



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

DEPUTY COMMISSIONER
Office of Performance Improvement and Management Services
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May 13, 2013

The Honorable Thomas P. DiNapoli
Comptroller
Office of the State Comptroller
110 State Street, 15th Floor
Albany, NY 12236

RECEIVED
EXECUTIVE CORRESPONDENCE

MAY 16 2013
OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

Dear Comptroller DiNapoli:

In accordance with the provisions of Section 170 of the Executive Law, the following are actions that the State Education Department (Department) has taken, or will be taking, to implement the recommendations contained in the Office of the State Comptroller's (OSC) Final Audit Report (2010-S-69) of Kids & the Training Institute, Inc. (KTI): Compliance with the Reimbursable Cost Manual.

Recommendation #1: Review the disallowances resulting from our audit and make the appropriate adjustments to the costs reported on the CFRs. Adjust KTI's reimbursement rates, as appropriate.

On April 22, 2013, the Department received from the Office of the State Comptroller the information needed to apply the audit adjustments. We are in the process of reviewing and applying the recommended adjustments to KTI's tuition reimbursement rates for all the findings.

Recommendation #2: Direct KTI officials to comply with the provisions of the Manual and other Department requirements pertaining to Less-Than-Arm's-Length (LTAL) business relationships, time and attendance records, the classification of expenses, and SED program site approval.

This recommendation is no longer applicable as we were informed by KTI that they have decided to cease operating their Preschool Special Education Itinerant Teacher program.

If you have any questions regarding this response, please contact Ann Marsh, Director of the Rate Setting Unit at (518) 473-2020.

Sincerely,

Sharon Cates-Williams