



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 16, 2019

Hon. Thomas P. DiNapoli
New York State Comptroller
110 State Street, 15th Floor
Albany, NY 12236

Dear Comptroller DiNapoli:

In accordance with the provisions of Section 170 of the Executive Law, the following are actions that the State Education Department (SED) has taken, or will be taking, to implement the recommendations contained in the Office of the State Comptroller's (OSC) Final Audit Report (2017-S-15) Compliance with the Reimbursable Cost Manual: Northside Center for Child Development (Northside).

Recommendation 1:

"Review the recommended disallowances resulting from our audit and make the appropriate adjustments to the costs reported on Northside's CFR and tuition reimbursement rates."

SED is currently in the process of reviewing the Consolidated Fiscal Report (CFR) and OSC audit work papers and will make necessary adjustments and recover any overpayments, as appropriate, by recalculating tuition rates. SED intends to further review the recommended disallowances regarding membership dues, direct care consultants' non-contact hours, and child care allowances against the applicable standards in the Reimbursable Cost Manual.

Recommendation 2:

"Work with Northside officials to help ensure their compliance with the provisions in the Manual."

SED will continue to provide technical assistance whenever requested and will strongly recommend the Northside officials avail themselves of our assistance to help them better understand the rules for cost reporting and criteria for cost reimbursement as presented in the CFR, Regulation and the Reimbursable Cost Manual (RCM). Furthermore, SED will alert Northside of online training that is available on SED's webpage. SED recommends that all individuals signing the CFR certification statements, namely the Executive Director

and Certified Public Accountant, complete this training. This training is a requirement for preschool special education providers upon approval and reapproval.

Furthermore, SED will require Northside to identify the actions it has taken to cure and correct the deficiencies and/or violations identified in the audit. Northside's submission to SED must be certified by its Chief Executive Officer, with an attestation from each director, officer, trustee, and shareholder, and must contain all relevant information describing how policies, procedures and practices have been revised to address the specific findings of the audit, and how systemic changes to the internal controls and financial oversight have been implemented.

If you have any questions regarding this response, please contact James Kampf, Supervising Accountant, at (518) 474-3227.

Sincerely,

A handwritten signature in black ink that reads "Sharon Cates-Williams". The signature is written in a cursive style with a large initial 'S'.

Sharon Cates-Williams

c: Phyllis Morris
Christopher Suriano
David Sears
Suzanne Bolling
Brian Zawistowski
James Kampf