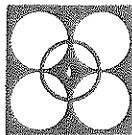


St. Francis de Sales School for the Deaf  
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February 16, 2011

Mr. Kenrick Sifontes  
Audit Manager  
New York State Office of the Comptroller  
Division of State Government Accountability  
123 William Street  
N.Y., N.Y. 10038

Dear Mr. Sifontes,

This letter contains the response of St. Francis de Sales School for the Deaf to the follow-up Audit Report (2010-F- 40) of the Office of the State Comptroller dated January 20, 2011. We are pleased to have this opportunity to provide our comments regarding the report's findings. We are also pleased that the report recognized the significant progress made in implementing the recommendations of the original audit.

The following actions have or are being taken in regard to the two recommendations that had been partially implemented and the one recommendation that was not implemented at the time of the report.

**Recommendation #4:** At the January 31<sup>st</sup> Board of Directors meeting the revisions to the By-Laws previously discussed were voted on and approved. The specific sections in the revised By-Laws related to this recommendation are quoted below:

Frequency of Board Meetings:

"There shall be a minimum of four meetings per school year (July 1<sup>st</sup> to June 30<sup>th</sup>)"

Establish Limits On Board Members Tenure:

"c) Term: Each trustee shall be appointed to a term of three years. At the end of such term a Trustee may request to continue to serve as a Trustee for another three year term. The Board by a two-thirds vote of the entire Board can choose to approve or deny the request. A denial of the request can be done with or without cause."

Establish Board Responsibility for Oversight of the Contracting Process:

"Audit and Finance Committee with responsibility to periodically meet with management and the auditors to consider the adequacy of internal controls and financial reporting processes, to review the reliability of fiscal reports, the independence and performance of the external auditors, the contracting process, the bidding process, steps taken by management to address audit report findings, compliance with legal and regulatory requirements, and steps taken by management to minimize significant risks to the institution. Members of the committee shall include the Treasurer who will serve as Chairperson of the committee, the President and one or two other Directors appointed by the President."

**Recommendation # 5:** The following is offered as evidence that the Audit & Finance Committee is monitoring the bidding process.

Prior to the November 3, 2010 Board of Directors meeting the contract for security services was submitted to the Audit & Finance Committee for review. The Treasurer who is the Chairperson of the Audit & Finance Committee recommended that the school not renew its security contract with its current vendor until other bids are solicited and provided to the Committee for review. All members agreed. (In the Minutes of the 11/3/10 Board Meeting) At the January 31, 2011 Board Meeting the bids that had been received were reviewed by the Audit & Finance Committee and the chairperson requested that further reference information be acquired for three of the bidders. (Will be reflected in the minutes of the 1/31/11 Board Meeting).

Also at the January 31, 2011 the Audit & Finance Committee directed the school personnel to competitively bid payroll services and to submit the information received to the committee prior to the March 23, 2011 scheduled Board Meeting. (Will be reflected in the minutes of the 1/31/2011 Board Meeting)

**Recommendation #6:** As indicated in the response to Recommendation #5 above, payroll services will be bid out. Actions taken regarding the purchase of household/janitorial supplies are as follows. In January the school selected an OGS vendor who offered an "advantage program" to purchase a significant amount of our household/janitorial supplies, resulting in more cost effective purchasing. In addition we are actively seeking other OGS vendors to purchase the remaining supplies in the most cost effective manner. This process was discussed with the Audit & Finance Committee at the January 31, 2011 Board Meeting and approved. (Will be reflected in the minutes of the 1/31/2011 Board Meeting)

We appreciate the continued input of the Office of the State Comptroller and will continue to implement effective practices in the fiscal operation of St. Francis de Sales School for the Deaf.

Respectfully,



Robert Tuite

Board President



Edward McCormack

Director