



NEW YORK STATE
DIVISION OF HUMAN RIGHTS

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February 11, 2011

Mr. Frank Patone, Audit Director
Office of the State Comptroller
Division of State Government Accountability
123 William Street, 21st Floor
New York, NY 10038-0001

**Re: Final OSC Audit Report 2009-S-83: New York State Division of Human Rights
(DHR): Contracts for personal and Miscellaneous Services – Follow-Up Response**

Dear Mr. Patone:

In response to the Office of the State Comptroller's Final Audit Report (2009-S-83) regarding the Division of Human Rights Contracts for Personal and Miscellaneous Services, the following is the Division's report of the steps that have been taken to implement the recommendations made by OSC in this report:

- **Recommendation 1:**

Executive Management should communicate to appropriate staff the requirement to support service contracts with written justifications of the need for the service, the appropriate level of service, and the need to contract out.

- **DHR Response:**

The Division has designed a Service Contract Justification Form (refer to attachment A), which requires agency managers to provide a written justification of a requested service contract, including estimated dollar amount of the requested contract and level of service. Submitted contract justification forms are reviewed by the Division's Deputy Commissioner for Finance and Administration and the Commissioner.

- **Recommendation 2:**

Instruct managers to periodically reassess all service contracts to identify opportunities to suspend, eliminate, reduce or bring them in-house, and to document their interpretation.

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- **DHR Response:**

The Division has designed a second form, entitled Service Contract Review, which asks internal staff to evaluate provided service contract review information (refer to Attachment B). This form asks for information relating to the nature of service provided, contract dollar amount, and performance. The completed evaluation is then reviewed by the Division's Deputy Commissioner for Finance and Administration and the Commissioner.

The Division will schedule a training and information session for managers on these new forms and processes in February 2011. The Division will also modify its existing policies governing procurement to reflect these changes.

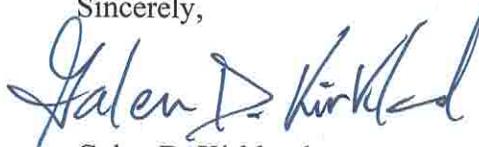
In addition, in the Division's audit response letter, we had indicated that DHR's Deputy Commissioner for Finance and Administration was registered to attend the OSC Office of Operations annual training conference held last October 26-27 (refer to Attachment C). He attended this training conference, and participated in the expert panel presentations covering contract monitoring and agency compliance with New York State contracting regulations.

The Division's Finance Administrator has designed an information data base of existing contracts. Also, DHR's senior finance staff have also been participating in the training and information sharing process relating to the forthcoming state comprehensive financial management system (SFS), the first phase of which is planned to be rolled out in October 2011.

This comprises the Division's follow-up response. Questions regarding the implementation of the recommendations made by OSC in this audit should be directed to Stephen R. Rolandi, the Division's Deputy Commissioner for Finance and Administration. Mr. Rolandi can be reached at (718) 741-8360 and his e-mail address is srolandi@dhr.state.ny.us.

Thank you.

Sincerely,



Galen D. Kirkland
Commissioner

Enclosures (3):

- Attachment A: DHR Service Contract Justification Form
- Attachment B: DHR Service Contract Review Form
- Attachment C: OSC-Office of Operations-2010 Fall Conference, October 26 & 27

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cc: Luis R. Burgos, Jr., Esq., First Deputy Commissioner
Stephen R. Rolandi, Deputy Commissioner for Finance
and Administration
Caroline J. Downey, General Counsel
Sharon B. Clarke, Deputy General Counsel
Lawrence Wizman, Director of Regulatory Compliance
and Internal Controls
Katherine Areche, Finance Administrator
Santo Rendon, Audit Supervisor, OSC
Peter M. Blanchett, CPA, Examiner-in-Charge, OSC
Thomas Lukacs, Division of the Budget

NYS Division of Human Rights
Service Contract Justification (C-Contract)

ATTACHMENT
A

1. Service being requested:

2. Justification for service:

3. Amount of proposed contract:

4. Is an RFP required for this contract?:

5. On what basis is this considered to be a reasonable cost?:

6. Why are Division staff not being utilized for this work?

7. What is the impact on agency's mission and operations if contract is not secured:

Requester _____ Date _____

Approved

Denied

Need more clarification

Date _____
(First Deputy Commissioner or Deputy Commissioner for Finance & Administration)

Date _____
(Commissioner)

NYS Division of Human Rights
Service Contract Review (C-Contract)

Attachment
B

1. Contract No:

2. Vendor:

3. Nature of service:

3. Amount of contract:

4. Is this contract on time?

5. Are there any aspects of this contract that can be reduced at this time? Explain:

6. Are there any aspects of this contract that can be suspended at this time? Explain:

7. Are there any aspects of this contract that can be brought in-house at this time?
Explain:

8. Are there any aspects of this contract that can be eliminated at this time? Explain:

Evaluator _____ Date _____

Contract Continuation Approved Contract Continuation Denied Need more clarification

Date _____
(First Deputy Commissioner or Deputy Commissioner for Finance & Administration)

Date _____
(Commissioner)

ATTACHMENT
C

Office of the State Comptroller
Office of Operations
2010 Fall Conference
Empire State Plaza- October 26 & 27

| Tuesday, October 26, 2010 | | | | | |
|---------------------------|---|---|---|--|--|
| 8:00 - 9:00 am | Registration | | | | |
| 9:00 - 10:00 am | Welcome and Keynote Address Keynote - Ron Greenberg, Deputy Director, New York State Division of Budget | | | | |
| 10:00 - 10:30 am | Break | | | | |
| | Track A | Track B | Track C | Track D | Track E |
| | Session 1A, 1B, 1C & 1D | | | | |
| 10:30 am - 12:00 pm | Lessons Learned from Ohio and Pennsylvania: What New York State Should Expect from Implementation of the Statewide Financial System <i>David White, Program Director and Don Edmiston, Program Advisor, SFS Program</i> | | | | |
| 12:00 - 1:00 pm | Lunch on your own | | | | |
| 1:15 - 2:45pm | Session 2A | Session 2B | Session 2C | Session 2D | Session 2E |
| | The Process of Data Conversion and Deployment for the Statewide Financial System <i>SFS Program Staff</i> | Contract Monitoring <i>Joe Morrissey and Roslyn Watrabski, Bureau of State Expenditures</i> | Your Agency Beyond April 1, 2011 <i>Mary Acquaviva, Deb Best, SFS Program, and SFS Program Staff</i> | The Statewide Vendor File Explained <i>Bernie McHugh, Bureau of State Expenditures</i> | Data Integrity and the State-wide Payroll System's Inter-relationship with NYSTEP, Automated Interface (AI), the Retirement System, Workers Compensation System, Etc <i>Carol Alpy, Eileen Collins, and Karen McLaughlin, Bureau of State Payroll Services</i> |
| | | | | | Conquer Query and Control the Data <i>Sherry Azoulay, The City University of New York</i> |
| 2:45 - 3:00 pm | Break | | | | |
| 3:00 - 4:30 pm | Session 3A | Session 3B | Session 3C | Session 3D | Session 3E |
| | Alternative Transaction Entry Approaches into the Statewide Financial System <i>Mary Acquaviva, SFS Program</i> | State Agency Compliance with Prompt Contracting Regulations <i>Dan Agosto, John Moriarty, and Patricia O'Donnell, Bureau of Contracts</i> | Maintaining the Statewide Financial System Chart of Accounts <i>Ann Foster and Melissa Greenberg, SFS Program</i> | Intentionally Blank | Payroll Lessons Learned from the Implementation of Negotiated Contracts, Salary Withholdings, Voluntary Severance Payments, Furloughs, and Retirement Incentive <i>Jennifer Corbett, Cindy Kopacz, and Ned Manning, Bureau of State Payroll Services</i> |
| | | | | | Conquer Query and Control the Data <i>Sherry Azoulay, The City University of New York</i> |