95 18.73% | 1,603,901.58 8.84% | | | |
| Invoice over 90 days outstanding | Verified not a duplicate payment | 910,408.66 5.86% | 205,889.60 1.56% | 848,288.03 4.67% | | | |
| Missing receiving or approval signature | n/a | - 0.00% | - 0.00% | - 0.00% | | | |
| Not an original invoice or receipt | Copy or fax accepted | 227.85 0.00% | - 0.00% | - 0.00% | | | |
| Receipts not itemized | n/a | - 0.00% | - 0.00% | - 0.00% | | | |
| Total Value (\$) of Inquiries | | \$ 1,706,427.33 10.98% | \$ 2,830,707.88 21.38% | \$ 2,510,598.07 13.83% | | | |
| Total Claims Audited | | \$ 15,539,014.62 100.00% | \$ 13,237,334.43 100.00% | \$ 18,149,373.67 100.00% | | | |

Total Outstanding Inquiries none none none

* Note: Inquiry Amounts for each month reflect the entire check amounts associated with each incorrect accounts payable amount and paid sales tax inquires.
The table below reflects each month's actual net adjustment for incorrect accounts payable amount and paid sales tax inquires.

| Reason For Inquiry | Resolution | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 |
|------------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|--------|--------|--------|
| Incorrect accounts payable amount* | Amount adjusted prior to payment* | \$ (32.37) 0.00% | \$ 678.13 0.01% | \$ 3,109.05 0.02% | | | |
| Paid sales tax* | Amount adjusted prior to payment* | \$ - 0.00% | \$ - 0.00% | \$ - 0.00% | | | |
| Total Claims Audited | | \$ 15,538,982.25 100.00% | \$ 13,238,012.56 100.00% | \$ 18,152,482.72 100.00% | | | |