



**Office for People With
Developmental Disabilities**

ANDREW M. CUOMO
Governor

KERRY A. DELANEY
Acting Commissioner

December 4, 2018

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Cuomo:

Attached is the Office for People With Developmental Disabilities' comments on the Office of the State Comptroller's Final Audit Report 2017-S-29 entitled "Oversight of Young Adult Institute, Inc.'s Family Support Services Contracts" for the Office for People With Developmental Disabilities.

This response is being submitted to you in accordance with Section 170 of the Executive Law.

Sincerely,

Roger Bearden
Acting Executive Deputy Commissioner

Attachment

**Office for People With Developmental Disabilities'
Response to the Office of the State Comptroller's
Final Audit Report (No: 2017-S-29):
"Oversight of Young Adult Institute Inc.'s
Family Support Services Contracts"**

The New York State Office for People With Developmental Disabilities ("OPWDD") disagrees with certain findings and recommendations in the Office of the State Comptroller's ("OSC") final audit report (2017-S-29) entitled "Oversight of Young Adult Institute Inc.'s Family Support Services Contracts." In this audit, OSC reviewed costs claimed for Family Support Services ("FSS") on the Consolidated Fiscal Reports ("CFR") of voluntary agencies within the Young Adult Institute ("YAI") Network. This audit covers different periods, depending on the YAI Network agency, between 2013 and 2016.

Consistent with OPWDD's response to OSC's draft audit report, OPWDD agrees with two of OSC's findings and disagrees with the other. OSC asserted that YAI, Inc. reported costs totaling \$62,460 that it deemed ineligible for reimbursement, and that the Rockland County Association for People with Disabilities ("RCAPD") reported \$28,553 in costs for 2,362.50 units of service for counseling and respite services without any documentation to support the actual services provided. This finding was uncontested by YAI, and OPWDD does not dispute the finding. OSC also recommended that OPWDD establish and distribute formal policies and provide training to regional office staff for their review of CFRs and quarterly fiscal reports. This finding was also uncontested by OPWDD. OPWDD disagrees with OSC's finding that OPWDD lacks appropriate oversight, but it nevertheless has strengthened internal controls in response to each of OSC's findings and recommendations as described below.

RESPONSE TO OSC'S RECOMMENDATIONS AND STATEMENTS

Recommendation #1: Establish additional monitoring controls to ensure that the YAI Network is claiming only reasonable, necessary, allowable, and supported expenses that are consistent with both the CFR Manual and OPWDD guidelines. Controls should include, but not be limited to:

- Expanding desk reviews of supporting documentation for expenses and services, on a sample basis; and,
- Ensuring regional offices are performing the required monitoring of program service providers.

OSC's Statement to OPWDD: On page 16 of the final audit report, OSC stated "OPWDD is not exercising the appropriate fiscal oversight in place to ensure the YAI Network is only claiming FSS expenses that are program appropriate and consistent with contract requirements." OSC further commented that "enhanced controls are justified" without acknowledging control improvements OPWDD communicated in its response to OSC's draft audit report and has since implemented as described below.

Response: While OPWDD disagrees with OSC's recommendation, it has strengthened its oversight and monitoring of FSS payments provided by YAI Inc. by requiring YAI, effective July 1, 2018, to enhance quarterly expenditure data by allocating expenditures to individual programs, thereby improving financial oversight. The requirement to report such expenditures separately will be formalized in the contract with OPWDD and YAI, Inc.

Recommendation #2: Establish and distribute formal policies and procedures to regional offices for reviewing CFRs and quarterly fiscal reports, and provide training to regional offices to ensure compliance.

Response: OPWDD agrees with this recommendation and has begun to implement the improvements described in OPWDD's response to OSC's draft audit report by formalizing its policies and procedures for reviewing CFRs and quarterly fiscal reports. OPWDD is reinforcing the need for consistency of practice through the dissemination of best practices guidance, both in writing and via OPWDD's monthly regional office contract management meetings. OPWDD has and will continue to reinforce relevant policies and procedures during these monthly meetings as well. In addition to existing on-the-job training provided to new staff in relation to financial review requirements, OPWDD will refresh and formally update regional office staff on such requirements annually.

Recommendation #3: Follow up with the YAI Network to formally assess: the \$47,418 in personal services expenses; the related estimated \$15,042 in fringe benefit expenses; and, the \$28,553 for the units of service claimed that are not allowable. Take steps to ensure the organization does not re-claim these costs in the future.

Response: OPWDD agrees with this recommendation and has implemented the improvements described in OPWDD's response to OSC's draft audit report. YAI has repaid OPWDD the unallowable costs identified through OSC's audit. YAI will not re-claim these costs in the future because YAI has strengthened its internal controls to ensure these costs are adequately supported with documentation and are compliant with the CFR Manual.