



# HICKSVILLE UFSD

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Claims Audit Presentation to the Board of Education  
October 29, 2019



# Claims Audit Role

1. Ensuring proper purchasing procedures are followed and every claim is in accordance with General Municipal Law (GML) and the District's Purchasing Policy
2. Ensuring that for all of the District's disbursements, the following internal controls are in place:
  - The Purchasing Agent's signature is on the PO with the proper authorization
  - The receiving copy of the PO is signed and dated, acknowledging that materials or services were received
  - The extensions are correct, no unauthorized tax is paid, and transportation charges are accurate
  - Proper bids and quotes are obtained and prices are verified against the proper bid, contract, or quote
  - The charges are not duplicates of an item(s) already paid
  - The price billed does not exceed the bid or contract authorization
  - Expenditures were charged to the accurate budget code
  - The signer of the check is an authorized signer
  - The payee per the check is the same on the invoice and the warrant
3. Noting all instances that fall outside the GML or District policy. These include, but are not limited to:
  - Confirming purchase orders
  - Purchasing items without proper bids or quotes
  - Absence of Board approval as required by District policy

# Claims Summary

## July 1, 2018 – June 30, 2019

	12-Month Total		
	# of	% of	% of
<u>Claims Audit Issue</u>	<u>Instances</u>	<u>Claims</u>	<u>Instances</u>
<b><u>Findings:</u></b>			
Incorrect check amount	1	0.02	9.09
Insufficient backup	2	0.03	18.18
Sales tax included in check	1	0.02	9.09
Not an appropriate expense	1	0.02	9.09
<b><u>Total Issues:</u></b>	<b>5</b>	<b>0.09</b>	<b>45.45</b>
<b><u>Other Matters:</u></b>			
Confirming purchase orders	5	0.08	45.45
Confirming purchase orders - signed by District	1	0.02	9.09
<b><u>Total Other Matters:</u></b>	<b>6</b>	<b>0.10</b>	<b>54.55</b>
<b>TOTAL NUMBER OF INSTANCES</b>	<b>11</b>	<b>0.19</b>	<b>100.00</b>
<b>TOTAL CLAIMS AUDITED (Excluding Medicare)</b>	<b>6046</b>		

- Average of 504 claims per month
- Medicare check runs are done once a year, generally in March

# Summary by Quarter

## July 1, 2018 – June 30, 2019

	1st Quarter Total			2nd Quarter Total			3rd Quarter Total			4th Quarter Total		
	# of Instances	% of Claims	% of Instances	# of Instances	% of Claims	% of Instances	# of Instances	% of Claims	% of Instances	# of Instances	% of Claims	% of Instances
<b>Claims Audit Issue</b>												
<b>Findings:</b>												
Incorrect check amount	0	0.00	0.00	1	0.06	20.00	0	0.00	0.00	0	0.00	0.00
Insufficient backup	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	2	0.12	40.00
Sales tax included in check	0	0.00	0.00	1	0.06	20.00	0	0.00	0.00	0	0.00	0.00
Not an appropriate expense	1	0.09	100.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
<b>Total Issues:</b>	<b>1</b>	<b>0.09</b>	<b>100.00</b>	<b>2</b>	<b>0.12</b>	<b>40.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>2</b>	<b>0.12</b>	<b>40.00</b>
<b>Other Matters:</b>												
Confirming purchase orders	0	0.00	0.00	2	0.11	40.00	0	0.00	0.00	3	0.18	60.00
Confirming purchase orders - signed by District	0	0.00	0.00	1	0.06	20.00	0	0.00	0.00	0	0.00	0.00
<b>Total Other Matters:</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>3</b>	<b>0.17</b>	<b>60.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>3</b>	<b>0.18</b>	<b>60.00</b>
<b>TOTAL NUMBER OF INSTANCES</b>	<b>1</b>	<b>0.09</b>	<b>100.00</b>	<b>5</b>	<b>0.29</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>5</b>	<b>0.30</b>	<b>100.00</b>
<b>TOTAL CLAIMS AUDITED (Excluding Medicare)</b>	<b>1,163</b>			<b>1,788</b>			<b>1,440</b>			<b>1,655</b>		

# Claims Instances

## July 1, 2018 – June 30, 2019

### Findings:

- **Incorrect Check Amount** (1 instance)
  - Dollar amount of the instance was \$7.36.
  - This accounts for approximately 0.02% of all claims reviewed
- **Additional Back-up Requested** (2 instances)
  - Dollar amount of the instances were \$24,617.70.
  - These account for approximately 0.03% of all claims reviewed
- **Sales Tax Included in Check** (1 instance)
  - Dollar amount of the instance was \$33.36
  - This accounts for approximately 0.02% of all claims reviewed
- **Not an Appropriate Expense** (1 instance)
  - Dollar amount of the instance was \$5.00.
  - This accounts for approximately 0.02% of all claims reviewed

### Other Matters:

- **Confirming purchase orders** (5 instances from the General Fund)
  - Dollar amount of the instances were \$17,640.42.
  - These account for approximately 0.08% of all claims reviewed
- **Confirming purchase orders – Signed by District** (1 instance from the General Fund)
  - Dollar amount of the instance was \$1,920.00.
  - This accounts for approximately 0.02% of all claims reviewed

# Claims Summary for Quarter July 1, 2019 – September 30, 2019

1st Quarter Totals			
	# of	% of	% of
<u>Claims Audit Issue</u>	<u>Instances</u>	<u>Claims</u>	<u>Instances</u>
<b><u>Findings:</u></b>			
Duplicate payment	1	0.09	7.14
<b><u>Total Issues:</u></b>	1	0.09	7.14
<b><u>Other Matters:</u></b>			
Confirming purchase orders	1	0.09	7.14
Incorrect check request (approved by Board)	12	1.05	85.71
<b><u>Total Other Matters:</u></b>	13	1.14	92.85
<b>TOTAL NUMBER OF INSTANCES</b>	14	1.23	100.00
<b>TOTAL CLAIMS AUDITED (excluding Medicare)</b>	<b>1,144</b>		

# Claims Summary by Month

## July 1, 2019 – September 30, 2019

	Jul-19			Aug-19			Sep-19		
	# of Instances	% of Claims	% of Instances	# of Instances	% of Claims	% of Instances	# of Instances	% of Claims	% of Instances
<b>Claims Audit Issue</b>									
<b>Findings:</b>									
Duplicate payment	0	0.00	0.00	1	0.33	7.69	0	0.00	0.00
<b>Total Issues:</b>	0	0.00	0.00	1	0.33	7.69	0	0.00	0.00
<b>Other Matters:</b>									
Confirming purchase orders	0	0.00	0.00	0	0.00	0.00	1	0.17	100.00
Incorrect check request (approved by Board)	0	0.00	0.00	12	4.00	92.31	0	0.00	0.00
<b>Total Other Matters:</b>	0	0.00	0.00	12	4.00	92.31	1	0.17	100.00
<b>TOTAL NUMBER OF INSTANCES</b>	0	0.00	100.00	13	4.33	100.00	1	0.17	100.00
<b>TOTAL CLAIMS AUDITED (excluding Medicare)</b>	243			300			601		

# Claims Instances

## July 1, 2019 – September 30, 2019

### Findings:

- **Duplicate Payment** (1 instance)
  - Dollar amount of the instance was \$116.40.
  - This accounts for approximately 0.09% of all claims reviewed for the quarter.

### Other Matters:

- **Confirming purchase orders** (1 instance from the General Fund)
  - Dollar amount of the instance was \$854.08.
  - This accounts for approximately 0.09% of all claims reviewed for the quarter.
- **Incorrect Check Request** (12 instances)
  - Dollar amount of the instances were \$1,200.00.
    - The Board approved 12 petty cash disbursement checks for \$200 each which were voided as the amounts were greater than the maximum amount permissible by School Law. According to School Law 8 CRR-NY 170.4, the balance on hand in each petty cash fund shall not exceed \$100 at any time for a school.
  - These account for approximately 1.05% of all claims reviewed for the quarter.



## Proactive Measures Implemented by the District

- ✓ Management continues to educate its staff on the District's purchasing policies and practices so that all authorizing administrators understand and abide by the District's purchasing policies.
- ✓ The Business Office staff continues to come to us with any claims related questions they have prior to processing their claims.

# Contact Information

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