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EXECUTIVE CORRESPONDENCE

December 10, 2014

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OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

The Honorable Andrew M. Cuomo
Governor of the State of New York
Executive Chamber, The Capitol
Albany, New York 12224

RE: Reply to Audit Report 2012-S-157, Selected Aspects of Discretionary Spending

Dear Governor Cuomo:

In accordance with Section 170 of the Executive Law, this letter provides the New York State Energy Research and Development Authority's ("NYSERDA's") response to the Office of the State Comptroller's audit report issued September 30, 2014, *Selected Aspects of Discretionary Spending* (No. 2012-S-157), a copy of which is also enclosed.

I provide below NYSERDA's responses to the recommendations contained in the report.

1. Examine written policies and procedures to ensure they adequately address the various forms of Authority discretionary spending. The policies and procedures should include (but not be limited to): the definitions of such costs, the required written justification for them, the allowable dollar thresholds, and the formal approvals and supporting documentation required.

Response: Policies have been revised accordingly.

2. Complete actions to strengthen procurement card policy and thereby deter employees from making personal charges with Authority-issued cards. Require formal justification for purchases charged to procurement cards.

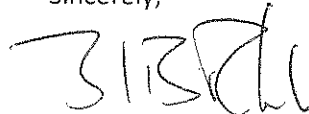
Response: Policies have been revised accordingly.

3. Ensure that discretionary costs, including those for employee relocations, fully comply with the Authority's policies and procedures.

Response: Policies have been revised accordingly.

Please contact me if you have any questions or need additional information.

Sincerely,



John B. Rhodes
President and CEO

New York State Energy Research and Development Authority

Albany

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