



# Office of Operations 2009 Fall Conference



## *Navigating Uncertain Times*

**OSC's Role in the Economic Recovery Act**

**Patrick Hall – Audit Supervisor, Bureau of  
State Expenditures**

**Tom Mahoney - Director, Bureau of State  
Accounting Operations**

**Diane Taylor - Assistant Director,  
Bureau of State Contracts**

**October 21-22, 2009**

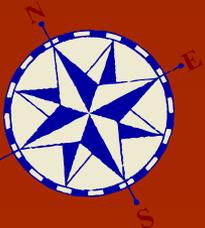


# Accountability and Reporting of ARRA Funds

Presenter:

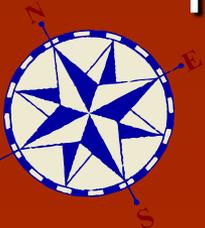
Tom Mahoney, Director

Bureau of State Accounting Operations



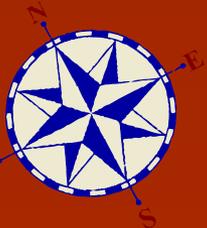
# American Recovery and Reinvestment Act (ARRA)

- February 17, 2009 – President Obama signed the ARRA totaling approximately \$787 billion.
- New York is expected to receive \$26.7 billion over 27 months.
- The largest portion of New York's funding reflects Medicaid reimbursements.



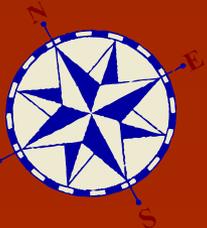
# ARRA

- By law, the direct Federal fiscal relief must be used effectively and expeditiously to promote economic recovery, and may not be allocated for other purposes, such as funding reserves or paying down debt.



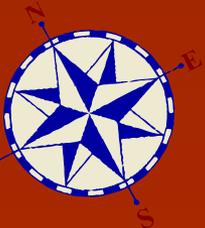
# Accountability Approach

- Risk for Non-Compliance with Special Reporting Deemed High if Status Quo
- OSC and Governor's Office Partnership Quickly Established
- Accounting Bulletin Issued to Reduce Risk of Non-Compliance and Enhance Reporting Capabilities



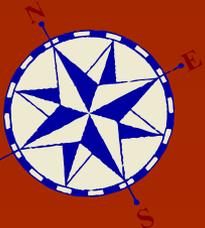
# OSC Prescriptions for Accountability and Transparency

- Accounting Bulletin
  - Grant Awards
  - Separate Appropriations
  - Centralized Drawdowns
  - Limits on Voucher Payees
  - Journal Vouchers – DISCOURAGED



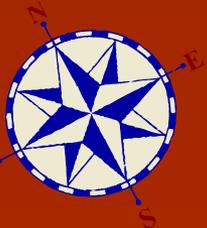
# ARRA – Special Reporting

- Test Drive – Federal Funding Accountability & Transparency Act of 2006 (P.L. 109-282)
  - Award and Subaward Reporting
  - Subrecipient Reporting



# ARRA - Risks

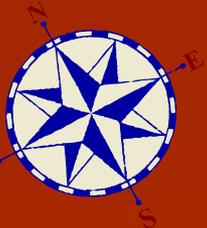
- Audit Disallowances
- Single Audit
- Cash Management Improvement Act (CMIA)
- GAO Audits
- Uncertainty – Reports to Recovery.gov
- Absolute Accountability Required



# Accountability and Reporting of ARRA Funds

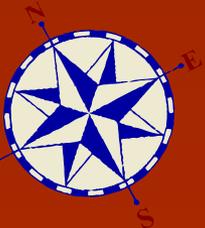
Presenter:

Christopher Bielawski, Audit Manager  
Bureau of State Expenditures



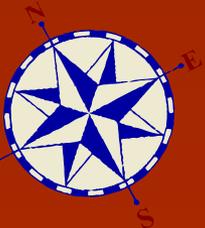
# Audit Process

- Proactive
- Monitoring appropriations and expenditures
- Meeting with Agencies receiving funds
- Discuss readiness and impact



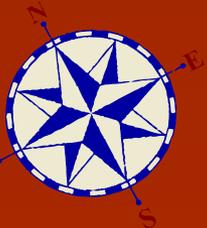
# Payments

- Are we getting what we are paying for?
- Consider:
  - Selection
  - Prices
  - Quality
  - Quantity
  - Delivery



# Participating on Internal Controls Work Group

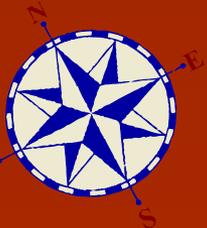
- Training – Fraud, Internal Controls, Contract Monitoring
- Accounting Data – will provide needed data
- Risk Assessment Tools



# Accountability and Reporting of ARRA Funds

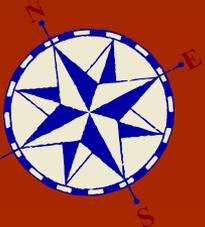
Presenter:

Diane Taylor, Assistant Director  
Bureau of State Contracts



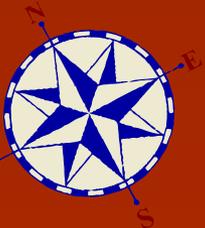
# Technical Support to Contracting Agencies

- Joint Contracts and Expenditures Bulletin G238
- Assist with New ARRA Contract Requirements
  - Understand new requirements
  - Review language, boilerplates



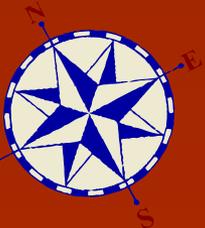
# Process Changes

- Expedited contract review
- Enhanced contract review
  - Every contract receives a full VendRep review
  - Close review of bids
  - ARRA terms and conditions



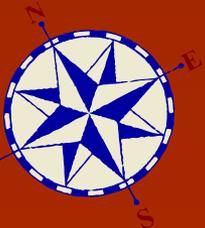
# Process Changes

- GAO Auditors on site
  - New York State is one of 16 states receiving two-thirds of stimulus funding
  - Reviewed audit process with GAO
  - On site review of contracts



# System Changes

- Modified Contract Management System to add "Stimulus" indicator
- New database to capture additional data on stimulus construction contracts
  - Second low bid
  - Pre-bid estimate
  - BSE recommendation

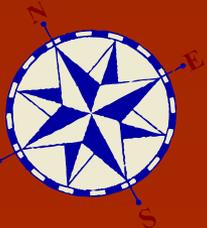


# System Changes Continued

- Additional Reporting
  - Stimulus Inventory and Processing
  - Report to Bureau of State Expenditures

## Open Book New York

- Adding state stimulus spending and contracts
- Comprehensive, near real time
- Individual payments and contracts
- Multiple Search features
  - Program, payee/vendor, state agency



# Thank you!

