



KATHY HOCHUL
Governor

RICHARD A. BALL
Commissioner

June 15, 2022

Mr. Brian Reilly, Audit Director
Division of State Government Accountability
Office of the State Comptroller
110 State Street 11th Floor
Albany, New York 12236-0001

180-day Response to Office of State Comptroller Audit 2020-S-9

As required by Section 170 of the Executive law, the NYS Department of Agriculture and Markets (Department) is submitting its progress and implementation plan of the Department's Division of Agricultural Development (Division) for the recommendations made in the Office of the State Comptroller's (OSC) audit 2020-S-9. The Department is constantly exploring opportunities to improve the efficiencies of its programs and is pleased to report the following:

OSC Recommendation 1

Develop written policies and procedures to provide guidance on what documentation should be maintained for contract reimbursement and monitoring of contract terms and conditions.

Department Response 1

The Department has taken action to enhance documented policies and procedures and increase written guidance on how to monitor and approve contract reimbursement. Specifically;

- A team has been created within the Division of Agricultural Development (Ag Dev) specializing in the contract process and claims review procedures. This team has documented Standard Operating Procedures (SOP) that are utilized to assist Program Managers in processing claim reimbursement requests and is providing ongoing training and support.
- Templates have been developed to standardize communication and requests with vendors to ensure accurate and adequate documentation is obtained prior to authorizing payment.
- A performance report tracking system across all Farm-to-School contracts has been implemented.

OSC Recommendation 2

Take appropriate action to investigate and recover, where applicable, the \$1,169,243 in unsupported, insufficiently supported, and unauthorized Program reimbursements.

Department Response 2

OSC identified \$609,024 in reimbursements were not supported with any backup documentation. The Division focused efforts to obtain supporting documentation for these costs and, to date, received \$528,000 in supporting documentation. The Division has identified \$5,160.10 in reimbursements that require recovery. The Division is working with the vendor to recover these funds The Division will continue to work with contractors to obtain the remaining supporting documentation.

OSC identified \$89,689 in reimbursements that were not specifically authorized in the contract. The Division reviewed these costs, along with associated internal documents, and found that the work/items purchased with grant funds were eligible costs as allowed by the RFP and met the original purpose of the contract scope of work.

OSC identified \$470,530 in reimbursements that were insufficiently supported. The Department believes sufficient documentation was obtained to justify reimbursement of the costs identified by OSC, but, as suggested by OSC, now requests additional supporting documentation to the extent such documentation is available.

Sincerely,

A handwritten signature in cursive script that reads "Stephen McGrattan".

Stephen McGrattan
First Deputy Commissioner