



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

DEPUTY COMMISSIONER
Office of Performance Improvement and Management Services
O: 518.473-4706
F: 518.474-5392

September 30, 2019

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

RECEIVED
EXECUTIVE CORRESPONDENCE

OCT 16 2019

OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

Dear Comptroller DiNapoli:

Attached is a copy of the corrective actions that the Department of Education has taken since the release of the audit performed by the state comptroller office, titled Final Audit Report (2018-S-47) Children's Unit for Treatment and Evaluation (CUTE) - Compliance with the Reimbursable Cost Manual.

According to Executive Law §170, whenever the state comptroller shall conduct an audit of the activities and operations of any department and the final report makes recommendations for corrective action, the head of the entity audited shall report within ninety days after receipt thereof to the governor, the state comptroller, the president, president pro tem and minority leader of the senate, the speaker, majority and minority leaders of the assembly, and the chairman and ranking minority members of the senate finance committee and the assembly ways and means committees of the state legislature what steps were taken to implement such recommendations, and, where recommendations were not implemented, the reasons therefor.

Yours truly,

Sharon Cates-Williams
Deputy Commissioner



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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 (2018-S-47) Children's Unit for Treatment and Evaluation (CUTE) - Compliance with the Reimbursable Cost Manual.

Recommendation 1:

"Review the findings identified by our audit and, if warranted, make the necessary adjustments to the costs reported on CUTE's CFRs and to CUTE's 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 associated with parent agency administration costs to determine if the amounts of the recommended disallowances are warranted.

Recommendation 2:

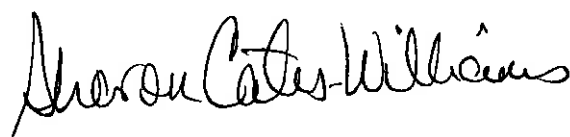
"Remind CUTE officials of the pertinent SED requirements that relate to the deficiencies we identified."

SED will continue to provide technical assistance whenever requested and will strongly recommend the CUTE 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 CUTE 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 CUTE to identify the actions it has taken to cure and correct the deficiencies and/or violations identified in the audit. CUTE'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 Brian Zawistowski, Assistant Director, 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' and a distinct 'W'.

Sharon Cates-Williams
Deputy Commissioner

c: Phyllis Morris
Christopher Suriano
Suzanne Bolling
Traci Coleman
Brian Zawistowski
James Kampf