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**New York State Office of the State Comptroller**  
Thomas P. DiNapoli

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Division of State Government Accountability

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# **Awarding and Oversight of Statewide Interoperable Communications Grants**

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## **Division of Homeland Security and Emergency Services**

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Report 2016-S-90

July 2017

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# Executive Summary

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## Purpose

To determine if the Division of Homeland Security and Emergency Services awarded contracts to entities that met eligibility requirements and if the Division provided adequate oversight of the Statewide Interoperable Communications Grant awards to ensure grant funds were allocated and spent for intended purposes. This audit covered the period from April 1, 2010 through April 5, 2017.

## Background

The Division of Homeland Security and Emergency Services (Division) oversees and directs the development, coordination, and implementation of policies, plans, standards, programs, and services related to interoperable and emergency communications. Within the Division, the Office of Interoperable and Emergency Communications (Office) is responsible for administering the Statewide Interoperable Communications Grant (SICG) program, which awards grants to counties to help them enhance their emergency response capabilities to support statewide communications between emergency responders (interoperable communications).

The SICG program is funded by cellular communications surcharge revenue. From December 21, 2011 through March 29, 2017, the Division awarded 137 grants in five rounds of funding totaling \$292 million. For Rounds 1 through 4, which were distributed between 2011 and 2015, contracts were awarded based on a combination of pass/fail and scored evaluation methods, and distributed based on total score, highest to lowest; Round 3 eligibility was limited to counties that applied but did not receive any funding in the previous rounds. For Round 5, the Division determined awards using a formula-based system. In Round 5 of funding, issued in March 2017 and totaling \$45 million, all counties that applied for grants received funding.

Funds are distributed through vouchers that counties submit to the Division for reimbursement of expenses. The Division is responsible for reviewing vouchers to ensure expenses are appropriate and consistent with contract requirements. Counties are required to maintain all supporting documentation of expenses and to make this documentation available upon request. The Division also monitors counties' activity through site visits, telephone calls, and Regional Consortiums to ensure counties are making improvements appropriately and timely.

## Key Findings

- The Division awarded SICG funding to qualified recipients in accordance with its requirements. The Division assessed and re-evaluated its eligibility criteria after each round of awards was issued to ensure that the SICG program would achieve its intended goal of statewide interoperability.
- The Division is generally meeting its obligations for ensuring that grant funds are appropriately allocated. We did, however, identify certain process deficiencies in the areas of monitoring and documentation that could increase the risk of inappropriate use of funds and hinder the Division's progress toward statewide interoperability.
- The Division does not have procedures in place to conduct regular site visits to physically verify the status of counties' projects. When site visits are conducted, staff are not required to

document results for progress tracking purposes.

- The reimbursement voucher approval process does not have a mechanism in place to trigger closer scrutiny of larger voucher amounts, which pose a higher risk of misuse. Furthermore, staff are not required to document instances where they've identified questionable voucher requests and requested additional documentation for review, which limits the Division's ability to monitor counties for potential patterns of misuse.
- The Division's policy regarding documentation for grant extension requests is not clearly stated, nor does it strictly enforce its documentation requirements.

### **Key Recommendations**

- Develop procedures that will enhance monitoring of SICG grants, including (but not limited to) site monitoring and improvements to the expenditure reimbursement approval process.
- Identify and assess reasons for past inconsistencies in approving grant extensions and implement additional controls to ensure compliance with Division requirements.
- Provide training to the counties to ensure they are aware of the requirements they must meet to obtain contract extensions.

### **Other Related Audit/Report of Interest**

[New York State Homes and Community Renewal: Low-Income Housing Trust Fund Program \(2013-S-32\)](#)

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**State of New York**  
**Office of the State Comptroller**

**Division of State Government Accountability**

July 18, 2017

Mr. Roger Parrino  
Commissioner  
Division of Homeland Security and Emergency Services  
1220 Washington Ave.  
State Campus Office Building 7A  
Albany, NY 12226

Dear Commissioner Parrino:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Awarding and Oversight of Statewide Interoperable Communications Grants*. The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller*  
*Division of State Government Accountability*

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This report is also available on our website at: [www.osc.state.ny.us](http://www.osc.state.ny.us)

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## Background

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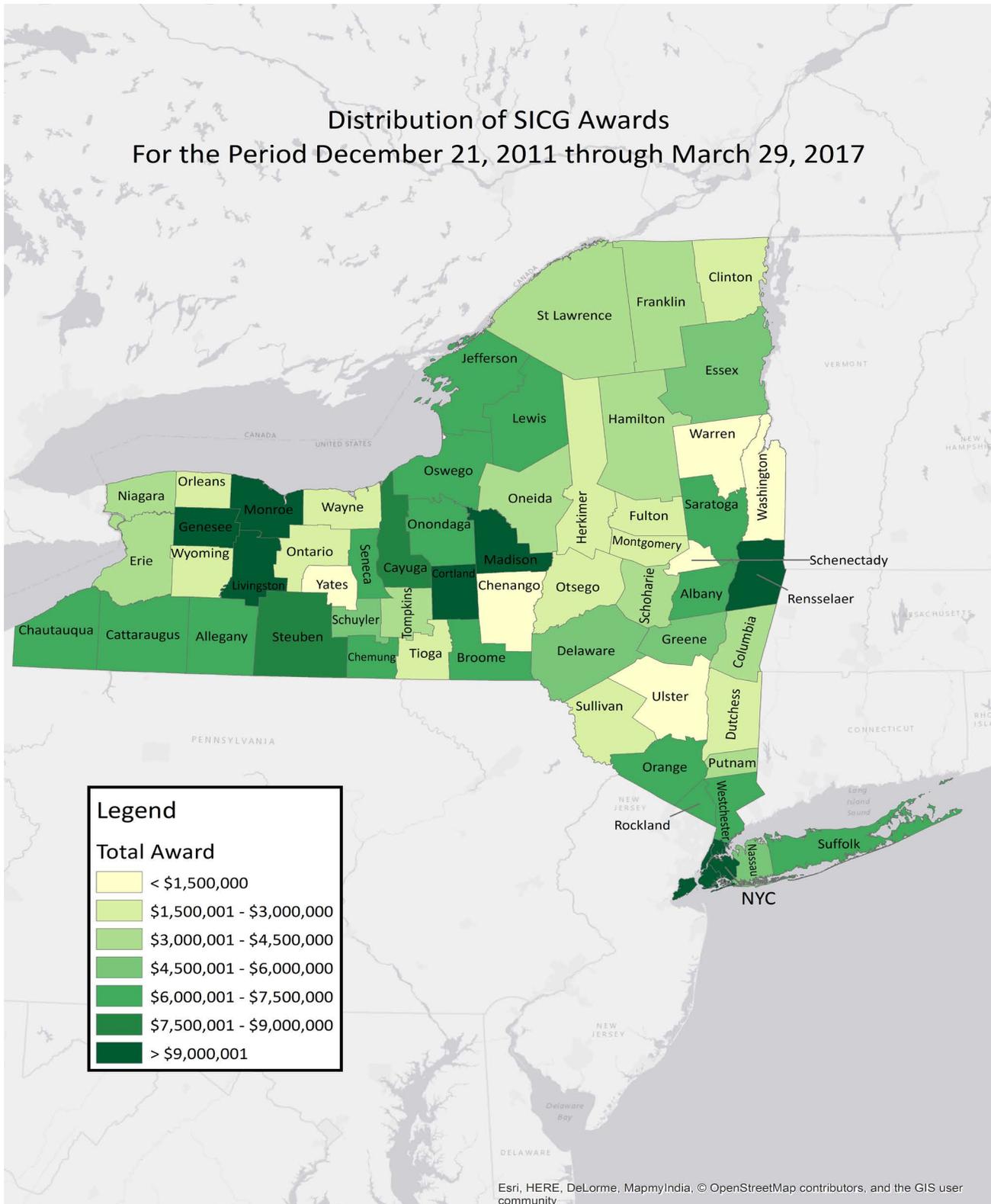
The Division of Homeland Security and Emergency Services (Division) oversees and directs the development, coordination, and implementation of policies, plans, standards, programs, and services related to interoperable and emergency communications. Within the Division, the Office of Interoperable and Emergency Communications (Office) is responsible for administering the Statewide Interoperable Communications Grant (SICG) program, which awards grants to counties to help them enhance their emergency response capabilities to support statewide communications between emergency responders (interoperable communications).<sup>1</sup> The SICG program is funded by cellular communications surcharge revenue.

The Division established certain requirements that counties must meet to be eligible for grant awards. Funds are distributed through vouchers that counties submit to the Division for reimbursement of expenses. The Division is responsible for reviewing vouchers to ensure expenses are appropriate and consistent with contract requirements. Counties are required to maintain all supporting documentation of expenses and to make this documentation available upon request. The Division also monitors counties' activity through site visits, telephone calls, and Regional Consortiums to ensure counties are making improvements appropriately and timely.

From December 21, 2011 through March 29, 2017, the Division awarded 137 grants in five rounds of funding totaling \$292 million. For Rounds 1 through 4, which were distributed between 2011 and 2015, contracts were awarded based on a combination of pass/fail and scored evaluation methods, and distributed based on total score, highest to lowest; Round 3 eligibility was limited to counties that applied for but did not receive any funding in the previous rounds. For Round 5, the Division determined awards using a formula-based system. In Round 5 of funding, issued in March 2017 and totaling \$45 million, all counties that applied for grants received funding. The following map depicts the grant monies received by county for all five SICG grant rounds. Also, the Exhibit provides funding details by county and round.

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<sup>1</sup> For purposes of this report, all five counties of New York City are combined and identified collectively as "New York."



SICG grants are valid for a 12-month period. Where needed, counties can apply to the Division to have their SICG grants extended. Any unused SICG award amounts are to be returned to the Division’s Special Revenue Fund.

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## Audit Findings and Recommendations

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We found the Division has awarded SICG funds to qualified recipients, in accordance with its requirements. In addition, after awarding each round of funding, the Division assessed the eligibility requirements used for the round and made reasonable adjustments for the next award cycle to ensure all counties had an opportunity to receive SICG funds and thus create a statewide progression toward interoperability.

The Division also is generally meeting its obligations for ensuring that grant funds are allocated appropriately. However, we identified certain process deficiencies in monitoring and documentation that could increase the risk of inappropriate use of funds and hinder the Division's progress toward its goal of statewide interoperability. Specifically, we noted that:

- The Division does not have procedures in place to conduct regular site visits to physically verify the status of counties' interoperability projects (e.g., infrastructure construction) and the equipment purchased with SICG funds. Rather, site visits are performed randomly, at the initiative of staff or at the request of the county. When site visits are conducted, staff are not required to document results for progress tracking purposes;
- The reimbursement voucher approval process does not have a mechanism in place to trigger closer scrutiny of larger voucher amounts, which pose a higher risk of misuse. Furthermore, staff are not required to document instances where they've identified questionable voucher requests and requested additional documentation for review, which limits the Division's ability to monitor counties for potential patterns of misuse; and
- The Division's policy regarding documentation for grant extension requests is not clearly stated, nor does it strictly enforce its documentation requirements.

The lack of documentation also limited our ability to reliably assess aspects of the Division's oversight. While our testing offered no evidence of misuse of funds, these gaps in oversight increase risk. Remedying these issues will provide the Division with greater assurance that funds are being used appropriately. When presented with our findings at the end of fieldwork, Division officials generally agreed with our conclusions and instituted procedures to address most of them.

### Grant Award Process

We determined that the Division assessed and re-evaluated its eligibility criteria after each round of awards was issued to ensure that the SICG program would achieve its intended goal of statewide interoperability. In 2011, the Division awarded the first round of SICG grants and over the next four years awarded three additional rounds. All four of these rounds were awarded through a competitive bid process; for Round 3, totaling \$75 million in funding, the Division changed the eligibility requirements, limiting grants to any county that did not receive SICG funds in the first two rounds.

To assess whether grants were awarded properly, for Rounds 2 through 4, we:

- Compared applications and eligibility requirements for four grants, and found the applications met the grant requirements. In addition, we compared the information sent in by the applicants with the scoring sheets for the same four grants and found the information matched.
- Analyzed five evaluators' ratings as well as the overall scoring, and found the ratings and the overall scoring were reasonable and justified for Rounds 2 and 4. Although a few outliers existed, we did not identify any patterns that suggested bias and deemed it unlikely the outliers had a significant influence on the awarding process.
- Analyzed and verified the scores for six different applicants, across two different rounds. We tested three counties that scored low but received funds and three counties that just missed the cutoff for funding based on their scores. For the six applicants, we verified the scores by comparing each application with the scoring sheet.
- Verified that counties that received funds in Round 3 had not received funds in the previous two rounds.

Prior to Round 5, the Division reviewed its method for awarding funds and transitioned to a formula-based grant funding that does not utilize any evaluators. The Division's goal was to ensure all counties had opportunities to receive funding in order to progress toward statewide interoperability. The basis of the new SICG formula was taken from another grant program that Division management found effective in balancing funding to all counties. As a result, the Division distributed \$45 million in SICG funding to all counties in Round 5. We determined the Round 5 formula was reasonable, and the awards to the counties were accurately calculated using the formula. We also verified that the criteria set forth in the Request for Applications matched what was used for the scoring formula.

## Monitoring of Counties' Activities

According to Division officials, they monitor counties' SICG program activities through telephone calls, emails, and site visits. We found that the Division does not have a formal schedule for performing site visits; rather, they are done either at Division staff's initiative or at counties' request. Furthermore, when site visits are performed, the Division does not require staff to document results to track counties' progress.

Lacking such documentation, we were unable to determine the adequacy of the Division's site visit assessments. Moreover, without routine site visits, the Division has limited assurance that counties are fulfilling their contractual obligations.

We interviewed officials from 15 counties to determine the extent to which the Division communicates with them to stay abreast of their progress. Officials from all 15 counties stated they felt the communication was good and their questions were always answered timely. County officials also commented that Division staff always attended the Regional Consortiums and were helpful in providing additional information or answering questions. When questioned about Division site visits, they could not always recall whether any had been performed, attributing this largely to turnover at the county level, lack of documentation, and the passage of time.

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## Review of Expenditures

According to Division officials, prior to approving and reimbursing larger purchases, or any questionable expenses, staff routinely request counties to provide additional documentation and conduct a deeper review to ensure reimbursements are appropriate. However, the Division's reimbursement voucher approval process does not have a mechanism in place, or benchmark amounts established, to trigger deeper, consistent scrutiny of potentially higher-risk vouchers. Furthermore, staff are not required to document instances where they identified questionable voucher requests and requested additional documentation for review. This limits the Division's ability to: ensure the expenses are reviewed consistently; monitor counties' reimbursement vouchers for potential patterns of questionable expenses; and ensure that counties are spending funds effectively, efficiently, and appropriately in support of the SICG program's objective.

Lacking documentation to assess the extent to which to grant monies were spent per contract requirements, we conducted site visits for a judgmental sample of seven counties to account for equipment purchased using SICG funds (e.g., towers recently built, radios and other communication equipment in use). For these seven counties, we reviewed vouchers and supporting invoices totaling nearly \$7 million. In all instances, we verified that projects and expenses were within the contract scope and time frame.

Although we did not identify any spending improprieties, without a process that ensures consistent and thorough review of reimbursement requests, the risk for inappropriate use or abuse of funds exists. Division officials agreed with our conclusion, and amended the reimbursement approval process to establish \$100,000 as the threshold to request additional documentation for review.

We also tested eight grants totaling more than \$15.5 million where the contract period had expired to determine whether all the funds were spent. We found all but \$600,000 had been expensed as of February 1, 2017, but a voucher for the remaining funds was pending. Therefore, no funds were returned to the Special Revenue Fund.

## Contract Extensions

Counties are allowed to request contract extensions, if needed, and the Division grants extensions as it deems necessary. According to Division officials, in submitting extension requests, counties are required to provide detailed explanations of why an extension is needed, timelines for completing the project with targeted completion dates, and any updates to project goals and objectives for meeting reporting requirements. Notably, we had to obtain this information through conversations with Division officials, because the requirements were not clearly stated in the written policy itself. Furthermore, our testing revealed that the Division does not strictly enforce its stated documentation requirements. For example, we analyzed 37 extensions for a sample of 13 grants and found:

- 29 (78 percent) were missing one or more of the four required documents; and
- 5 (13 percent) did not provide any explanation for the extension.

Interestingly, our testing also revealed that instances of missing documentation decreased as the number of extension requests by a county increased. This may indicate that counties do not have adequate knowledge of the grant extension process and requirements when initially submitting an extension request. For example, after submitting incomplete documentation, and being approved, for three Round 2 grant extension requests for the period February 3, 2014 through February 2, 2017, Tioga County submitted all required documentation in its fourth extension request. The Division approved this extension for the period February 3, 2017 through August 3, 2017.

The Division likely has some incentive to grant contract extensions, both to obviate the need to return unused funds to the Special Revenue Fund and to continue progress toward the ultimate goal of interoperable communications. However, the lack of clear guidance on extension requirements, and the failure to adhere to or enforce documentation requirements, can limit the Division's ability to ensure that counties meet the terms of their contracts effectively and efficiently. In addition, if an extension is not actually warranted, funds could still go unused and possibly impair the Division's ability to meet its goal of statewide interoperability.

At the close of our fieldwork in April 2017, Division officials indicated that they had developed and instituted a Contract Extension Request Form, effective at that time, to address the issues we identified. Because the new form and procedure went into effect after our audit fieldwork ended, we did not test the effectiveness of them.

## **Recommendations**

1. Develop procedures that will enhance monitoring of SICG grants, including (but not limited to) site monitoring and improvements to the expenditure reimbursement approval process.
2. Identify and assess reasons for past inconsistencies in approving grant extensions and implement additional controls to ensure compliance with Division requirements.
3. Provide training to the counties to ensure they are aware of the requirements they must meet to obtain contract extensions.

## **Audit Scope, Objectives, and Methodology**

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The objectives of our audit were to determine if the Division awarded contracts to entities that met the eligibility requirements and if the Division provided adequate oversight of SICG awards to ensure that grant funds were allocated and spent for their intended purposes. The scope of our audit was April 1, 2010 through April 5, 2017.

To accomplish our objectives and assess related internal controls, we reviewed relevant laws, Division policies, contract documents, payment documents, and grantee applications. We interviewed Division officials to obtain an understanding of the topic as well as obtain information on specific details of the program.

To determine if awards met eligibility requirements, we reviewed eligibility criteria used for grants in Rounds 2 through 4, which covered the period August 17, 2012 through August 27, 2015. Using several judgmental samples, we performed various tests of the grants. We compared grantee applications with eligibility criteria for 4 of 63 grants for Rounds 2 through 4, and compared the applicants' information with data recorded on scoring sheets. We also analyzed detailed scoring by five evaluators for Rounds 2 and 4. We further selected six grant applications that scored just above or below the funding cutoff line to assess the Division's overall award scoring for Rounds 2 and 4. We compared Round 1 and 2 awards with Round 3 awards to verify that Round 3 counties had not received funding in the prior rounds. We also reviewed the Round 5 formula to ensure that it was reasonable and that the awards were calculated correctly. We excluded Round 1 from our testing of award eligibility because of the changes in eligibility requirements in subsequent rounds; Round 1 funding accounted for about 7 percent (\$20 million) of \$292 million in SICG awards.

To assess the Division's oversight, we analyzed grant data for the 79 grants for the first four rounds for the period December 21, 2011 through August 27, 2015 and selected a judgmental sample of 12 grants based on outstanding funds, length of contract, and counties that received multiple grants. We then used this analysis to determine areas where we needed to conduct further testing in fieldwork. Based on this analysis, we tested grants extensions, unused funds, and expenditures.

We analyzed data for the 79 grants from Rounds 1 through 4 to determine if any grant funds went unused and had to be returned. Our analysis identified eight grants in which the contract had ended and not all funds were expensed. We judgmentally selected 15 counties for site visits and phone interviews based on their geographic location, population, state of communications system, and other risk factors identified from previous tests (e.g., length of contract). We conducted seven site visits and eight phone interviews during the period February 8, 2017 through March 1, 2017. Some of our site visits were limited because access to some tower sites was not possible due to the winter conditions. At each of the seven counties we visited, we judgmentally selected the expenditures that were the highest dollar value, such as consulting services, and/or purchases of equipment and technology to determine their validity. To test approved extensions against the Division's criteria for approval, we judgmentally selected 13 grants based on longevity of the contract, of which 11 were closed and two were open. Three of the 13 grants were also selected as part of our full grant view sample.

In addition, we conducted a full grant review, consisting of reviewing eligibility, expenditures, and extensions, for three counties. These four grants (one county had two grants) were selected from the 79 grants from the first four rounds. One of these grants was judgmentally selected because of certain expenditures we identified as higher risk. The remaining three grants were judgmentally selected because the counties received funding, but did not yet have any of the national interoperability channels in place at the time of our testing.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on

our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating threats to organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

## Authority

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The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

## Reporting Requirements

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A draft copy of this report was provided to Division officials for their review and formal comment. Their comments were considered in preparing this final report and are appended in their entirety to the report. Officials agreed with most of our recommendations and indicated that actions have been taken to address the recommendations they agreed with.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Division of Homeland Security and Emergency Services shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

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## Contributors to This Report

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**John F. Buyce**, CPA, CIA, CFE, CGFM, Audit Director  
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## Division of State Government Accountability

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### Vision

A team of accountability experts respected for providing information that decision makers value.

### Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

## Exhibit

### Distribution of SICG Awards (Rounds 1–5) December 21, 2011 Through March 29, 2017

County	Round 1	Round 2	Round 3	Round 4	Round 5	Total Funding
Albany		\$6,000,000			\$1,000,417	\$7,000,417
Allegany			\$5,951,039		911,523	6,862,562
Broome			6,000,000		674,824	6,674,824
Cattaraugus			6,000,000		663,916	6,663,916
Cayuga			5,251,690	\$2,525,492	838,244	8,615,426
Chautauqua		6,000,000			657,306	6,657,306
Chemung		6,000,000			566,034	6,566,034
Chenango					456,553	456,553
Clinton		2,152,080			584,478	2,736,558
Columbia				3,500,000	516,279	4,016,279
Cortland	\$4,000,000	6,000,000			995,456	10,995,456
Delaware	1,078,000	3,404,000			447,657	4,929,657
Dutchess				2,048,758	682,199	2,730,957
Erie		830,405		2,132,185	1,096,094	4,058,684
Essex	2,000,000	2,251,759		420,814	798,157	5,470,730
Franklin			3,407,921		701,096	4,109,017
Fulton			2,327,780		437,407	2,765,187
Genesee	228,309	5,435,095		3,065,120	705,023	9,433,547
Greene	893,000			3,500,000	464,037	4,857,037
Hamilton			2,530,385		471,640	3,002,025
Herkimer			899,462		637,534	1,536,996
Jefferson			6,000,000		659,672	6,659,672
Lewis			6,000,000		539,653	6,539,653
Livingston			5,994,854	3,500,000	598,108	10,092,962
Madison	1,997,812	4,194,189		3,500,000	821,280	10,513,281
Monroe		5,468,173		3,493,045	1,459,024	10,420,242
Montgomery			1,685,554		447,091	2,132,645
Nassau	877,729			3,500,000	856,563	5,234,292
New York City*		3,543,309			5,680,831	9,224,140
Niagara	2,000,000	742,164			673,193	3,415,357
Oneida				3,500,000	637,360	4,137,360
Onondaga	331,446	4,959,000			1,404,362	6,694,808
Ontario		2,202,885			716,143	2,919,028
Orange		5,998,000			757,344	6,755,344
Orleans		2,000,000			448,993	2,448,993

County	Round 1	Round 2	Round 3	Round 4	Round 5	Total Funding
Oswego			6,000,000		886,284	6,886,284
Otsego	1,128,000				797,694	1,925,694
Putnam				3,500,000	482,829	3,982,829
Rensselaer		5,066,512		3,500,000	798,760	9,365,272
Rockland		5,500,000			853,925	6,353,925
Saratoga			2,280,500	2,961,221	874,563	6,116,284
Schenectady					610,436	610,436
Schoharie	858,000	433,500		2,406,500	436,557	4,134,557
Schuyler		4,271,900			398,500	4,670,400
Seneca			6,000,000		476,901	6,476,901
St. Lawrence			2,679,690		759,073	3,438,763
Steuben	1,523,264	3,169,693		2,946,865	862,857	8,502,679
Suffolk		6,000,000			1,118,377	7,118,377
Sullivan	1,198,000	841,833			680,727	2,720,560
Tioga		2,342,000			442,981	2,784,981
Tompkins		2,854,312			738,565	3,592,877
Ulster	978,000				521,553	1,499,553
Warren	736,938				523,375	1,260,313
Washington	171,500				709,086	880,586
Wayne		2,036,700			514,825	2,551,525
Westchester			5,991,125		677,239	6,668,364
Wyoming		1,771,236			474,197	2,245,433
Yates		531,255			355,205	886,460
<b>Totals</b>	<b>\$19,999,998</b>	<b>\$102,000,000</b>	<b>\$75,000,000</b>	<b>\$50,000,000</b>	<b>\$45,000,000</b>	<b>\$291,999,998</b>

\* Includes New York, Bronx, Kings, Queens, and Richmond counties.

# Agency Comments



ANDREW M. CUOMO  
Governor

ROGER L. PARRINO, SR.  
Commissioner

Mr. John F. Buyce  
Office of the State Comptroller  
Division of State Government Accountability  
110 State Street – 11<sup>th</sup> Floor  
Albany, New York 12236

Dear Mr. Buyce:

The New York State Division of Homeland Security and Emergency Services (DHSES) has reviewed the Office of the State Comptroller's (OSC) draft audit report for audit 2016-S-90 entitled "*Awarding and Oversight of Statewide Interoperable Communications Grants.*"

DHSES takes great pride in the administration of the Statewide Interoperable Communications Grant (SICG) program. As reflected in the draft audit report, funds were awarded in accordance with the pre-established grant requirements and DHSES was generally meeting obligations for ensuring grant funds are appropriately allocated. Furthermore, as DHSES seeks to continuously improve its program administration, OSC's key findings and recommendations in the draft audit report have been reviewed and, where appropriate, policies and procedures have been updated.

Specifically, to address OSC's recommended improvements to the expenditure reimbursement process, DHSES has established controls (with attendant written policies currently under review) that require supporting documentation for all line items exceeding \$100,000. It should be noted that DHSES staff exhaustively review and scrutinize each voucher and routinely request additional supporting documentation, such as vendor invoices and consultant agreements, regardless of the line item dollar amount.

OSC has also found that a clearly stated policy for contract extensions was necessary. As a result of this finding, DHSES created a new, standardized contract extension request form for grantees. While OSC also recommends that DHSES provide training to counties to ensure they are aware of requirements of contract extensions, the new contract extension request form is intuitive and user-friendly. As DHSES staff regularly communicate with counties and are always available to answer questions and provide any necessary assistance in the contract extension request process, the utility of formal training requires further assessment.

OSC also recommends that DHSES identify and assess reasons for past inconsistencies in approving contract extensions. DHSES has implemented a standardized contract extension request form, which ensures uniform review of such requests. Further, as noted in the draft report, OSC tested expenditures and did not identify any spending improprieties. Given that OSC has thoroughly and completely tested expenditures, and that many of the contracts that were extended have since been closed, DHSES does not believe it is necessary to revisit prior contract extensions at this time.



ANDREW M. CUOMO  
Governor

ROGER L. PARRINO, SR.  
Commissioner

Finally, OSC recommends that DHSES develop procedures to enhance monitoring of the SICG program. DHSES currently conducts annual site monitoring and tracks all visits on our E-Grants System. While we have strong SICG program oversight, DHSES is committed to continuing to strengthen our policies and procedures, as needed.

Thank you for the opportunity to respond to the draft audit report and to the OSC team for their professionalism and their efforts to further strengthen the SICG program. If you have any questions regarding the agency's response, please contact Brian D. Jackson of DHSES' Office of Internal Audit at (518) 457-5120.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anne Bink". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Anne Bink  
Deputy Commissioner, Administration and Finance

cc: Commissioner Roger Parrino  
Terence O'Leary  
Michael Sprague  
Shelley Wahrlich  
Brian Jackson