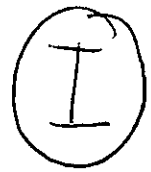


THREE VILLAGE CENTRAL SCHOOL DISTRICT
STONY BROOK, NEW YORK



BOARD OF EDUCATION AGENDA MATERIALS

DATE OF BOARD MEETING: March 13, 2019

DATE SUBMITTED: March 8, 2019

OFFICE OF ORIGIN: Business Services

CATEGORY OF ITEM: Action

TITLE: CLAIMS AUDITOR'S REPORT – DECEMBER 2018 THROUGH JANUARY 2019

Staff Recommendation:

Accept the Report

Background-Rationale:

NOT AN OFFICIAL RECORD; SUBJECT TO CHANGE

December 31, 2018

The Board of Education
Three Village Central School District
Stony Brook, NY 11790



Board of Education:

During our claims audit procedures conducted in December 2018, we reviewed approximately 1,206 claims, including 684 Medicare claims; and have identified the items below that need to be reviewed. We have approved these claims for payment and release (except as noted below), as they were valid claims against the District. Although we noted the following instances during our review, the expenditures appear to be appropriate.

Findings:

None noted.

Other Matters:

1. We noted 3 claims where the purchase order was encumbered subsequent to the date of the invoice or service. While these confirming purchase orders provide evidence of expenditures, the real control is in ensuring that such purchases are approved before being committed to by the District. To ensure that budgetary limits are monitored, and expenditures are properly approved and obtained at the most appropriate price, all purchase orders, where practicable, should be generated prior to goods and services being ordered and received.
2. We noted 9 instances that contained invoices that were held for more than 90 days prior to payment based on the dates of our review. We recognize that invoices come from multiple departments within the District and understand that sometimes invoices are lost or misplaced, or there may be problems with the products purchased that may require the District to hold payments. Management has advised the departments to remit approved invoices in a timely manner.
3. We noted 1 instance where the purchase order was increased after the invoice date. We spoke to accounts payable to ensure that while the purchase orders were under-encumbered, there was enough money in the budget line for the expenditure. Even so, the increased amount is essentially confirming, as the Purchasing Agent did not authorize the excess amount.

We understand the fiduciary duty of the Board of Education, as well as the role of the claims auditor in ensuring that all disbursements are valid and handled according to the provisions of the Education Law and the Board's policies and procedures.

Should you have any questions regarding anything included in our report, please do not hesitate to contact us at (631) 582-1600.

Sincerely,

Cerini & Associates LLP

Cerini & Associates, LLP

Claims Auditors

Three Village
 Instance Schedule
 December 2018

| Visit Date | Fund | Check # | Vendor/Payee Description | Department | PO # | PO Date | Original PO Amount | Invoice Date | Invoice Amount | Instance Amount | Instance Description | Action/Resolution |
|--------------|------|----------|--------------------------|----------------------------|-------------------------------------|----------|--------------------|----------------------------------|--------------------|-----------------|---------------------------------|-------------------|
| 12/14/18 | A | 6950 | McCarney Tours | Ward Melville HS | A19-03315 | 11/29/18 | - | 10/20/18 | \$ 1,510.00 | \$ | Confirming Purchase Order(s) | |
| 12/14/18 | A | 6958 | Pitney Bowes | North Country Admin Center | A19-03424 | 12/07/18 | - | 12/12/17 08/22/18 11/17/17 | \$ 990.03 | \$ | Confirming Purchase Order(s) | |
| 12/13/18 | A | 6978 | Wireless Sounds Ltd | Ward Melville HS | A19-03371 | 12/05/18 | - | 11/16/18 | \$ 665.60 | \$ | Confirming Purchase Order(s) | |
| Total | | 3 | | | | | | | \$ 3,165.63 | | | |
| 12/14/18 | A | 6913 | Dell Marketing LP | North Country Admin Center | A19-00914 A19-00659 A19-02152 | - | - | Various June - September 2018 | Whole | | Invoices Over 90 Days | |
| 12/14/18 | A | 6933 | Hy-Cert Services, Inc. | North Country Admin Center | A19-00275 | - | - | 09/10/18 | Partial | | Invoices Over 90 Days | |
| 12/14/18 | A | 6961 | Sax/School Specialty | Arrowhead Elem School | A19-01094 | - | - | Various August 2018 | Partial | | Invoices Over 90 Days | |
| 12/14/18 | A | 6994 | School Specialty | North Country Admin Center | A19-01088 | - | - | Various August 2018 | Partial | | Invoices Over 90 Days | |
| 12/21/18 | A | 7058 | Sax/School Specialty | Arrowhead Elem School | A19-01110 A19-01092 | - | - | 08/03/18 08/13/18 | Whole | | Invoices Over 90 Days | |
| 12/21/18 | A | 7089 | Autochem Corp. | Ward Melville HS | A19-02134 | - | - | 09/16/18 | Partial | | Invoices Over 90 Days | |
| 12/14/18 | C | 20831 | ITM Provisions Co. | North Country Admin Center | C19-00012 | - | - | 08/30/18 | Whole | | Invoices Over 90 Days | |
| 12/14/18 | C | 20834 | Michael Foods, Inc. | North Country Admin Center | C19-00051 | - | - | 09/18/18 | Partial | | Invoices Over 90 Days | |
| 12/14/18 | C | 20837 | R&M Stern, Inc. | North Country Admin Center | C19-00056 | - | - | 09/07/18 | Partial | | Invoices Over 90 Days | |
| Total | | 9 | | | | | | | | | | |
| 12/14/18 | A | 7029 | Jennifer Visconti | Ward Melville HS | A19-03159 | 11/13/18 | \$ 94.64 | 11/16/18 | \$ 50.11 | \$ | PO Increased After Invoice Date | |
| Total | | 1 | | | | | | | \$ 50.11 | | | |

Attachment A
 Three Village CSD
 Claims Audit Summary
 July 1, 2018 - December 31, 2018

| <u>Claims Audit Issue</u> | <u># of Instances</u> | <u>% of Claims</u> | <u>% of Instances</u> |
|------------------------------------------------------|-----------------------|--------------------|-----------------------|
| <u>Findings:</u> | | | |
| Incorrect check amount | 1 | 0.03 | 1.55 |
| Insufficient backup | 3 | 0.09 | 4.69 |
| <u>Total Findings:</u> | 4 | 0.12 | 6.24 |
| <u>Other Matters:</u> | | | |
| Confirming purchase orders | 22 | 0.63 | 34.38 |
| Confirming purchase orders - signed by District | 2 | 0.06 | 3.13 |
| Invoices over 90 days old | 33 | 0.94 | 51.56 |
| Purchase order increased after invoice date | 2 | 0.06 | 3.13 |
| Purchase order over-extended | 1 | 0.03 | 1.56 |
| <u>Total Other Matters:</u> | 60 | 1.72 | 93.76 |
| TOTAL NUMBER OF INSTANCES | | | |
| | 64 | 1.84 | 100.00 |
| TOTAL CLAIMS AUDITED (excluding Medicare) | | | |
| | 3508 | | |



**Three Village CSD
Warrant Summary
December 14, 2018**

The following claims on warrants listed below have been duly audited and ordered paid by Cerini & Associates, LLP (C&A).

| Warrant Number | Warrant Date | Fund | Beg Check Number | End Check Number | Number of Claims on Warrant | Approved Number of Claims | Approved Amount |
|----------------|--------------|------|------------------|------------------|-----------------------------|---------------------------|------------------------|
| 136 | 12/12/18 | A | 69803 | 69811 | 9 | 9 | \$ 9,200.00 |
| 137 | 12/14/18 | A | 69812 | 69893 | 82 | 82 | \$ 194,401.19 |
| 139 | 12/14/18 | A | 69894 | 69980 | 87 | 87 | \$ 208,522.87 |
| 138 | 12/14/18 | A | 69981 | 69981 | 1 | 1 | \$ 882,025.37 |
| 142 | 12/14/18 | A | 69982 | 70031 | 50 | 50 | \$ 11,777.66 |
| V115 | 12/04/18 | A | | Voids | 2 | 2 | \$ (200.00) * |
| 143 | 12/14/18 | C | 20821 | 20837 | 17 | 17 | \$ 106,925.85 |
| 140 | 12/14/18 | F | 10335 | 10340 | 6 | 6 | \$ 8,586.98 |
| 133 | 12/05/18 | OT | 15430 | 15430 | 1 | 1 | \$ 405.00 |
| 141 | 12/14/18 | OT | 15431 | 15435 | 5 | 5 | \$ 3,639.00 |
| 134 | 12/07/18 | T&A | 10852 | 10859 | 8 | 8 | \$ 26,711.90 |
| | | | | Wires | 33 | 33 | \$ 1,641,639.81 |
| | | | | Totals | 301 | 301 | \$ 3,093,635.63 |

* Represents check numbers 69369 and 69370, which were voided by the District.

The detailed documentation supporting the claims listed above has been reviewed and approved by the Claims Auditor and the payment of each certified claim verified that it was charged to the proper fund.

The aforementioned function was performed by representatives of Cerini & Associates, LLP as certified below.

Cerini & Associates LLP

Claims Auditor
Cerini & Associates, LLP



**Three Village CSD
Warrant Summary
December 21, 2018**

The following claims on warrants listed below have been duly audited and ordered paid by Cerini & Associates, LLP (C&A).

| Warrant Number | Warrant Date | Fund | Beg Check Number | End Check Number | Number of Claims on Warrant | Approved Number of Claims | Approved Amount |
|----------------|--------------|---------|------------------|------------------|-----------------------------|---------------------------|------------------------|
| 146 | 12/21/18 | A (Med) | 70032 | 70715 | 684 | 684 | \$ 1,014,882.00 |
| 150 | 12/21/18 | A | 70716 | 70782 | 67 | 67 | \$ 459,025.91 |
| 149 | 12/21/18 | A | 70783 | 70858 | 76 | 76 | \$ 254,044.40 |
| 148 | 12/21/18 | A | 70859 | 70870 | 12 | 12 | \$ 20,364.46 |
| 154 | 12/21/18 | A | 70871 | 70871 | 1 | 1 | \$ 23,804.69 |
| 152 | 12/21/18 | C | 20838 | 20849 | 12 | 12 | \$ 23,874.58 |
| 147 | 12/21/18 | OT | 15436 | 15437 | 2 | 2 | \$ 10,354.24 |
| 153 | 12/21/18 | T&A | 10860 | 10870 | 11 | 11 | \$ 101,629.33 |
| | | | | Wires | 40 | 40 | \$ 1,646,519.40 |
| Totals | | | | | 905 | 905 | \$ 3,554,499.01 |

The detailed documentation supporting the claims listed above has been reviewed and approved by the Claims Auditor and the payment of each certified claim verified that it was charged to the proper fund.

The aforementioned function was performed by representatives of Cerini & Associates, LLP as certified below.

Cerini & Associates LLP

 Claims Auditor
 Cerini & Associates, LLP

January 31, 2019

The Board of Education
Three Village Central School District
Stony Brook, NY 11790



Board of Education:

During our claims audit procedures conducted during January 2019, we reviewed approximately 626 claims and have identified the items below that need to be reviewed. We have approved these claims for payment and release (except as noted below), as they were valid claims against the District. Although we noted the following instances during our review, the expenditures appear to be appropriate.

Findings:

1. There was 1 check that was noted due to an incorrect check amount (underpayment of \$34.00.) The underpayment will be added to the next payment to the vendor.

Other Matters:

1. We noted 4 claims where the purchase order was encumbered subsequent to the date of the invoice or service. While these confirming purchase orders provide evidence of expenditures, the real control is in ensuring that such purchases are approved before being committed to by the District. To ensure that budgetary limits are monitored, and expenditures are properly approved and obtained at the most appropriate price, all purchase orders, where practicable, should be generated prior to goods and services being ordered and received.
2. We noted 6 instances that contained invoices that were held for more than 90 days prior to payment based on the dates of our review. We recognize that invoices come from multiple departments within the District and understand that sometimes invoices are lost or misplaced, or there may be problems with the products purchased that may require the District to hold payments. Management has advised the departments to remit approved invoices in a timely manner.
3. We noted 1 instance where the purchase order was increased after the invoice date. We spoke to accounts payable to ensure that while the purchase orders were under-encumbered, there was enough money in the budget line for the expenditure. Even so, the increased amount is essentially confirming, as the Purchasing Agent did not authorize the excess amount.

We understand the fiduciary duty of the Board of Education, as well as the role of the claims auditor in ensuring that all disbursements are valid and handled according to the provisions of the Education Law and the Board's policies and procedures.

Should you have any questions regarding anything included in our report, please do not hesitate to contact us at (631) 582-1600.

Sincerely,

Cerini & Associates LLP

Cerini & Associates, LLP

Claims Auditors

Three Village CSD
 Instance Schedule
 January 2019

| Yr/lt Date | Fund | Check # | Vendor / Payee Description | Department | PO # | PO Date | Original PO Amount | Invoice Date | Instance Amount | Instance | Action/Resolution |
|--------------|------|----------|-------------------------------|----------------------|-----------|----------|--------------------|----------------------------------|-----------------|---------------------------------|---------------------------------------|
| 01/11/19 | A | 71123 | Kelly Walsh | Interoffice | - | - | - | November - December 2018 | (34.00) | Incorrect Check Amount | Adjustment will be made on next check |
| Total | | 1 | | | | | | | (34.00) | | |
| 01/11/19 | A | 71055 | Cowan/Kerry | Ward Melville HS | A19-02961 | 10/25/18 | - | 09/28/18 | 450.00 | Confirming Purchase Order(s) | |
| 01/11/19 | A | 71091 | Walter Olsen | Ward Melville HS | A19-03478 | 12/12/18 | - | 11/02/18 | 1,402.19 | Confirming Purchase Order(s) | |
| 01/11/19 | A | 71104 | Lisa Rothblond | Ward Melville HS | A19-02963 | 10/25/18 | - | 09/28/18 | 450.00 | Confirming Purchase Order(s) | |
| 01/11/19 | A | 71108 | Hurry Savage | Stamket Elementary | A19-02843 | 07/08/19 | - | 11/30/18 | 155.00 | Confirming Purchase Order(s) | |
| Total | | 4 | | | | | | | 2,457.19 | | |
| 01/11/19 | A | 71021 | School Specialty Inc | Arrowhead Elm School | Various | - | - | Various August - October 2018 | Partial | Invoices Over 90 Days | |
| 01/11/19 | A | 71030 | SupplyWorks | North Country Admin | A19-00302 | - | - | 09/17/18 | Partial | Invoices Over 90 Days | |
| 01/25/19 | A | 71153 | Custom Computer Specialkls | North Country Admin | A18-04889 | - | - | 06/14/18 | Whole | Invoices Over 90 Days | |
| 01/25/19 | A | 71162 | Frey Science/School Specialty | Robert C Murphy JHS | A19-01231 | - | - | 08/03/18 | Whole | Invoices Over 90 Days | |
| 01/11/19 | A | 71192 | School Specialty Inc | Ward Melville HS | Various | - | - | Various August 2018 | Partial | Invoices Over 90 Days | |
| 01/11/19 | C | 20856 | Life Uniform Co | North Country Admin | C19-00013 | - | - | Various September - October 2018 | Partial | Invoices Over 90 Days | |
| Total | | 6 | | | | | | | | | |
| 01/11/19 | A | 71075 | Bevin Jackett | North Country Admin | A19-02455 | 09/20/18 | 142.00 | 10/29/18 | 219.00 | PO Increased After Invoice Date | |
| Total | | 1 | | | | | | | 219.00 | | |



**Three Village CSD
Warrant Summary
January 11, 2019**

The following claims on warrants listed below have been duly audited and ordered paid by Cerini & Associates, LLP (C&A).

| Warrant Number | Warrant Date | Fund | Beg Check Number | End Check Number | Number of Claims on Warrant | Approved Number of Claims | Approved Amount |
|----------------|--------------|------|------------------|------------------|-----------------------------|---------------------------|------------------------|
| 157 | 01/11/19 | A | 70872 | 70963 | 92 | 92 | \$ 443,121.46 |
| 159 | 01/11/19 | A | 70964 | 71043 | 80 | 80 | \$ 956,417.20 |
| 161 | 01/11/19 | A | 71044 | 71128 | 85 | 85 | \$ 14,689.48 |
| 164 | 01/11/19 | A | 71129 | 71135 | 7 | 7 | \$ 25,168.43 |
| 165 | 01/11/19 | A | 71136 | 71136 | 1 | 1 | \$ 34.00 |
| V119 | 01/04/19 | A | | Void | 1 | 1 | \$ (767.72) * |
| V115 | 01/04/19 | A | | Voids | 3 | 3 | \$ (262.19) ** |
| 163 | 01/11/19 | C | 20850 | 20857 | 8 | 8 | \$ 47,562.93 |
| 158 | 01/11/19 | F | 10341 | 10352 | 12 | 12 | \$ 215,044.15 |
| 162 | 01/11/19 | H | 5229 | 5229 | 1 | 1 | \$ 338,906.32 |
| 160 | 01/11/19 | OT | 15438 | 15442 | 5 | 5 | \$ 1,226.25 |
| 156 | 01/04/19 | T&A | 10871 | 10878 | 8 | 8 | \$ 26,657.27 |
| | | | | Wires | 33 | 33 | \$ 1,643,368.50 |
| Totals | | | | | 336 | 336 | \$ 3,711,166.08 |

* Represents check 69462, which was voided by the District.

** Includes checks 69361, 69369, and 69370, which were voided by the District.

The detailed documentation supporting the claims listed above has been reviewed and approved by the Claims Auditor and the payment of each certified claim verified that it was charged to the proper fund.

The aforementioned function was performed by representatives of Cerini & Associates, LLP as certified below.

Cerini & Associates LLP

Claims Auditor
Cerini & Associates, LLP



Three Village CSD
Warrant Summary
January 25, 2019

The following claims on warrants listed below have been duly audited and ordered paid by Cerini & Associates, LLP (C&A).

| Warrant Number | Warrant Date | Fund | Beg Check Number | End Check Number | Number of Claims on Warrant | Approved Number of Claims | Approved Amount |
|----------------|--------------|------|------------------|------------------|-----------------------------|---------------------------|------------------------|
| 174 | 01/25/19 | A | 71138 | 71203 | 66 | 66 | \$ 286,557.80 |
| 170 | 01/25/19 | A | 71204 | 71211 | 8 | 8 | \$ 3,815.11 |
| 171 | 01/25/19 | A | 71212 | 71212 | 1 | 1 | \$ 759,282.91 |
| 176 | 01/25/19 | A | 71137 | 71137 | 107 | 107 | \$ 299,955.49 |
| | | | 71213 | 71318 | | | |
| 177 | 01/25/19 | A | 71319 | 71342 | 24 | 24 | \$ 5,100.35 |
| 178 | 01/25/19 | A | 71343 | 71343 | 1 | 1 | \$ 500.00 |
| V118 | 01/24/19 | A | | Voids | 3 | 3 | \$ (99.90) * |
| V146 | 01/24/19 | A | | Voids | 2 | 2 | \$ (3,751.50) ** |
| V161 | 01/24/19 | A | | Void | 1 | 1 | \$ (450.00) *** |
| V082 | 01/24/19 | A | | Void | 1 | 1 | \$ (48.78) **** |
| V159 | 01/24/19 | A | | Void | 1 | 1 | \$ (556.92) + |
| V062 | 01/23/19 | A | | Void | 1 | 1 | \$ (214.41) ++ |
| 179 | 01/25/19 | C | 20858 | 20863 | 6 | 6 | \$ 46,653.54 |
| 175 | 01/25/19 | F | 10353 | 10361 | 9 | 9 | \$ 24,646.28 |
| 180 | 01/25/19 | H | 5230 | 5232 | 3 | 3 | \$ 256,277.90 |
| 173 | 01/25/19 | OT | 15443 | 15445 | 3 | 3 | \$ 3,895.75 |
| 169 | 01/18/19 | T&A | 10879 | 10890 | 12 | 12 | \$ 101,641.94 |
| | | | | Wires | 39 | 39 | \$ 1,726,249.34 |
| 172 | 01/25/19 | T&A | 10891 | 10892 | 2 | 2 | \$ 1,918.92 |
| | | | | Totals | 290 | 290 | \$ 3,511,373.82 |

- * Represents checks 69555, 69559, and 69585, which were voided by the District.
- ** Represents checks 70182 and 70643, which were voided by the District.
- *** Represents check 71104, which was voided by the District.
- **** Represents check 68855, which was voided by the District.
- + Represents check 70999, which was voided by the District.
- ++ Represents check 68394, which was voided by the District.

The detailed documentation supporting the claims listed above has been reviewed and approved by the Claims Auditor and the payment of each certified claim verified that it was charged to the proper fund.

The aforementioned function was performed by representatives of Cerini & Associates, LLP as certified below.

Cerini & Associates LLP

Claims Auditor
Cerini & Associates, LLP