



STATE UNIVERSITY OF NEW YORK

OFFICE OF THE  
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March 5, 1997

Mr. Robert H. Attmore  
Deputy Comptroller  
Office of the State Comptroller  
The State Office Building  
Albany, New York 12236

Dear Bob:

As requested in your letter dated January 28, 1997, enclosed are the comments of the Health Science Center at Syracuse and State University of New York to the follow-up review (96-F-33) of the implementation status of the recommendations contained in the prior audit on the Clinical Practice Management Plan, Health Science Center at Syracuse (93-S-54).

Sincerely,

Brian T. Stenson  
Vice Chancellor for  
Finance and Business

Enc.

**Office of the State Comptroller**  
**Follow-up Review of the State University of New York**  
**Health Science Center at Syracuse's Clinical**  
**Practice Management Plan Audit (93-S-54)**

**Recommendations**

- (OSC) 1. HSC, in conjunction with SUNY System Administration, should formulate detailed guidelines covering the use of clinical practice plan funds. At a minimum, the guidelines should place appropriate limits/restrictions on entertainment and travel, as well as prohibit the use of funds for charitable contributions and gifts, employees benefits, personal loans and related party transactions.
- (HSCS) 1. Partially implemented. As noted in the report, the Health Science Center at Syracuse (HSCS) formulated guidelines, but did not set specific spending limits on the physicians. HSCS believes that setting such limits would impose on the autonomy of the groups, and that uniform limits would not realistically address the requirements of the different businesses.
- (OSC) 2. The Plan's Governing Board should develop expenditure controls to ensure compliance with promulgated guidelines. For example, the Governing Board should provide for separation of expenditure processing duties where feasible and expand the independent review of transactions by HSC's internal auditor.
- (HSCS) 2. Fully Implemented.
- (OSC) 3. HSC officials should obtain restitution from appropriate individuals for those expenditures determined to have provided personal gain.
- (OSC) 4. HSC officials should investigate questionable travel expenditures and, where appropriate, obtain restitution from the individuals involved.
- (HSCS) 3,4 Partially implemented. These two items are related. HSCS has identified any additional expenses that could be pursued for restitution. HSCS does not believe these funds are sufficiently material in nature to be pursued.
- (OSC) 5. SUNY System Administration should ensure that similar guidelines and controls are developed at other SUNY locations that have clinical practice plans.
- (HSCS) 5. As noted in the report, Administration has developed guidelines, but there are several factors which preclude their implementation.

- (SU)
5. SUNY System Administration, working with campuses having clinical practice plans, developed comprehensive guidelines entitled Accountability, Accounting, and Reporting Guidelines. These guidelines, adopted by the Board of Trustees in June 1995, established principles for the effective accountability for the revenues and expenditure, compensation practices and financial reporting in order to comply with Board of Trustees' policies relative to clinical practice. Copies of the guidelines were transmitted to the campuses several days prior to the June Board meeting. Some campuses have taken exception to several aspects of the Guidelines, including reporting requirements, which resulted in the filing of an improper labor practice. The filing of the improper labor practice, and a subsequent grievance, has delayed full implementation of the Guidelines. System Administration representatives are seeking to address and resolve the outstanding issues.