

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 12, 2012

Re: Comparison of Sachem's Claims Audit to other Districts

Pursuant to the request of the Sachem Central School District's Associate Superintendent and the Board of Education, we have performed a comparison of three (3) School District's claim audits including the Sachem Central School District in the table below:

Reason for Inquiry	Sachem		District A		District B	
	Count	Percentage	Count	Percentage	Count	Percentage
Invoice date precedes PO date	278	2.91%	147	2.38%	379	3.64%
Invoice over 90 days outstanding	251	2.63%	123	1.99%	285	2.73%
Insufficient supporting backup	159	1.66%	58	0.94%	36	0.35%
Missing Prices and Extensions Verification	129	1.35%	N/A	0.00%	N/A	0.00%
Wrong remittance address	87	0.91%	6	0.10%	3	0.03%
Not an original invoice	75	0.79%	19	0.31%	16	0.15%
Incorrect check amount	41	0.43%	9	0.15%	10	0.10%
Incorrect vendor name	20	0.21%	N/A	0.00%	N/A	0.00%
Items Purchased not on Contract/Bid	8	0.08%	N/A	0.00%	N/A	0.00%
Missing receiving signature on invoice or PO	6	0.06%	N/A	0.00%	N/A	0.00%
Discount not applied	5	0.05%	3	0.05%	N/A	0.00%
Check issued prior to auditors approval	3	0.03%	N/A	0.00%	N/A	0.00%
Missing Purchasing Agents Signature on PO	3	0.03%	N/A	0.00%	N/A	0.00%
Contract/Bid Price Inconsistent w/ Invoice	2	0.02%	N/A	0.00%	N/A	0.00%
Missing Student Signature (ECAAF only)	2	0.02%	N/A	0.00%	N/A	0.00%
Purchase Order not dated	2	0.02%	N/A	0.00%	N/A	0.00%
Quote information not attached	2	0.02%	N/A	0.00%	13	0.12%
Invoice Modified	1	0.01%	N/A	0.00%	N/A	0.00%
Altered invoice date	N/A	0.00%	1	0.02%	N/A	0.00%
Duplicate payment	N/A	0.00%	N/A	0.00%	1	0.01%
Missing receiving signature on invoice/PO	N/A	0.00%	1	0.02%	N/A	0.00%
No receiving signature on invoice or PO	N/A	0.00%	N/A	0.00%	7	0.07%
Paid sales tax	N/A	0.00%	1	0.02%	1	0.01%
PO detail inconsistent with invoice	N/A	0.00%	N/A	0.00%	1	0.01%
Prepayment of service	N/A	0.00%	2	0.03%	N/A	0.00%
Vendor name incorrect	N/A	0.00%	1	0.02%	N/A	0.00%
Grand Total	1074	11.25%	371	6.01%	752	7.21%
Total Claims Audited	9,550	100.00%	6,178	100.00%	10,424	100.00%
Dollar Amount of Claims with Inquires	7,848,352	2.69%	2,158,116	2.94%	4,710,604	3.60%
Dollar Amount of Total Claims Audited	292,176,332	100.00%	73,368,608	100.00%	130,797,118	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.