

Nawrocki Smith LLP

Memorandum

To: Board of Education
Sachem Central School District

From: Ernest Patrick Smith, CPA/CFF, CVA, CFE
Nawrocki Smith LLP, Certified Public Accountants & Business Consultants

Date: September 19, 2013

Re: Claims Audit Comparison

Pursuant to the request of the Sachem Central School District's Associate Superintendent and the Board of Education, we have performed a comparison of the top five (5) inquiries noted during our 2012/2013 claims audit and compared them against two (2) other School District's in the table below:

Top Five Sachem Inquires when Compared to other School Districts	Sachem	School District A	School District B
Invoice over 90 days outstanding	295 3.08%	31 0.35%	4 0.09%
Invoice date precedes PO date	190 1.98%	82 0.92%	87 2.06%
Insufficient supporting backup	108 1.13%	30 0.34%	3 0.07%
Not an original invoice	94 0.98%	9 0.10%	- 0.00%
Incorrect check amount	63 0.66%	19 0.21%	- 0.00%
Total # of Claims Audited	9,587 100.00%	8,866 100.00%	4,223 100.00%

In addition, we have analyzed the number of inquiries noted during our 2012/2013 claims audit and compared them to the number of inquiries noted during our 2011/2012 claims audit in the table below:

Sachem Comparative Analysis	2012/2013		2011/2012	
Reason For Inquiry	# of Inq.	%	# of Inq.	%
Invoice over 90 days outstanding	295	3.08%	251	2.63%
Invoice date precedes PO date	190	1.98%	278	2.91%
Insufficient supporting backup	108	1.13%	159	1.66%
Not an original invoice	94	0.98%	75	0.79%
Incorrect check amount	63	0.66%	41	0.43%
Missing Prices and Extensions Verification	51	0.53%	129	1.35%
Wrong remittance address	35	0.37%	87	0.91%
Incorrect vendor name	14	0.15%	20	0.21%
Missing Student Advisor Signature (Extraclassroom only)	13	0.14%	-	0.00%
Check issued prior to auditors approval	9	0.09%	3	0.03%
Payment inconsistent with School Board Policy	9	0.09%	-	0.00%
Missing Student Signature (Extraclassroom only)	7	0.07%	2	0.02%
Incorrect check amount (additional Invoice attached)	5	0.05%	-	0.00%
Items Purchased not on Contract/Bid	4	0.04%	8	0.08%
Quote information not attached	3	0.03%	2	0.02%
Contract/Bid Price Inconsistent w/ Invoice	2	0.02%	2	0.02%
Paid sales tax	2	0.02%	-	0.00%
Missing receiving signature on invoice or PO	1	0.01%	6	0.06%
Purchase Order not dated	1	0.01%	2	0.02%
Discount not applied	-	0.00%	5	0.05%
Missing Purchasing Agents Signature on PO	-	0.00%	3	0.03%
Invoice Modified	-	0.00%	1	0.01%
Total # of Inquiries	906	9.45%	1,074	11.25%
Total Number of Claims Audited	9,587	100.00%	9,550	100.00%

If you require any further information or have any questions on this comparison summary, please feel free to contact Ernest Patrick Smith at (631) 756-9500.