



ANDREW M. CUOMO
Governor

Office of Temporary and Disability Assistance

SAMUEL D. ROBERTS
Commissioner

April 5, 2017

Mr. John F. Buyce
Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, New York 12236

Dear Mr. Buyce:

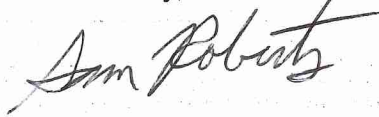
This is in response to the follow-up audit on OTDA's implementation of the recommendations contained in the Wage Subsidy and Transitional Employment Programs Report 2015-S-58, issued March 29, 2016. OSC completed their re-review of the current Wage Subsidy Program during the week of January 30, 2017 through February 3, 2017.

Audit Report 2015-S-58 contained two recommendations. The first was the creation of a new database to capture participant payment data points and link individual voucher and contract expenditure information in an easily accessible format. OTDA was in the process of completing a new system prior to the initial audit and finished the enhancements immediately after the recommendations were released. By way of this follow-up audit, OSC has acknowledged that it is pleased with the new system and the controls that were built in to eliminate double billing and reduce incidents of error. OTDA therefore concurs with OSC's finding that OTDA has fully implemented this recommendation.

The second recommendation concerned documentation to support participant employment. OSC has indicated that it does not find the Employment Verification Form (EVF) to be adequate to document employment, and through this follow-up audit, upholds its previous recommendation that OTDA should require additional payroll records, time sheets, pay stubs or cancelled checks to document each milestone claimed and to be submitted with each voucher. OSC auditors were satisfied that OTDA does not allow an EVF to be used if the contractor is also the subsidized employer, and in those cases, only pay stubs are allowed to document employment. However, OTDA continues to maintain that in all other cases, a properly submitted EVF is adequate as it contains all required information; the employment start date, wage information, and the employment dates cover the period being claimed. The EVF must also be signed and dated by the employer. Further, OTDA continues to visit providers annually and requires supporting documentation to be submitted with each voucher. Finally, since the current round of contracts started in September of 2015, most providers submit both EVFs and pay stubs regardless of whether they are the subsidized employer. OTDA therefore assesses the risk of fraud associated with the use of EVFs to be low when compared with the potential administrative burden to such providers of requiring redundant documentation.

Thank you for the opportunity to respond to this follow-up audit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sam Roberts".

Samuel D. Roberts
Commissioner

cc: **Barbara Guinn**
Krista Rock
Kevin Kehmna
Jeff Gaskell
Stephanie Boshart
Kathleen Murphy