

Michael E. Nawrocki
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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

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

August 13, 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 June 2019

Dear Ms. Kivi:

Enclosed please find a copy of our Claims Audit Report for June 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



August 13, 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
June 1, 2019 through June 30, 2019***

Board of Education:

We have completed our claims auditing services to the East Ramapo Central School District covering the time period of June 1, 2019 through June 30, 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.

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*Re: Claims Audit Report for the Month of
June 1, 2019 through June 30, 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 June 1, 2019 through June 30, 2019 we have audited **1,856** claims against the District in the amount of **\$14,655,417.52** (See attached Exhibit I). We made inquiries and/or observations into **52** claims in the amount of **\$1,407,763.94**. 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 June 30, 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
June 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
06/07/19	06/06/19	259	A	20	1,099,325.55	2	39,851.90	2	-	402474-402493
06/07/19	06/06/19	264	A	58	483,501.11	1	1,696.00	1	-	402494-402551
06/07/19	06/06/19	258	C	3	3,311.09	-	-	-	-	16319-16321
06/07/19	06/06/19	265	F	48	751,071.65	4	92,768.99	4	-	52108-52155
06/07/19	06/06/19	260	H	3	22,462.39	2	16,940.00	2	-	227-229
06/07/19	06/06/19	261	TA	6	55,019.33	-	-	-	-	36642-36647
06/07/19	06/06/19	262	CM	1	750.00	-	-	-	-	2622
TOTAL				139	\$ 2,415,441.12	9	\$ 151,256.89	9	-	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
06/14/19	06/13/19	268	A	1	642.00	-	-	-	-	402552
06/14/19	06/13/19	270	A	16	1,810,679.11	3	876,124.36	3	-	402553-402568
06/14/19	06/13/19	273	A	220	737,547.64	7	183,178.53	7	-	402569-402788
06/28/19	06/13/19	275	A	1110	601,939.05	-	-	-	-	402789-403898
06/14/19	06/13/19	269	C	4	7,390.22	-	-	-	-	16322-16325
06/14/19	06/13/19	274	F	40	665,769.79	3	2,509.40	3	-	52156-52195
06/14/19	06/13/19	272	H	1	29,250.00	1	29,250.00	1	-	230
06/14/19	06/13/19	267	TA	2	197.23	-	-	-	-	36663-36664
06/14/19	06/13/19	271	CM	4	2,200.00	-	-	-	-	2623-2626
TOTAL				1398	\$ 3,855,615.04	14	\$ 1,091,062.29	14	-	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
06/21/19	06/20/19	277	A	86	3,410,235.79	7	27,239.52	7	-	403899-403984
06/21/19	06/20/19	278	A	13	175,438.56	1	23,886.08	1	-	403985-403997
06/21/19	06/20/19	280	C	2	409.71	-	-	-	-	16326; Wire
06/21/19	06/20/19	282	F	58	661,588.60	4	16,823.30	4	-	52196-52253
06/21/19	06/20/19	281	H	1	30,185.49	1	30,185.49	1	-	231
06/21/19	06/20/19	279	TA	3	74,270.76	-	-	-	-	36679-36681
TOTAL				163	\$ 4,352,128.91	13	\$ 98,134.39	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
06/28/19	06/27/19	290	A	102	2,068,410.70	11	32,299.52	11	-	403998-404099
06/28/19	06/27/19	287	C	5	460,051.95	-	-	-	-	16327-16331
06/28/19	06/27/19	291	F	44	1,312,084.63	5	35,010.85	5	-	52254-52297
06/28/19	06/27/19	289	H	2	190,685.17	-	-	-	-	232-233
06/28/19	06/27/19	288	CM	3	1,000.00	-	-	-	-	2627-2629
TOTAL				156	\$ 4,032,232.45	16	\$ 67,310.37	16	-	

GRAND TOTAL				1856	\$ 14,655,417.52	52	\$ 1,407,763.94	52	-	
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*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
06/07/19	06/07/19	263	TA	43	2,224,690.77	-	-	-	-	36648-36662; Wires
06/11/19	06/11/19	266	TA	6	28,209.86	-	-	-	-	Wires
06/21/19	06/21/19	276	TA	42	2,238,111.89	-	-	-	-	36665-36678; Wires
06/26/19	06/26/19	283	TA	6	196,121.56	-	-	-	-	36682; Wires
06/27/19	06/28/19	284	TA	4	17,083.63	-	-	-	-	Wires
06/28/19	06/28/19	285	TA	11	3,771,419.30	-	-	-	-	36683-36687; Wires
06/28/19	06/28/19	286	TA	12	355,539.10	-	-	-	-	36688-36693; Wires
TOTAL				124	\$ 8,831,176.11	-	-	-	-	

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%	4 1.00%	8 1.16%	9 0.48%
Paid sales tax	Amount adjusted prior to payment	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Incorrect remittance address	Address verified	5 0.71%	2 0.38%	2 0.12%	4 1.00%	2 0.29%	3 0.16%
Insufficient supporting documentation	Documentation provided	1 0.14%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Invoice date precedes purchase order date	Noted by Business Office	29 4.14%	21 4.02%	18 1.05%	19 4.74%	24 3.49%	28 1.51%
Invoice over 90 days outstanding	Verified not a duplicate payment	56 7.99%	31 5.94%	15 0.87%	17 4.24%	24 3.49%	11 0.59%
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	1 0.14%	- 0.00%	- 0.00%	- 0.00%	2 0.29%	1 0.05%
Paid late fees	Noted by Business Office	- 0.00%	- 0.00%	- 0.00%	- 0.00%	1 0.15%	- 0.00%
Receipts not itemized	n/a	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Total Number (#) of Inquiries		99 14.12%	60 11.49%	43 2.50%	44 10.97%	61 8.88%	52 2.80%
Total Claims Audited		701 100.00%	522 100.00%	1,722 100.00%	401 100.00%	687 100.00%	1,856 100.00%
Total Outstanding Inquiries		none	none	none	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%	27,263.80 0.28%	126,331.50 0.75%	180,798.36 1.23%
Paid sales tax*	Amount adjusted prior to payment*	- 0.00%	- 0.00%	- 0.00%	- 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%	8,770.10 0.09%	1,666.54 0.01%	51,341.80 0.35%
Insufficient supporting documentation	Documentation provided	403.86 0.00%	- 0.00%	- 0.00%	- 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%	134,968.42 1.38%	609,139.99 3.64%	1,140,816.45 7.78%
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%	163,260.96 1.67%	169,991.83 1.01%	32,607.05 0.22%
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	227.85 0.00%	- 0.00%	- 0.00%	- 0.00%	178.21 0.00%	2,200.28 0.02%
Paid late fees	Noted by Business Office	- 0.00%	- 0.00%	- 0.00%	- 0.00%	412.21 0.00%	- 0.00%
Receipts not itemized	n/a	- 0.00%	- 0.00%	- 0.00%	- 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%	\$ 334,263.28 3.41%	\$ 907,720.28 5.42%	\$ 1,407,763.94 9.61%
Total Claims Audited		\$ 15,539,014.62 100.00%	\$ 13,237,334.43 100.00%	\$ 18,149,373.67 100.00%	\$ 9,804,590.36 100.00%	\$ 16,757,535.23 100.00%	\$ 14,655,417.52 100.00%
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 inquiries.
The table below reflects each month's actual net adjustment for incorrect accounts payable amount and paid sales tax inquiries.

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%	\$ 14,661.34 0.15%	\$ (10,771.12) -0.06%	\$ 1,621.25 0.01%
Paid sales tax*	Amount adjusted prior to payment*	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%	\$ - 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%	\$ 9,819,251.70 100.00%	\$ 16,746,764.11 100.00%	\$ 14,657,038.77 100.00%