



November 27, 2024

Hon. Thomas P. DiNapoli
New York State Comptroller
110 State Street, 15th Floor
Albany, NY 12236

Dear Comptroller DiNapoli:

In accordance with the provisions of Section 170 of the Executive Law, the following are actions the State Education Department (SED) has taken, or will be taking, to implement the recommendations contained in the Office of the State Comptroller's (OSC) Final Audit Report (2023-S-3) *UCP of Niagara County dba Empower (Empower) - Compliance with the Reimbursable Cost Manual*.

Recommendation 1:

"Review the recommended disallowances identified by our audit and make the necessary adjustments to the costs reported on Empower's CFR and to Empower's tuition reimbursement rates, as warranted."

SED is currently in the process of reviewing the Consolidated Fiscal Report (CFR) and OSC audit work papers and will make necessary adjustments and recover any overpayments, as appropriate, by recalculating tuition rates. NYSED will further review the employee staffing recommendations to determine if the adjustments are appropriate.

Recommendation 2:

"Remind Empower's officials of the pertinent SED requirements that relate to the deficiencies we identified."

SED will continue to provide technical assistance whenever requested and will strongly recommend Empower's officials avail themselves of our assistance to help them better understand the rules for cost reporting and criteria for cost reimbursement as presented in the CFR, Regulations and the Reimbursable Cost Manual (RCM).

Furthermore, SED will alert Empower of online training that is available on SED's webpage. SED requires that all individuals signing the CFR certification statements, namely the Executive Director and Certified Public Accountant, complete this training. This training is a requirement for preschool special education providers upon approval and reapproval.

Furthermore, SED will require Empower to identify the actions it has taken to cure and correct the deficiencies and/or violations identified in the audit. Empower's submission to SED must be certified by its Chief Executive Officer, with an attestation from each director, officer, trustee, and shareholder, must contain all relevant information describing how policies, procedures and practices have been revised to address the specific findings of the audit, and how systemic changes to the internal controls and financial oversight have been implemented.

If you have any questions regarding this response, please contact Nell Brady, Director of the Rate Setting Unit at 518-474-1298.

Sincerely,

A handwritten signature in black ink that reads "Sharon Cates-Williams". The signature is written in a cursive style with a large initial 'S'.

Sharon Cates-Williams

cc: Christopher Suriano
Christina Coughlin
Suzanne Bolling
James Kampf
Jeanne Day
Nell Brady
Jennifer Finucan
William Meissner
Rebecca Jones
Mary Moore