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BUREAU OF AUDIT

March 2, 2015

By Electronic Mail

The Honorable Gilbert Taylor
Commissioner
New York City Department of Homeless Services
33 Beaver Street, 17th Floor
New York, NY 10038

Re: **Letter Audit Report on the Department of Homeless Services' Monitoring of Its Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business (Audit Number SZ15-066AL)**

Dear Commissioner Taylor:

This Letter Report concerns the New York City Comptroller's audit of the Department of Homeless Services' ("DHS") monitoring of its employees who drive City-owned or personally-owned vehicles on City business. The objective of this audit was to determine if DHS is effectively monitoring its employees who drive City-owned or personally-owned vehicles on City business. The audit found that DHS effectively monitors the driving behavior of its authorized drivers. This opinion does not include our review of DHS's controls regarding its drivers' vehicle usage, which will be discussed in a separate report.

Background

New York City requires that only those employees who exercise reasonable care in operating City-owned or personally-owned vehicles be allowed to use them to conduct City business. This requirement is outlined in the City of New York's "City Vehicle Driver Handbook" (the "Handbook"). Agency heads, through their agency's Agency Transportation Coordinator ("ATC"), must ensure that all employees assigned a City-owned vehicle either for full-time use or temporary use have been authorized to drive. It is also the ATC's responsibility to ensure that each driver has a valid license. An employee's driver's license must be issued by New York State unless the employee is exempt from City residency requirements. In that case, the authorized driver must have a valid license from the state where he/she resides and must have the appropriate classification for the vehicle which he/she is driving on City business. The Handbook further specifies that City agencies must establish programs that promote safety along with proper training in the use of motor vehicles.

City agencies participating in the New York State Department of Motor Vehicles (“DMV”) License Event Notification System (“LENS”) program are required to monitor the driving behavior of their employees. The LENS program is designed to notify an ATC of any event that affects the driver’s license, such as an expired license, the accumulation of points, an accident, and charges against the driver for driving while impaired or driving under the influence. This enables the ATC to ensure that only employees with valid licenses are driving on City business.

In January 2014, the City launched the Vision Zero Action Plan (“Plan”), a comprehensive initiative to reduce driver, bicyclist, and pedestrian injuries and fatalities in New York City. The Plan details steps to improve street safety, including lowering the speed limit from 30 miles per hour to 25 miles per hour and increasing the penalties for driving with a suspended license and leaving the scene of an accident. The Plan also proposes increasing the number of red light cameras and installing additional traffic devices to control speeding. With respect to City employees, the Plan includes implementing a citywide defensive driving program and adding safety-related equipment and devices to City vehicles.

Conclusion

We found that DHS effectively monitors the driving behavior of its authorized drivers. DHS subscribes to the DMV’s LENS program, receives its updates, and revokes the privileges of drivers who have suspended or revoked licenses in a timely manner as prescribed by regulations. In addition, DHS provided its employees with a required safety awareness program. We found one DHS employee who circumvented DMV regulations in both Florida and New York. However, since this employee’s behavior was an exception rather than the rule among the agency’s drivers, our conclusion that DHS effectively monitors its employees is still appropriate. The issues concerning this employee’s behavior will be discussed in a separate report.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope period of this audit was from January 1, 2010, through February 3, 2015. Our audit reviewed all 546 authorized DHS drivers in our scope period.

To meet our objectives, we obtained and reviewed the updated Handbook, which was issued February 2014, and the Plan. To determine whether DHS monitors its drivers in accordance with the City’s Handbook, we obtained and reviewed the following: 1) a list of all DHS employees

who were authorized to drive on City business during our scope period, which included whether a license was necessary to maintain employment; 2) a copy of DHS's annual LENS report, which lists all the individuals whom the agency has authorized to drive on behalf of City business; 3) copies of the monthly LENS reports for February 2013 through February 2014; 4) copies of the weekly LENS reports from September 2014 through December 2014; 5) documentation that the agency periodically checks the driver's licenses and insurance coverage of all employees who use a personally-owned vehicle; 6) documentation regarding disciplinary action (if necessary) for DMV notifications of changes in driver's license status; and 7) a copy of policies and procedures for driving a City-owned or personally-owned vehicle on City business. In addition, we completed DMV inquiries on February 3, 2015 of the driving status of all DHS drivers.

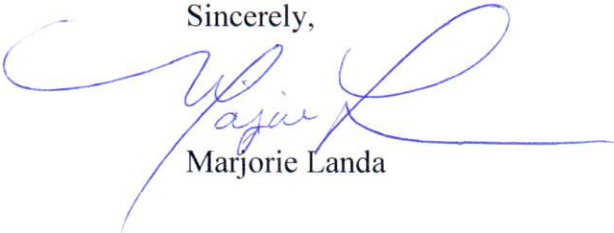
To determine the accuracy of the database of authorized drivers received from DHS, we verified all of the information, including the number of drivers, with LENS. We also accessed the DMV's Dial-In Inquiry to determine the driving status of those employees who reside outside of New York State and performed DMV searches for the driving records of those employees.

To determine whether DHS offered driver's safety programs according to the Handbook, we requested and reviewed documentation regarding its safety programs. We also reviewed the City's Vision Zero Regulations to determine which DHS employees would need additional safety training. We reviewed the driving histories of the 546 DHS employees in accordance to the Plan.

Based on our positive conclusion, we recommend that DHS continue its current processes in accordance with the applicable regulations. On February 9, 2015, we submitted a draft letter report providing DHS with the opportunity to formally respond. DHS' response was received on February 18, 2015. In their written response DHS agreed with the report.

The full text of DHS' comments is included as an addendum to this report.

Sincerely,



Marjorie Landa

c: Aaron Goodman, Deputy General Counsel
Tony Branch, Assistant Commissioner, Administration
Michael King, Director, Audit Services
Lynn Astacio, Director, Fleet Administration
Mindy Tarlow, Director, Mayor's Office of Operations
George Davis III, Deputy Director, Mayor's Office of Operations



Gilbert Taylor
Commissioner

February 18, 2015

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Re: DHS Response to the Draft Letter Audit Report on the Dept. of
Homeless Services' Monitoring of Its Employees Who Drive City-
Owned or Personally Owned Vehicles on City Business
SZ15-066AL

Dear Ms. Landa:

The Department of Homeless Services (DHS) is pleased that there were no findings against our Agency in the above mentioned audit.

As per its practice, DHS will continue to review and strengthen our internal controls to ensure that the Agency follows all applicable laws, policies and procedures, rules and regulations.

Sincerely,

A handwritten signature in black ink that reads "Tony Branch". The signature is written in a cursive, flowing style.

Tony Branch
Assistant Commissioner
Administration

c: Gilbert Taylor, Commissioner
Donald Brosen, Deputy Commissioner
Lula Urquhart, Deputy Commissioner, Fiscal & Procurement Operations
Michael King, Audit Director
Lynn Astacio, Director, Fleet Administration