

Michael E. Nawrocki
Ernest Patrick Smith



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

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

June 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 May 2019

Dear Ms. Kivi:

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



June 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
May 1, 2019 through May 31, 2019***

Board of Education:

We have completed our claims auditing services to the East Ramapo Central School District covering the time period of May 1, 2019 through May 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
May 1, 2019 through May 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 May 1, 2019 through May 31, 2019 we have audited **687** claims against the District in the amount of **\$16,757,535.23** (See attached Exhibit I). We made inquiries and/or observations into **61** claims in the amount of **\$907,720.28**. 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 May 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.

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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
May 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
05/03/19	05/02/19	224	A	2	303,867.13	-	-	-	-	402017-402018
05/03/19	05/02/19	227	A	87	302,628.03	7	43,130.70	7	-	402016; 402019-402104
05/03/19	05/02/19	225	CM	1	500.00	1	500.00	1	-	2611
05/03/19	05/02/19	229	F	32	559,055.79	4	3,152.75	4	-	51925-51956
05/03/19	05/02/19	228	H	8	1,000,668.20	1	90,440.98	1	-	209-216
05/03/19	05/02/19	226	TA	4	1,060.00	-	-	-	-	36605-36608
TOTAL				134	\$ 2,167,779.15	13	\$ 137,224.43	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
05/06/19	05/09/19	230	A	1	720.00	-	-	-	-	402105
05/10/19	05/09/19	232	A	83	1,192,992.74	2	9,733.49	2	-	402106-402188
05/10/19	05/09/19	234	A	1	1,606.80	-	-	-	-	402189
05/10/19	05/09/19	235	A	30	1,812,294.91	1	5,603.11	1	-	402190-402219
05/10/19	05/09/19	233	C	3	377,588.18	-	-	-	-	16307-16309
05/10/19	05/09/19	237	F	30	592,275.13	4	29,021.45	4	-	51957-51986
05/10/19	05/09/19	236	H	1	7,700.00	1	7,700.00	1	-	217
TOTAL				149	\$ 3,985,177.76	8	\$ 52,058.05	8	-	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
05/17/19	05/16/19	240	A	9	102,542.19	1	4,475.92	1	-	402220-402228
05/17/19	05/16/19	243	A	103	3,505,620.91	12	27,384.84	12	-	402229-402331
05/17/19	05/16/19	242	C	5	12,737.74	-	-	-	-	16310-16314
05/17/19	05/16/19	239	F	42	465,809.52	3	36,253.78	3	-	51987-52028
05/17/19	05/16/19	238	H	1	22,000.00	1	22,000.00	1	-	218
05/17/19	05/16/19	241	TA	1	586.46	1	586.46	1	-	36625
TOTAL				161	\$ 4,109,296.82	18	\$ 90,701.00	18	-	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
05/24/19	05/23/19	248	A	7	495,747.88	-	-	-	-	402332-402338
05/24/19	05/23/19	249	A	58	750,716.23	5	21,862.92	5	-	402339-402396
05/24/19	05/23/19	247	C	3	332,626.85	1	328,312.72	1	-	16315-16317
05/24/19	05/23/19	250	F	7	273,353.61	-	-	-	-	52029-52035
05/24/19	05/23/19	244	H	2	117,852.53	-	-	-	-	219-220
05/24/19	05/23/19	246	CM	1	1,250.00	-	-	-	-	2612
TOTAL				78	\$ 1,971,547.10	6	\$ 350,175.64	6	-	

Check Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
05/31/19	05/30/19	254	A	3	82,093.15	-	-	-	-	402397-402399
05/31/19	05/30/19	255	A	74	2,549,501.21	8	10,471.17	8	-	402400-402473
05/31/19	05/30/19	253	C	1	60.00	-	-	-	-	16318
05/31/19	05/30/19	256	F	72	1,011,586.23	3	2,202.18	3	-	52036-52107
05/31/19	05/30/19	251	H	6	874,993.81	5	264,887.81	5	-	221-226
05/31/19	05/30/19	252	CM	9	5,500.00	-	-	-	-	2613-2621
TOTAL				165	\$ 4,523,734.40	16	\$ 277,561.16	16	-	

GRAND TOTAL				687	\$ 16,757,535.23	61	\$ 907,720.28	61	-	
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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
04/26/19	04/26/19	223	TA	45	2,175,450.22	-	-	-	-	36588-36604; Wires
05/10/19	05/10/19	231	TA	44	2,222,734.28	-	-	-	-	36609-36624; Wires
05/24/19	05/24/19	245	TA	44	2,277,569.15	-	-	-	-	36626-36641; Wires
06/04/19	06/04/19	257	TA	6	28,245.75	-	-	-	-	Wires
TOTAL				139	\$ 6,703,999.40	-	-	-	-	

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%	
Paid sales tax	Amount adjusted prior to payment	- 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%	
Insufficient supporting documentation	Documentation provided	1 0.14%	- 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%	
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%	
Missing receiving or approval signature	n/a	- 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%	
Paid late fees	Noted by Business Office	- 0.00%	- 0.00%	- 0.00%	- 0.00%	1 0.15%	
Receipts not itemized	n/a	- 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%	
Total Claims Audited		701 100.00%	522 100.00%	1,722 100.00%	401 100.00%	687 100.00%	
Total Outstanding Inquiries		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%	
Paid sales tax*	Amount adjusted prior to payment*	- 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%	
Insufficient supporting documentation	Documentation provided	403.86 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%	
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%	
Missing receiving or approval signature	n/a	- 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%	
Paid late fees	Noted by Business Office	- 0.00%	- 0.00%	- 0.00%	- 0.00%	412.21 0.00%	
Receipts not itemized	n/a	- 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%	
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%	
Total Outstanding Inquiries		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%	
Paid sales tax*	Amount adjusted prior to payment*	\$ - 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%	