



January 6, 2011

Edward J. Durocher, CIA
Audit Manager
Office of the State Comptroller
110 State Street
Albany, New York 12236

RE: OSC Follow-Up Review of St. Mary's School for the Deaf (Report 2010-F-35)

Dear Mr. Durocher:

We received your December 9, 2010 report concerning your follow-up review of the procurement and contracting practices of St. Mary's School for the Deaf (the "School"). The follow-up review reported on the School's implementation of the recommendations contained in Office of State Comptroller Audit Report 2008-S-126 (the "Audit Report"). As requested in your December 9, 2010 report, the School submits this letter to report on actions taken to address the issues you contend are unresolved.

We are pleased that Recommendations #1 and #5-#8 of the Audit Report were found to be implemented or not applicable. The School will continue to review and monitor compliance with its procurement policies and procedures in order to ensure continued compliance with applicable procurement and contracting requirements.

Recommendation #2 of the Audit Report was that the School should ensure that its counsel reviews all contracts over \$10,000. The OSC states that no "procedure" is in place to accomplish this review, but the School's procurement policy adopted in response to OSC audit requires such review and all School contracts over \$10,000 that have been executed since the initial OSC audit of the School in 2008 have been reviewed by the School's legal counsel. Indeed, the follow-up report acknowledges that such legal review has occurred. Accordingly, the School disagrees that this recommendation has not been implemented. Nevertheless, the School has created a Checklist for Contracts for use by the Business Manager to ensure that all proper procedures have been followed. The checklist includes a place to note that the attorney review has occurred.

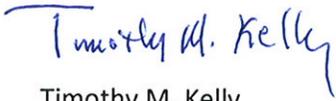
Recommendation #3 of the Audit Report was that the School should ensure that the Board adopts a resolution prior to entering leases. While the Board did vote to approve the only lease entered into by the School during the follow-up audit period, no "resolution" was adopted. The School will ensure that the Board adopts a resolution prior to entering into leases and that the adoption of that resolution is accurately reflected in the Board minutes.

Recommendation #4 of the Audit Report was that the School comply with its written procedures when procuring goods and services not subject to formal competitive bidding. The School will continue to reinforce its policy and require the appropriate type and number of quotations/bids when necessary. The Checklist for Contracts mentioned above should help in this process, as it requires written quotations to be attached.

We would like to thank the Office of the State Comptroller for its follow up findings and its draft audit report. We continue to value the wisdom of the audit and thank you for helping us improve our School's procurement and contracting policies and procedures.

Please feel free to contact me if you have any other questions or comments.

Sincerely,

A handwritten signature in blue ink that reads "Timothy M. Kelly". The signature is written in a cursive style with a prominent horizontal line above the first letter 'T'.

Timothy M. Kelly
Superintendent