



Agriculture and Markets

ANDREW M. CUOMO
Governor

RICHARD A. BALL
Commissioner

July 31, 2015

Mr. John Buyce
Audit Director, Office of the State Comptroller
Division of State Government Accountability
110 State Street – 11th Floor
Albany, NY 12236-0001

Re: 90 Day Response to Audit Report 2014-S-58
Annual Assessment of Market Orders for 2012, 2013, and 2014

Dear Mr. Buyce:

Pursuant to Section 170 of the Executive Law the following are the New York State Department of Agriculture and Markets' (Department) comments on actions taken to implement the recommendations contained in the above referenced audit report.

We are pleased that your office found the Department has adequate procedures in place to ensure that it accurately reports its assessable expenses. In response to our oversight of the Market Order Program, we offer the following comments:

Recommendation 1: Follow up on the questionable expenses identified in this report and seek repayment for any inappropriate or ineligible costs.

Comment: Your report cited \$648 in questionable travel/entertainment expenses. The Department has followed up and recovered the \$648 from the New York Apple Association, Inc. (NYAA).

Recommendation 2: Strengthen policies and enforce provisions of the Apple Market Order contract by:

- Developing written guidelines for reimbursement of contract expenses that the Department deems necessary for NYAA's performance under its contract, such as travel reimbursement in excess of State rates and business entertainment expenses; and
- Enforcing contract criteria for maintaining documentation to support expenses, such as vehicle cost allocations, contractor bidding records, and sole source justifications.

Comment: The Department has developed written guidelines for reimbursement of expenses associated with NYAA's performance under its contract. NYAA must now maintain vehicle mileage logs and provide additional documentation and a justification for reimbursement of travel expenses exceeding the State's rate. The Department will continue to enforce contract criteria, with particular attention to maintaining documentation to support expenses such as vehicle cost allocations, contractor bidding records, and sole source justification.

Should you need additional information, kindly contact Dan McCarthy, Marketing Order Administrator, at (518) 457-4921.

Sincerely,



Richard A. Ball
Commissioner

cc: Honorable Andrew M. Cuomo
Honorable John Flanagan
Honorable Jeffrey Klein
Honorable Andrea Stewart-Cousins
Honorable Carl Heastie
Honorable Joseph Morelle
Honorable Brian Kolb
Honorable John DeFrancisco
Honorable Liz Krueger
Honorable Herman Farrell, Jr.
Honorable Robert Oaks
Division of the Budget, Examination Unit