



City of New York

OFFICE OF THE COMPTROLLER

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MANAGEMENT AUDIT

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Audit Report on the Controls of the
Department of Homeless Services over
the Shelter Placement and the Provision
of Services to Families with Children

MG14-088A

December 18, 2015

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
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NEW YORK, NY 10007

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December 18, 2015

To the Residents of the City of New York:

My office has audited the Department of Homeless Services (DHS) to determine whether it had adequate controls to ensure that homeless families with children are placed in facilities that are maintained in satisfactory condition and that the needs of families are assessed and monitored in a timely manner. We conduct audits such as this to ensure that City agencies provide appropriate services to those in need.

DHS does not have sufficient controls to ensure that units within the shelter facilities are adequately maintained, that the needs of homeless families are assessed in a timely manner, or that they receive the appropriate frequency of services that may assist them in transitioning to permanent housing. During the audit's scope period, there were only 14 Program Analysts assigned to oversee the provision of services at 155 family shelters housing approximately 12,500 families. Given the extent of oversight required, DHS does not apply sufficient resources to ensure that conditions are adequate and that these families receive mandated services. The audit's inspections of 101 apartments at eight shelters found that 87 percent had one or more conditions that raise health and safety concerns. In addition, the audit's review of shelter families' cases found that shelter providers did not monitor the families' progress in meeting their Independent Living Plan (ILP) goals or in attending their required sessions. Further, the audit found security issues at three of the eight shelters visited. Finally, DHS has failed to enter into written contracts for many of its shelters and so its ability to ensure that conditions are adequate and that services are provided is limited.

The audit makes 13 recommendations, including that DHS consider a reallocation of current staff from other DHS units to increase the number of Program Analysts overseeing the shelters; continue to seek additional funding from the City's Office of Management and Budget to enable it to hire additional Program Analysts; ensure that the shelter providers promptly correct the conditions that raise health and safety concerns in the sampled shelters; and modify existing monitoring controls and develop additional ones as needed that would allow it to ensure that shelter providers are completing ILPs in a timely manner and scheduling the required number of ILP sessions.

The results of the audit have been discussed with DHS officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report. If you have any questions concerning this report, please e-mail my Audit Bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in blue ink that reads "Scott M. Stringer".

Scott M. Stringer

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
Audit Findings and Conclusions	1
Audit Recommendations.....	2
Agency Response.....	3
INTRODUCTION	4
Background	4
Objective.....	5
Scope and Methodology Statement.....	5
Discussion of Audit Results with DHS Officials.....	5
FINDINGS AND RECOMMENDATIONS.....	7
Inadequate Allocation of Resources to Oversee Shelter Providers	7
Health and Safety Conditions at Shelter Units Are Not Adequate	9
Recommendations	13
Inadequate Efforts to Transition Families Out of Temporary Housing.....	15
Recommendations	18
Weaknesses in Shelter Security	19
Recommendation	20
Other Issues	20
Shelters Operating without Contracts.....	20
Recommendation	21
DETAILED SCOPE AND METHODOLOGY.....	22
APPENDIX	25
ADDENDUM	

THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER MANAGEMENT AUDIT

Audit Report on the Controls of the Department of Homeless Services over the Shelter Placement and the Provision of Services to Families with Children

MG14-088A

EXECUTIVE SUMMARY

The objectives of this audit were to determine whether the Department of Homeless Services (DHS) has adequate controls to ensure that homeless families with children are placed in facilities that are maintained in satisfactory condition and that the needs of families are assessed and monitored in a timely manner.

DHS is charged with addressing issues related to homelessness, including providing temporary, emergency shelter to individuals and families with no other housing options available to them. To do this, DHS engages the services of numerous shelter providers. DHS is required to monitor these shelter providers to ensure that they maintain the shelters in adequate physical condition. DHS must also ensure that sheltered families receive appropriate services—either on-site or through referrals to other agencies—to help them in their transition out of the shelter system. State regulations require that an Independent Living Plan (ILP) be developed for families residing in temporary housing. Shelter providers are required to meet with families on a bi-weekly basis to determine the families' progress and to help them obtain the skills required to return to permanent housing. During Fiscal Year 2013 through March 2014, DHS provided shelter to approximately 12,500 families with approximately 23,500 children.

Audit Findings and Conclusions

DHS does not have sufficient controls to ensure that units within the shelter facilities are adequately maintained, that the needs of homeless families are assessed in a timely manner, or that the families receive appropriate services, including those designed to assist them to transition to permanent housing. During our scope period, there were only 14 Program Analysts assigned to oversee the provision of services at 155 family shelters housing approximately 12,500 families. Given the extent of oversight required, DHS does not apply sufficient resources to ensure that these families receive mandated services. As a result, as DHS Program Analysts informed auditors, the agency relies on the shelter providers to inform the agency of problems with the housing and services provided to these families. With little independent verification performed, DHS has only limited assurance that shelter providers have delivered housing and services in

accordance with their agreements and the relevant regulations,¹ which increases the risk that vendors may provide inadequate housing and services to homeless families.

Our inspections of 101 apartments at eight randomly selected shelters found that the majority had one or more conditions that raise health and safety concerns, including rodent and roach infestation, peeling paint, water damage, and mold on bathroom ceilings. Our inspections identified a total of 323 conditions related to 88 (87 percent) of the 101 apartments that we inspected.

In addition, because DHS does not maintain overall performance data on whether shelter providers developed ILPs in a timely manner or monitored families' progress in meeting ILP goals, we also were unable to determine whether such services generally took place as required. Our detailed review of 12 sampled families' cases found that shelter providers did not monitor the families' progress in meeting their ILP goals; none of the 12 families consistently complied with the provisions outlined in their ILPs or attended their required ILP sessions. We found little evidence that these instances of non-compliance were identified and addressed by DHS.

We also found a number of security issues during our visits to the eight sampled shelters, such as an insufficient number of security guards at two shelters, no sign-in and sign-out logs at one shelter, and inoperable cameras at another shelter. A lack of adequate security increases the vulnerability of residents to theft, break-ins, and other crimes.

Audit Recommendations

To address the issues raised by this audit, we make 13 recommendations including that DHS should:

- Consider a reallocation of current staff from other DHS units to increase the number of Program Analysts overseeing the shelters to better monitor whether shelters are in compliance with the terms of their agreements. The agency should also continue to seek additional funding from the City's Office of Management and Budget to enable it to hire additional Program Analysts, as it has represented to us that it is currently doing.
- Ensure that the shelter providers promptly correct the conditions that raise health and safety concerns in the eight sampled shelters identified in this report.
- Reinforce to shelter providers the importance of performing the required number of unit inspections. At the same time, DHS should enhance its own monitoring system so as to keep track of the number of unit inspections that are performed on a weekly and bi-weekly basis.
- Modify existing monitoring controls and develop additional ones as needed that would allow it to ensure that shelter providers are completing ILPs in a timely manner and scheduling the required number of ILP sessions.
- Modify existing monitoring controls and develop additional ones as needed to that ensure that shelter providers follow up with clients who do not consistently accomplish the tasks set forth in their ILPs and/or attend their ILP sessions and conferences.

¹ Vendors operate shelters for DHS in accordance with contracts registered with the New York City Comptroller and with other types of agreements entered into on an emergency basis. In this audit, we sampled cases and locations that were subject to registered contracts as well as other types of agreements.

- Work with shelter providers to ensure that all shelter facilities, including clusters, are provided with adequate security, including a sufficient number of security guards and security cameras.

Agency Response

In their response, DHS officials generally agreed with the audit's 13 recommendations, stating that they have already taken action to begin implementing them.

INTRODUCTION

Background

DHS provides short-term, emergency shelter for individuals and families who have no other available housing options. Collaborating with other public agencies and nonprofit partners, DHS also assists individuals in shelters to transition to permanent housing by providing various social services. During Fiscal Year 2014, DHS managed five City-run and 150 provider-run shelter facilities that served families with children. DHS defines families with children as: (a) families with children younger than 21 years of age; (b) pregnant women; and (c) families with a pregnant woman. During Fiscal Year 2013 through March 2014, DHS provided shelter to approximately 12,500 families with approximately 23,500 children.²

All families with children must apply for shelter at the Prevention Assistance and Temporary Housing (PATH) office. Once PATH establishes a family's eligibility, staff conduct interviews to assess the family's medical, educational and social services needs as well as disability requirements, dietary and other special needs. This screening provides staff with factors to consider in selecting a shelter that can best accommodate a family's specific needs.

There are three types of family shelters: Tier II, cluster, and hotel.

- Tier II shelters provide housing and services, including three meals a day, to 10 or more homeless families.
- Cluster housing is comprised of two or more residential buildings that house both homeless families and rent-paying tenants under the operation of a single social services provider. Each unit has its own cooking facility.
- Hotels are buildings that were previously used as commercial hotels that have been converted to shelters.

Hotels and clusters provide fewer services than Tier II shelters. All three types of shelters have emergency food pantries.

DHS must monitor shelter providers to ensure that the providers maintain the shelters in adequate physical condition and that the residents receive the services necessary to assist them in transitioning to independence. As part of DHS's monitoring process, Program Analysts from its Transitional Family Services Unit are required to conduct bi-annual Monitoring Tool Evaluations (MTE) of all shelters using a checklist drawn from State and local regulations to ensure compliance.³ These evaluations cover: (1) the units' physical conditions; (2) the institution of health and safety measures (e.g., fire prevention plans); (3) plumbing, heating and electrical systems; (4) kitchen and food service; and (5) sanitation and maintenance. In addition, DHS' Maintenance and Repair Capital and Construction (MRCC) unit, staffed by personnel trained in

² This figure does not include families who: (1) entered into the shelter system more than one time during the year; or (2) stayed in shelter for 10 days or less on a conditional basis and were deemed by DHS to be ineligible for permanent shelter.

³ These regulations include the following: Title 18 New York Codes Rules and Regulations Part 900 – State Regulations on Shelter for Families; Title 18 New York Codes Rules and Regulations §352.35 (2012) – State Regulations Regarding Standards of Assistance, DHS Procedure No. 09-500 Client Conduct and Responsibility; and DHS Procedure No 15-210 – Facility Access Procedures.

housing-quality standards using U.S. Department of Housing and Urban Development (HUD) inspection protocols, must also perform bi-annual Routine Site Review Inspections (RSRIs).⁴

DHS must not only ensure that shelter providers adequately maintain their facilities, but also that sheltered families receive appropriate services—either onsite or through referrals to other agencies—to help them in their transition out of the shelter system. State regulations require that an ILP be developed for families residing in temporary housing.⁵ The ILP, which must be created by shelter providers within 10 days after a family is found eligible, is designed to help families transition out of temporary housing. Shelter providers are required to meet with families on a bi-weekly basis to determine the families' progress and to help them obtain the skills required to return to permanent housing. Shelter providers must enter all information pertaining to a family's placement, as well as the services provided, into the Client Assistance and Rehousing Enterprise System (CARES), DHS' computerized system of record. DHS Program Analysts use CARES as a primary tool in their efforts to oversee shelter providers' delivery of services. According to DHS's Fiscal 2014 Budget, the agency expended more than \$504 million on family shelter operations.

Objective

The objective of the audit was to determine whether DHS has adequate controls to ensure that homeless families with children are placed in facilities that are maintained in satisfactory condition and that the needs of families are assessed and monitored in a timely manner.

Scope and Methodology Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. 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 primary scope of this audit covered families with children placed into shelters during Fiscal Years 2013 and 2014 and who continued to reside in a shelter as of October 2015. Please refer to the Detailed Scope and Methodology at the end of this report for the specific procedures and tests that were conducted.

Discussion of Audit Results with DHS Officials

The matters covered in this report were discussed with DHS officials during and at the conclusion of this audit. A preliminary draft report was sent to DHS on November 5, 2015 and discussed at an exit conference held on November 24, 2015. We submitted a draft report to DHS on December 2, 2015 with a request for comments. We received a written response from DHS on December 16, 2015. In their response, DHS officials generally agreed with the audit's 13 recommendations, stating that they have already taken action to begin implementing them. We commend DHS for

⁴ During our scope period, this unit was referred to as the Facilities Maintenance and Development Division. In addition, RSRIs were supposed to be performed of all contracted and non-contracted facilities, excluding clusters. As of March 2015, DHS has changed its procedures to require that these types of inspections be made of clusters as well.

⁵ 18 NYCRR Part 900.10

taking our audit findings seriously and recognizing the need for an overhaul in its oversight of the provision of shelter and services to homeless families. Throughout its response, DHS cites a number of procedural changes and reforms that it has developed to address the deficiencies we identify in this audit. However, DHS' response also includes a number of inaccuracies that must be addressed.

Regarding the audit methodology, DHS suggests that our audit findings are based on our observations and examination of a very small sample of client units and case records. This is incorrect. As we explained to DHS officials at the exit conference for this audit, our findings are based on reviews of DHS' internal control structure that identified deficiencies and weaknesses acknowledged by DHS officials during the course of our audit. The results of our observations and examination of client units and case records serve to illustrate the impact of these control deficiencies on shelter residents and DHS practices.

DHS officials also take issue with matters that are *not* a part of the draft report provided to them on December 2, 2015. These matters have previously been discussed with DHS and, based on information provided by DHS in those discussions, they were not included in the draft. It is unfortunate that DHS did not conduct a more careful review of the draft report and thereby recognize that its response contains arguments against issues that were not present in the draft.

Finally, we note that most of the procedural changes cited by DHS in its response were not in effect during the scope of our audit. Rather, they were instituted subsequent to the start of our audit, in some cases *after* we raised these issues with DHS officials, while others are still in the process of being developed. Consequently, we cannot assess the degree to which these efforts adequately address the issues discussed in this report.

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

FINDINGS AND RECOMMENDATIONS

DHS does not have sufficient controls to ensure that units within the shelter facilities are adequately maintained, that the needs of homeless families are assessed in a timely manner, or that they receive the appropriate frequency of services that may assist them in transitioning to permanent housing. During our scope period, there were only 14 Program Analysts assigned to oversee the provision of services at 155 family shelters housing approximately 12,500 families. Given the extent of oversight required, DHS does not apply sufficient resources to ensure these families receive mandated services. As a result, as DHS Program Analysts and administrators informed auditors, the agency relies on the shelter providers to inform the agency of problems with the housing and services provided to these families. With little independent verification performed, DHS has only limited assurance that shelter providers have delivered housing and services in accordance with their agreements and the law, which increases the risk that vendors may provide inadequate housing and services to homeless families.

Our inspections of 101 apartments at eight randomly selected shelters found that the majority had one or more conditions that raise health and safety concerns, including rodent and roach infestation, peeling paint, water damage, and mold on bathroom ceilings. Our inspections identified a total of 323 conditions related to 88 (87 percent) of the 101 apartments that we inspected. In addition, because DHS does not maintain overall performance data on whether shelter providers developed ILPs in a timely manner or monitored families' progress in meeting ILP goals, we also were unable to determine whether such services generally took place as required. Our detailed review of 12 sampled families' cases found that shelter providers did not monitor the families' progress in meeting their ILP goals; none of the 12 families consistently complied with the provisions outlined in their ILPs or attended their required ILP sessions. We found little evidence that these instances of non-compliance were identified and addressed by DHS.

We also found a number of security issues during our visits to the eight sampled shelters, such as an insufficient number of security guards at two shelters, no sign-in and sign-out logs at one shelter, and inoperable cameras at another shelter. A lack of adequate security increases the vulnerability of residents to theft, break-ins, and other crimes.

These findings are discussed in more detail in the following sections of this report.

Inadequate Allocation of Resources to Oversee Shelter Providers

During our scope period, there were only 14 Program Analysts assigned to oversee the provision of services at 155 family shelters that house approximately 12,500 families.⁶ This means that on the average, each Program Analyst was responsible for roughly 900 families residing in 11 shelters. DHS assigns these Program Analysts and the Program Administrators who supervise them primary responsibility for oversight of the shelters and the services provided to the families sheltered there. However, there are no formal policies and procedures codified by DHS to govern the Program Analysts' oversight functions. Among other things, there are no standards for the number of units each Program Analyst should inspect on a weekly basis. Instead, this is left to

⁶ An additional 4,026 families were in shelter for 10 days or less during our scope period.

the discretion of each Program Analyst. This weakness is of particular concern because DHS has not dedicated sufficient staff to monitor the shelters.

Thus, when we interviewed Program Analysts, they stated that it was not reasonable to expect them to be aware of all conditions at the shelters. DHS management confirmed that they were not staffed at a level that would allow for adequate oversight and stated that they were requesting funding to hire an additional 15 Program Analysts.

The Program Analysts' responsibilities include visiting shelters on a weekly basis, responding to crises as necessary, following up on incident reports, conducting on-site case conferences with residents, and monitoring residents' progress in transitioning to permanent housing. Program Analysts are also responsible for completing evaluations for each shelter and, where deficiencies are identified, following up to ensure that corrective action has been taken. In addition, Program Analysts must complete evaluations that are entered into and used for Vendor Information Exchange System (VENDEX) ratings;⁷ provide technical support, assistance and training to shelters, including the implementation and use of CARES; oversee budgets, budget modifications, and financial audits, as well as analyze contract documents; and monitor spending by shelters.

Given the scope of their job responsibilities and the number of families and shelters each Program Analyst is responsible for, the Program Analysts must substantially rely on the shelters to provide them with information. However, independent verification of this information by DHS Program Analysts is necessary in order for DHS to be reasonably assured that shelters provide housing and services in accordance with their agreements. In addition, independent verification ensures that Program Analysts are aware of any issues related to service delivery.

We found that the level of independent verification performed by Program Analysts is very limited. Program Analysts we interviewed stated that they have regular communications with shelter providers and frequently visit the shelters. Nonetheless, the analysts also informed us that they largely rely on the providers themselves to ensure that: apartments are in good condition when families move in; needed repairs are completed; ILPs are developed in a timely manner; and the progress of families in meeting ILP goals is monitored. Further, the Program Analysts stated that they rely on shelter providers to notify them of any issues related to the families or conditions in the shelters that require DHS' attention.

At the exit conference for this audit, DHS officials told us that they were in the process of creating new units whose purpose was to facilitate DHS' oversight of the shelters and provide additional assistance to families. These units include the Continuous Quality Improvement Unit and the Clinical Service Unit. In addition, DHS officials stated that they were working with the shelters to create the Social Worker Shelter Initiative, whose purpose was to assist with client care coordination at the shelters. We were unable to test these new programs since they were either not fully implemented or had only been placed into operation at the conclusion of our audit.

As discussed in more detail later in this report, because Program Analysts largely rely on shelter providers to self-report their compliance, DHS has limited assurance that shelter operators consistently notify the agency of significant concerns regarding family issues and housing conditions or that such notice is given in a timely manner. Further, due to each Program Analyst's shelter caseload, they have little time to spend at a particular shelter and perform any type of detailed examination of conditions. Thus, even when Program Analysts learn of conditions that

⁷City agencies who enter into contractual agreements with vendors must enter information pertaining to their performance into VENDEX, which is one of the resources used by the City to make well informed decisions when selecting a vendor for future contracts.

may need to be remedied, their workload may hinder adequate follow-up to ensure that appropriate action is taken. Consequently, there is an increased risk that health and safety concerns may exist and not be corrected.

Consistent with this concern, we found multiple conditions potentially harmful to the families' health and safety when we conducted inspections of apartments at randomly selected shelters. Specifically, we found apartments in need of significant repair, behavioral concerns by residents, and significant events of which DHS was unaware. These issues are discussed in more detail below.

Health and Safety Conditions at Shelter Units Are Not Adequate

Conditions That Raise Health and Safety Concerns at 87 Percent of the Apartments Visited

DHS procedures require that shelter providers maintain their apartments in a satisfactory manner consistent with standards established through law, rules and DHS procedures and that inappropriate conditions be corrected promptly. Using the conditions assessed during MTE inspection reviews, as well as those of the bi-weekly shelter inspections, we developed our own checklists and, accompanied by shelter staff, we conducted site inspections for the period of April 2, 2015, through September 8, 2015.

We visited 101 randomly selected units at eight shelters.⁸ Our inspections identified a total of 323 conditions that raise health and safety concerns related to 88 (87 percent) of the 101 apartments that we inspected. A summary is shown in Table I below.

Table I

Shelter Apartments with Conditions Relating to Health and Safety Concerns

Shelter Name	Type of Shelter	Total # of Apt. with Conditions	Percentage of Apartments Inspected Per Shelter with Conditions	Total # of Conditions Identified in Apartments
St. John's	TIER II	10	100%	34
Flatlands	TIER II	7	70%	9
CRFH East	TIER II	7	70%	8
Walton	Hotel	10	100%	60
Corona	TIER II	10	100%	17
Lincoln Atlantic	Hotel	11	92%	33
Hospitality	TIER II	4	40%	7
CRFH	Cluster	29	100%	155
		88		323

⁸ We inspected 29 apartments in three apartment buildings at the CRFH cluster site, 12 apartments in the Lincoln Atlantic Shelter, and 10 apartments in each of the other 6 shelters, for a total of 101 apartments.

Of the 88 apartments with conditions relating to health and safety concerns, we found that 53 had three or more different conditions and 29 of these had five or more different conditions.⁹ Among other problems, 54 apartments had evidence of rodents and roaches; these included 25 of the 29 apartments we inspected at the CRFH cluster site. We also saw evidence of mold and mildew in some apartments. Other conditions included: broken faucets, shower heads, kitchen cabinets, light fixtures, and furniture; faulty smoke detectors; and blocked fire escapes. (A detailed breakdown of the conditions found is contained in Appendix I.)

Shelter providers are required to inspect units on a bi-weekly basis to ensure that the units are maintained in a satisfactory condition and to determine whether repairs are required. For families with active Administration for Children's Services (ACS) cases or those with newborns up to six months of age, these inspections must be made every week.¹⁰ For those units where we identified five or more conditions that raise health and safety concerns, we reviewed the maintenance reports, the bi-weekly shelter inspections, and the results of DHS' RSRI and MTE inspections to determine whether conditions identified by us had been noted by the other inspections. We noted numerous conditions that appeared as though they had been in existence for an extended period of time and so should have been noted by the shelter providers and DHS officials and addressed. In addition, we reviewed CARES to determine whether shelter providers made efforts to discuss issues with tenants that tenants were responsible for addressing under the code of conduct rules.

Our review of shelters' inspection reports and maintenance reports raised questions as to the adequacy of those inspections and about the shelter providers' efforts to make repairs when conditions were identified. For example, at both hotels we visited (Walton and Lincoln Atlantic) we identified health and safety-related conditions during our inspection, such as mold and mildew and chipped paint and plaster, that not only appeared to have been present for a number of months, but that were also cited by DHS' RSRI reports as issues more than three months prior to our inspection. However, the same problems were not noted in a bi-weekly inspection report that the shelter provider itself completed the prior month.¹¹ We also found deficiencies, such as holes in walls and ceilings that the shelter providers noted on their maintenance or inspection reports over a period of time, but for which we found no indication in the reports or elsewhere that repair efforts were ever initiated. For example, when we visited the Lincoln Hotel on May 29, 2015, we observed a broken toilet that had previously been noted on the shelter's maintenance report as requiring repair and that was also cited in an RSRI report on February 21, 2015, and an MTE Report on April 27, 2015. However, it was not until August 17, 2015, that the shelter provider, in response to the MTE report, submitted a Corrective Action Plan (CAP) for fixing the toilet. Similarly, during our visit to the CRFH cluster, we identified a number of conditions relating to health and safety concerns, including blocked sinks and bathtubs, broken doors and faulty faucets. These conditions were cited by DHS' RSRI reports on March 11, 2015—nearly 6 months prior to our visit to the shelter—and in some instances were also noted on either the shelter's bi-weekly inspection reports or maintenance reports. Despite the fact that the shelter provider submitted a CAP on August 7, 2015, for correcting these conditions, they were still not corrected as of our September 4, 2015, visit to the shelter.

⁹ The following six shelters had a combination of three or more types of conditions: St. John's, Walton, Corona, Lincoln Atlantic, Hospitality, and CRFH Cluster. The following four shelters had a combination of five or more conditions: St. John's, Walton, Lincoln Atlantic, and CRFH.

¹⁰ An open ACS case exists when a family receives prevention assistance services from ACS as a result of allegations made against the family for child abuse and/or neglect.

¹¹ The bi-weekly inspection reports are maintained at the shelters and they are available for DHS to review if the Program Analysts choose to do so. Their results are supposed to be entered into DHS CARES, but as is discussed below in this report, such entries are not always made.

We also identified instances where shelter providers failed to report health and safety related conditions to DHS and promptly address them as required. For example, during our inspection of an apartment at the CRFH cluster site on September 8, 2015, we detected a heavy smell of gas. The resident, who was in the apartment with a two month old infant, said that she had first noticed the gas odor in May 2015 while still pregnant. She stated that she had reported the problem to shelter providers on several occasions, but was told that the superintendent inspected it and concluded that there was no problem. Shelter officials provided us with a May 19, 2015 maintenance request they had sent to the building management, informing them of the gas leak. However, we saw no information regarding the follow-up and resolution of the problem. Further, there was no evidence in CARES that DHS had been made aware of this problem or that the shelter provider or agency had offered assistance to the resident. We immediately informed DHS of this issue; the agency then asked the shelter provider to replace the stove, which it did. However, according to a subsequent bi-weekly shelter inspection report on September 22, 2015, the oven portion of the stove was not working and needed to be repaired.

In another instance, we accompanied a Program Analyst on visits to several apartments on August 20, 2014, at the Bridge Family Residence II, where multiple units had been damaged by fire in a neighboring unit on July 28, 2014.¹² The unit where the fire originated was vacant but the damaged units nearby remained occupied. The residents in one of the neighboring occupied apartments stated that their front door lock had been broken by the firefighters and they were unable to lock the door. In another neighboring occupied apartment, the ceiling and wall in the living room and kitchen had been ripped out by the firefighters, which exposed the wooden studs that held the sheetrock for the walls and ceilings as well as the wiring for the electrical outlets. Plastic covering was draped over the sink and refrigerator. While the fire had been recorded in CARES, only the unit where the fire broke out had been cited; no notation had been made of the damage the fire caused in other apartments. The Program Analyst accompanying us had been unaware of the damage to these other units and informed the shelter director that “no one should be living in these conditions.” Two days after our visit, the family was moved out of the apartment with the exposed wooden studs. Despite several complaints to the shelter provider by the family in the apartment with the broken door lock, the problem had not been resolved at the time the family moved out of the shelter in October 2014.

We found limited oversight by DHS to ensure that the units are inspected on a consistent basis, which may be one of the reasons that health and safety deficiencies occur, go undetected and remain uncorrected. Pursuant to DHS procedures, shelters are required to enter inspection dates within the progress notes in CARES. However, other than its bi-annual Monitoring Tool Evaluations (MTE), DHS does not have a monitoring system in place to track shelters’ compliance with performing these inspections. Instead, Program Analysts must review the progress notes on a case-by-case basis to ascertain whether shelter providers conduct the required inspections.

In the absence of a monitoring tool employed by DHS, we reviewed the entries made in CARES from January 2015 through June 2015 for a sample of 12 “long-term stayer” families.¹³ We found that shelter providers performed all of the required inspections for only one of these families. Of the remaining 11 families, CARES has no evidence that the shelter providers performed any inspections for four and has evidence that shelter providers performed between 8 percent and 92 percent of the required inspections for seven. Of even greater concern is the fact that three of these families whose units were not inspected or not consistently inspected either had ACS cases

¹² This shelter was not part of our eight randomly selected shelters for inspection purposes. We visited this shelter prior to the selection of our audit sample as part of the survey stage of the audit.

¹³ A long-term stayer is one who resides in a shelter more than 270 days.

or had newborns during this time period and so were required to have more frequent inspections and oversight, not less. We saw no evidence in CARES that DHS noted the missing inspections and addressed the matter with the shelter providers.

Inadequate Controls to Ensure Repairs Are Completed in a Timely Manner

According to DHS officials, shelter providers must take a unit off-line upon a family's exit from shelter, pending a thorough physical inspection by the shelter provider and a completion of all necessary repairs.¹⁴ Due to insufficient staffing levels, DHS has no requirement that Program Analysts must inspect the premises, even on a random basis to ensure that they are in satisfactory condition prior to allowing new residents to move into units. Instead, DHS relies on the shelter providers to make the inspections and any necessary repairs and to notify DHS when a new family can be placed in the unit.

However, it appears that this process does not consistently ensure that shelter providers address existing conditions relating to health and safety concerns in a timely manner for those apartments in which new residents are placed. During our audit, we identified several instances where residents were placed in units with known conditions and those deficiencies were not remedied. For example, during our August 20, 2014, visit to Bridge Family Residence II shelter facility, we inspected an apartment where a family with five children had been placed on July 31, 2014, three days after a fire had occurred in a neighboring apartment. According to an incident report in CARES, the fire was so severe that the family from the neighboring apartment had to be evacuated and the apartment itself had required major renovations for an extended period of time. As a result, the smell of smoke in the neighboring apartments was still present on the day of our visit, several weeks after the fire occurred. According to the intake form documented in CARES, the head of household in one of the apartments we visited was asthmatic.¹⁵ The head of household claimed that since moving into the apartment, her children endured frequent nosebleeds and she had a very difficult time breathing due to the residual smell of smoke that still existed in her apartment. During our visit, we still detected the smell of smoke in her apartment. We also found that the ceiling above the bathtub was buckling, possibly from a leak. These conditions appeared to be long-standing and should have been remedied when placing a family in the apartment. We notified DHS of these concerns on August 22, 2014. The family eventually moved out of the apartment in June 2015; however, according to information in CARES, the reason was unrelated to apartment conditions. We found no evidence in CARES that the conditions had been remedied.

During our May 8, 2015, inspection of Walton Hotel apartments, a resident demonstrated that she had difficulty opening and closing her front door and using the lock. We reviewed the shelter's maintenance reports and found a complaint regarding this issue had been reported by the previous resident on January 30, 2015. There was no evidence that it was ever resolved. During our inspection of another Walton Hotel unit, we found that a family of nine, including a newborn, had been placed in an apartment on May 1, 2015. This apartment had been off-line for only one day although it was listed on the maintenance report and in CARES as needing repairs. During our inspection we observed mold in the bathroom, a broken kitchen cabinet, a malfunctioning refrigerator, a missing mattress for one of the beds and no required window screens on any of the apartment's windows. Child-proof bars were present, however.

¹⁴ Shelter staff notify DHS' Homeless Emergency Referral Operations Unit that the apartment should not be considered a viable option for placement until repairs are made.

¹⁵ A review of her case records in CARES found that on August 14, 2014, she had been admitted to the hospital due to difficulties breathing.

DHS Inspections Not Consistently Performed and Followed Up

As noted above, Program Analysts complete bi-annual MTE inspections to track whether shelters are in compliance with mandated rules regarding shelter conditions and procedures. Pursuant to DHS policy, Program Analysts are required to perform MTE inspections in 10 percent of the units of a facility they oversee or 10 units within a facility, whichever is greater, two times a year.¹⁶

DHS reports the inspection findings to the shelters upon completion of each inspection. A shelter that is cited for non-compliance is required to submit a CAP within 30 days of notification, listing actions taken to address the issues noted, or an estimated date by which corrective action will be taken. However, we found that shelter providers do not consistently submit their CAPs on time. Our review of 57 randomly selected MTEs conducted during Fiscal Year 2014 for 29 shelters that required CAPs found that shelters were late in submitting 29 (51%) of their CAPs, with lateness ranging from 10 days to more than 60 days past the deadline (two shelters were 65 days past their deadline and two shelters were 76 and 82 days past their deadlines). Among the issues noted for the four shelters were a gas smell in an apartment, a bed blocking a fire escape, a broken kitchen faucet, a refrigerator emitting a foul odor, and a clogged basin.

Program Analysts are expected to follow up only on issues considered life threatening. For all other problems, DHS generally accepts the written statement of the shelter officials that the issues that prompted the need for a CAP have been corrected or will be corrected as of a certain date. Of the 29 CAPs cited above that were submitted late, we found evidence that DHS followed up with only 6 (20 percent) to remind the shelter providers that a CAP was due.

Without effective controls to provide reasonable assurance that shelter providers maintain their facilities in satisfactory condition and address safety and health concerns in a timely manner, there is an increased risk that families at shelters will be exposed to hazardous conditions.

Recommendations

1. DHS should consider a reallocation of current staff from other DHS units to increase the number of Program Analysts overseeing the shelters to better monitor whether shelters are in compliance with the terms of their agreements. The agency should also continue to seek additional funding from the City's Office of Management and Budget to enable it to hire additional Program Analysts, as it has represented to us that it is currently doing.

DHS Response: "Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS has been approved to hire an additional 40 staff for Family Services, including two Program Administrators and 15 Program Analysts."

2. DHS should codify its policies and procedures governing oversight of the shelters to better ensure that (1) Program Analysts are aware of their specific responsibilities, and (2) shelters are being monitored in a consistent manner.

DHS Response: "DHS will look into creating a manual to assist Program Analysts in Families with Children in performing their job duties."

¹⁶ From March through December 2014, DHS attempted to inspect every unit in a facility, not just 10 percent. This proved to be too burdensome so as of January 1, 2015, they reverted to inspecting the greater of 10 percent of the units or 10 units.

3. DHS should ensure that the shelter providers promptly correct the conditions that raise health and safety concerns in the eight sampled shelters identified in this report.

DHS Response: “Program Analysts have now visited all 101 shelter units and, working with provider agency staff, all conditions have been corrected and resolved, with proper working orders submitted, with the small exception of messy/dirty units, which are being addressed through provider staff.”

4. DHS should reinforce to shelter providers the importance of performing the required number of unit inspections. At the same time, DHS should enhance its own monitoring system so as to keep track of the number of unit inspections that are performed on a weekly and bi-weekly basis.

DHS Response: “Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. On November 2, 2015, DHS issued CASE Management Guidelines to provide additional guidance on required case management activities, including bi-weekly health and safety inspections. In addition to monitoring by Program Administrators and Analysts, [the Office of Continuous Quality Improvement] will provide oversight and intervention to ensure providers are complying with the Guidelines. ... DHS will continue to use these various new tools to ensure that cited conditions are followed up on in an expedited manner.”

5. DHS should ensure that apartments in which families are placed are inspected by shelter providers as required and that all necessary repairs are completed in a timely manner.

DHS Response: “Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. Through the promulgation of the Shelter Inspection Procedure, and the formation of the Shelter Repair Squad, CQI and QA, as well as the hiring of additional MRCC and Family Services staff, DHS has greater abilities to enforce requirements that all shelter units are properly maintained and inspected by shelter providers prior to families being placed in them. Moreover, the shelter Inspection Procedure and Operational Plan Procedure will both provide additional oversight into how shelter providers maintain their shelter units.”

6. DHS should ensure that shelter providers submit and implement CAPs timely when deficiencies requiring the submission of such plans are identified by DHS inspections.

DHS Response: “Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. ... [R]equirements around shelter inspections, building conditions, violations and corrective actions are being built into all newly-signed contracts. Also the development of a centralized database for the SRS will ensure increased identification, monitoring and correction of building violations. Finally, the hiring of additional Family Services and MRCC staff will greater allow the Agency to ensure that all evaluations are completed, that all CAPs are submitted and that any requisite follow-up is achieved.”

Inadequate Efforts to Transition Families Out of Temporary Housing

ILPs Not Developed in a Timely Manner and in Accordance with DHS Standards

DHS does not have a tracking system in place that would allow it to monitor shelters' overall compliance with the mandated ILP requirements, nor can DHS track the shelters' overall compliance with monitoring families' progress in meeting established goals. In addition, DHS does not track the number of ILP sessions shelter providers should have scheduled, compared to how many actually were. DHS staff stated that they can assess compliance using CARES, but only on a case by case basis. They do not have the ability to monitor overall shelter performance. In the absence of a tracking system to monitor overall shelter compliance, we selected a sample of 12 "long-term stayer families" and performed a detailed review of their case files in CARES to gauge the shelters' oversight performance.

We found that shelter providers in our sample of 12 families did not prepare the ILPs for five families (42 percent) within the required 10-day period; we saw no evidence that DHS had contacted the shelters regarding their delay. For one family, the shelter providers created the ILP 87 days past the required 10 days. At the time of our review, this family had resided in shelters for a total of 993 days. In addition, we found that shelter providers did not schedule the required number of sessions for eight of our sampled long-term stayer families (67 percent). For one family, the shelter provider scheduled 34 percent fewer sessions than required.

According to DHS procedures, an ILP must be completed within 10 days of a DHS determination that a family is eligible for shelter.¹⁷ That plan should reflect and prioritize the family's needs, look at the family's ability to accomplish the plan's objective, and detail the availability of necessary support services to achieve the desired outcomes. The shelter provider must document all direct and indirect services it plans to provide, as well as all service referrals, in the ILP. Shelter providers then must use the ILP in weekly or bi-weekly meetings with the family to track their progress and to assist the family in developing independent living skills to ease the transition to permanent housing. According to DHS policy, shelter providers must schedule ILP sessions bi-weekly for the first 270 days that a family resides in a shelter and weekly if the family still resides in shelter past 270 days (a long-term stayer).

The ILP is intended to identify those tasks that should be completed to help a family achieve independence and obtain permanent housing. Consequently, there is a possibility that delays in the creation of an ILP or failure to conduct the required number of sessions may impede a family's ability to get the help needed to attain that goal.

Limited Follow-up When Clients Do Not Comply with ILP Requirements

The ILP is supposed to take into consideration any mental or physical impairments of family members or domestic violence safety issues within the family, and must include specific tasks, activities and time frames that specify how these needs will be addressed. Examples of possible tasks include requiring family members to seek employment and housing, obtain childcare and public assistance, and save money. Residents are required to provide evidence of compliance,

¹⁷ According to NY State Regulations (Title 18 NYCRR Part 900.10) an ILP must be completed within 10 days of a family's admission to shelter. DHS interprets admission to mean when eligibility has been established.

which shelters are supposed to document in CARES along with the confirmation of whether or not the residents complied with the previous ILP.

According to information recorded in CARES, none of the 12 families attended all of their ILP sessions. The percentage of missed ILP sessions for each family ranged from 3 to 87 percent.¹⁸ Furthermore none of the 12 families complied with all of their previous ILPs; non-compliance ranged from 4 to 92 percent.¹⁹ The breakdown per sampled family is shown in Table II.

Table II
Percentage of Missed ILP Sessions and
Non-compliance with Previous ILP

	Total # of ILP Sessions Scheduled	% of Missed ILP Sessions That Were Not Excused	Total # of ILP Sessions Family Attended	% of Non-Compliance with Previous ILP as Recorded by Shelter Providers	Evidence of Warning Notices	Scheduling of Case Conferences
Family #1	130	18%	101	39 %		
Family #2	113	72 %	25	84 %	60	Yes
Family #3	149	16 %	124	13 %	4	Yes
Family #4	89	28 %	63	10 %	2	
Family #5	89	87 %	10	90 %		Yes
Family #6	100	15 %	71	44 %		Yes
Family #7	72	35 %	47	81 %		
Family #8	70	24 %	48	88 %	6	
Family #9	63	3 %	61	41 %		
Family #10	61	13 %	53	4 %		
Family #11	128	22 %	75	53 %	2	Yes
Family #12	45	40%	24	92%	12	Yes

According to DHS policy, shelter providers should issue warning notices to residents when they fail to attend ILP sessions or fail to comply with the previous ILP. Shelter providers determine the notice frequency on a case-by-case basis. In addition to warning notices, shelter providers may schedule conferences with residents to remind them of the importance of attending the ILP sessions and warn them of the possibility of sanctions (e.g., formal warnings, discharge from the

¹⁸ These numbers were calculated after omitting the missed sessions that were excused (e.g., resident was seeking employment or was in training).

¹⁹ We were unable to determine the compliance status for 30 ILP sessions related to 6 families. In some instances the shelter did not note compliance on the ILP and in others instances we found no ILP in CARES – only notes to indicate that a session took place.

shelter) if they continue to miss the sessions. Attendance by the residents at these conferences is mandatory.

As Table II indicates, only 6 (50 percent) of the 12 residents who failed to attend the scheduled ILP sessions or to comply with their tasks received any type of warning notices advising them of their obligations. During the period we reviewed, shelter providers scheduled conferences for 6 (50 percent) of the 12 families. We saw evidence in CARES that only one of the families attended all of the conferences required. One of the Program Analysts told us that often DHS' presence at conferences results in greater compliance with ILPs. We saw evidence that DHS Program Analysts met with only one of the 12 families to discuss the importance of attending the sessions or complying with the ILP tasks.

Families that do not receive all of the required ILP sessions, do not attend all of their scheduled ILP sessions, and/or do not comply with their previous ILPs may have less opportunity to establish and adhere to goals that would assist them to transition to permanent housing. By not adequately overseeing compliance with ILP provisions, the shelters and DHS are likewise hindered in accomplishing a critical goal of the program: to help families obtain the independent living skills necessary to help them transition into permanent housing. DHS has a goal of transitioning families from shelters within 270 days (9 months) of entry. As stated previously, residents who remain in shelter past that period are considered "long-term stayers". For the eight shelters in our sample, 348 (41 percent) of the 858 residents there during our scope period were long-term stayers.

Shelters Do Not Enter All Required Events in CARES

As stated previously, CARES is DHS' computerized system of record. Shelter providers must enter all relevant case information into CARES, including but not limited to shelter conditions, needs and goals of a resident family, compliance with ILP tasks, and any behavioral issues. DHS Program Analysts have stressed that they use CARES to monitor progress of individual families.

Our review of the computerized files for the 12 sampled cases revealed that shelter providers are not diligent in ensuring that they enter all relevant case information in CARES. For the period reviewed, shelter providers scheduled a total of 1,109 ILP sessions. Families failed to attend 407 (37 percent) of those sessions. However, of those failures, only 243 (60 percent) were properly recorded as such in CARES, as shown in Table III below.

Table III

Percentage of Missed ILP Sessions
That Were Not Documented

	Family #1	Family #2	Family #3	Family #4	Family #5	Family #6	Family #7	Family #8	Family #9	Family #10	Family #11	Family #12	Total
# of Missed ILP Sessions	29	88	25	26	79	29	25	22	2	8	53	21	407
% of Missed ILPs Not Documented	52 %	18%	84%	69%	22%	45%	52%	41%	100%	63 %	47 %	48%	40%

Per our analysis, 18 to 100 percent of missed ILP sessions were not noted in CARES. Program Analysts told us that one of their greatest challenges is conveying to shelter providers the importance of entering all of the information into CARES. When shelter providers fail to enter all required information into CARES on a consistent basis, including missed ILPs, Program Analysts are not made aware of missed ILPs and are less likely to know that they need to become involved in assisting clients.

Recommendations

7. DHS should modify existing monitoring controls and develop additional ones as needed that would allow it to ensure that shelter providers are completing ILPs in a timely manner and scheduling the required number of ILP sessions.

DHS Response: “Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. ... DHS has issued Case Management Guidelines, which reinforce the necessity for performing proper shelter assessments and ILP meetings. And DHS is reinforcing the need to conduct these meetings with shelter providers directly, ... Finally, by shifting assessment functions to intake, DHS will be greater able to ensure timely completion of such documents.”

8. DHS should work with shelter providers to better enforce ILP preparation and conducting the first ILP session on a timely basis, as well as ensure that providers schedule the required number of ILP sessions, especially for those residents who are still in shelter beyond 270 days.

DHS Response: “Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS will be performing training sessions on the Case Management guidelines and reinforce those Guidelines ... Moreover, shelter-level Client Care Coordinators will further assist in engaging with hard to reach or high risk clients.”

9. DHS should modify existing monitoring controls and develop additional ones as needed that ensure that shelter providers follow up with clients who do not consistently accomplish the tasks set forth in their ILPs and/or attend their ILP sessions and conferences.

DHS Response: “Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS will be performing training sessions on the Case Management guidelines and reinforce those Guidelines ... Moreover, shelter-level Client Care Coordinators will further assist in engaging with hard to reach or high risk clients. DHS will also engage non-compliant clients through enforcement conferences, as described in the Client Responsibility Procedure.”

10. DHS should modify existing monitoring controls and develop additional ones as needed that would allow it to ensure that shelter providers are entering all relevant information pertaining to housing and servicing families in CARES as required.

DHS Response: “DHS agrees with this Recommendation, and had already taken action prior to the issuance of the Audit Report. DHS will be performing training sessions on the Case Management guidelines and reinforce those Guidelines ... Additionally, DHS will look into developing further updates to CARES that may allow for better overall performance monitoring of shelter providers uploading, or filling in, all required CARES forms.”

11. DHS should work closely with shelter providers to encourage better compliance for those families that are not attending ILP sessions or that are not complying with their tasks.

DHS Response: “DHS agrees with this Recommendation, and had already taken action prior to issuance of the Audit Report. DHS will be performing training sessions on the Case Management guidelines and reinforce those Guidelines ... Moreover, shelter-level Client Care Coordinators will further assist in engaging with hard to reach or high risk clients. DHS will also utilize the multi-tiered conferences described in its Client Responsibility Procedure.”

Weaknesses in Shelter Security

According to State regulations, shelters must ensure residents’ safety.²⁰ This includes establishing and maintaining adequate surveillance of the grounds and within the shelter, including security cameras as well as at least one security staff member on the premises 24 hours a day, seven days a week.

During our visits to the eight sampled shelters, we found the following security issues:

- The CRFH cluster site, which houses 300 homeless families within 16 buildings, had only one security guard in the main building. There were no security guards posted at any of the other 15 buildings. In addition, there were no sign-in and sign-out logs for residents to use when entering or exiting the shelter facility, contributing to the security concerns. These logs are required by DHS in order to enhance security.
- The St. John’s Shelter, which houses 97 families in three buildings, had inoperable cameras on the premises at the time of our inspection. Additionally, this shelter had been cited on several occasions by the New York State Office of Temporary and Disability Assistance for failing to have sufficient security staff for residents’ protection. According to shelter staff, intruders have increased over the years, placing families, as well as shelter

²⁰ See Title 18 NYCRR 900.11

staff, at risk. One of the residents approached us during our inspection and claimed that she experienced constant break-ins in her apartment.

- The Corona Family Residence, which houses 54 families and consists of two buildings, had only one security guard present at one of the buildings. There were no controls to prevent shelter residents from allowing unauthorized individuals access to the unguarded building. During our inspection, the security guard on duty stated that if an issue developed at the unguarded building, the on-duty guard would be required to leave the post to investigate, which would leave the main entrance unattended.

A lack of adequate security increases the vulnerability of residents to theft, break-ins and other crimes.

Recommendation

12. DHS should work with shelter providers to ensure that all shelter facilities, including clusters, are provided with adequate security, including a sufficient number of security guards and security cameras.

DHS Response: “Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS has conducted Crime Prevention Surveys on all sites in the Audit Report, and has finalized Security Assessments for four of the eight sites. The additional four will be completed within the next six months. ... DHS will ensure all security surveys and assessments are completed, and will continue to work with its State partners as well as NYPD to ensure proper security at DHS shelters.”

Other Issues

Shelters Operating without Contracts

During the audit scope period, DHS placed homeless families in 64 shelters with which it does not have any contracts, which may have violated City procurement rules. Chapter 13 of the City Charter requires that all services paid from the City treasury be procured in accordance with the Charter and Procurement Policy Board (PPB) rules. The Charter and the PPB rules also require all contracts procured for the provision of goods, services or construction that are paid by City funds be registered by the New York City Comptroller. The Comptroller has 30 calendar days from the date that it receives the contract to register or object to the contract. The process is designed to ensure that sufficient funds exist to make payments for that contract, that all appropriate certifications and documentation has been obtained and submitted, and that the contractor is not involved in corrupt activity. Further, the Charter and PPB rules require agencies to:

- Vet providers to ensure, among other things, that they are capable of fulfilling contract requirements and do not owe the City money for various fines and taxes.
- Conduct performance evaluations based on contract requirements. These performance evaluations must include the results of periodic unannounced site visits and interviews with clients and staff. Performance evaluation ratings and cautionary information must be entered into the VENDEX so that other agencies can make informed decisions when considering providers for additional City contracts.

- Register contracts with the Comptroller's Office. Registration is a key control for ensuring that agencies are in compliance with the City's policies for entering into agreements with outside parties. Registration also ensures that monies are available to pay contractors upon satisfactory performance and enables the City to track contract expenditures.

DHS failed to enter into written contracts with 51 hotels, 10 cluster type shelters and 3 Tier II shelters. Instead, DHS has operated using unwritten agreements. Previous Comptroller's Office audits have repeatedly cited DHS for its failures to contract for shelter services.²¹ Although DHS stated in October 2003 that it would make "every effort to contract", it has apparently failed to do so. During Fiscal Year 2014, 41 percent of the family shelters used by DHS did not have contracts. By allowing these shelters to provide social services through unwritten agreements, DHS has further weakened its ability to monitor and hold shelters responsible for fiscal and programmatic performance.

At the exit conference, DHS officials stated that moving forward, they are committed to only entering into agreements with contracted shelters and that they were making efforts to complete the registration process for all of their shelters.

Recommendation

13. DHS should enter into written contracts with all of the shelters for which it is currently placing families yet has no contract in place. Those contracts should, at a minimum, specify services to be provided, establish minimum performance standards, and detail remedies or termination clauses for failure to meet standards.

DHS Response: "Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS has developed a plan to bring its non-contracted shelter capacity to contract in order to ensure proper management and oversight to all shelter programs. DHS will continue to work with the Comptroller to accomplish these goals."

Auditor Comment: We are pleased that DHS has agreed to develop a plan to enter into written contracts with its shelters. However, as noted in the report, DHS officials have made this commitment previously. It is our hope that DHS will at this time follow through and implement this recommendation.

²¹ Our office has previously issued five audit reports that address this issue: (1) *Audit Report on Department of Homeless Services Controls Over Payments to Hotel and Scatter Site Housing Operators July 1, 2001-June 30, 2002* (# FM03-123A), Issued October 1, 2003; (2) *Audit Report on Department of Homeless Services Administration of its Billing System and Miscellaneous Expense Accounts*, (#ME07-073A), Issued June 29, 2007; (3) *Audit Report on the Compliance of the Department of Homeless Services with City Procurement Rules and Controls Over Payments to Non-Contracted Providers*, (#FK09-069A), Issued March 25, 2010; (4) *Audit Report on the Department of Homeless Services' Controls Over Billing and Payments Made to Aguila, Inc.*, (# FK10-130A), Issued November 4, 2011; and (5) *Follow-up Audit Report on the Department of Homeless Services' Controls Over Billing and Payments Made to Aguila, Inc.*, (#7S13-102F), Issued October 30, 2013.

DETAILED SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. 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 of this audit covers families with children who were placed into shelter during Fiscal Years 2013 and 2014 and who continued to reside in shelter as of October 2015.

To obtain an understanding of the shelter placement process for homeless families with children and to obtain information on the operations of PATH and Homeless Emergency Referral Operations Units (HERO) units, we interviewed the Associate Commissioner & Special Counsel of Family Services and the Associate Commissioner of Transitional Services. We also conducted observations of families placed at PATH, followed by those assigned to shelter at HERO.

To obtain an understanding of the duties and responsibilities of DHS program staff responsible for monitoring the progress of families residing in shelter and the criteria that shelter and DHS program staff must follow, we interviewed DHS Program Administrators and Program Analysts responsible for that oversight. In addition, we accompanied a Program Administrator to the Lexington shelter and observed DHS program and shelter staff conduct client conferences to discuss the clients' non-compliance with attending ILP sessions or ILP tasks.

To obtain an understanding of unit inspections conducted by DHS program staff, we accompanied a Program Administrator and Program Analyst to observe their unit inspections at the Bridge Family Residence II shelter. We also met with a shelter director to obtain better insight of the director's role and responsibilities at the Bronx Neighborhood Annex shelter.

We interviewed the DHS Information Technology Director, as well as the individual in charge of CARES training to obtain an understanding of the operation and capabilities of the CARES system used by DHS to track families and we conducted a physical walkthrough of the system.

To obtain an understanding of DHS's responsibilities pertaining to building maintenance, we interviewed the supervisor of the MRCC Department. To gain an understanding of how DHS responds to complaints pertaining to shelters and services, we interviewed the staff at DHS' Office of the Ombudsman and the Operations Desk, in charge of security at DHS facilities. We also reviewed the DHS policy on housing sex offenders.

We determined the number of shelters with contractual agreements and we reviewed the details of contracts for four shelters in our sample to assess the responsibilities governing the shelters in terms of maintenance of the facilities, as well as the provision of services to the families. To that end, we also reviewed the following guidelines and standards that DHS and shelters are required to follow:

- Title 18 New York Codes Rules and Regulations Part 900 – State Regulations on Shelter for Families;

- Title 18 New York Codes Rules and Regulations §352.35 (2012) – State Regulations Regarding Standards of Assistance;
- 94 ADM 20 – Office of Temporary and Disability Assistance Administrative Directive regarding Preventing Homelessness and Providing Assistance to Homeless People;
- 96 ADM 20 – Office of Temporary and Disability Assistance Administrative Directive Regarding Responsibilities of Homeless Individuals and Families;
- NYC Administrative Code 21-314 – Local Law regarding Case Management Services;
- DHS Procedure No. 09-500 Client Conduct and Responsibility;
- DHS Housing Emergency Referral Operations (HERO) Manual dated April 2009; and
- DHS Procedure No 10-210 – Facility Access Procedures.

To determine the reliability and accuracy of information entered into CARES, DHS’s system of record for client cases, we selected a random sample of six families from six shelters²² and compared the ILPs recorded in CARES for these six families to the hard-copy client case files maintained at the respective shelters. In addition, to obtain reasonable assurance as to the completeness of the information maintained in the electronic file, we compared the documents maintained by the shelters in the client files to the information entered by shelter providers into CARES. Based on our testing, we concluded that we could be reasonably assured that the information in CARES was accurate.

To determine whether DHS shelters were providing mandated services to families, along with a clean and healthy environment for clients, we conducted physical inspections of the premises at the following eight randomly selected shelters.

	Borough	# of Units Selected Randomly from MTE Reports for Inspection of Premises Only	# of Units Judgmentally Selected from MTE Reports for Inspection of Premises, Review of Shelter Files, and Review of Cares	Total # of Units Inspected
St. Johns	Brooklyn	9	1	10
Flatlands	Brooklyn	9	1	10
CRFH East	Manhattan	9	1	10
Walton	Bronx	9	1	10
Corona	Queens	9	1	10
Lincoln Atlantic	Queens	11	1	12
Hospitality	Staten Island	9	1	10
CRFH Cluster	Bronx	28	1	29
TOTAL		93	8	101

We selected these shelters by sorting the listing using the following parameters: by Program Analyst; by borough; and by type of shelter. We randomly selected five shelters from each borough, plus three additional randomly selected shelters (from Brooklyn, Bronx and Queens) for a total of eight shelters. Prior to our inspections, we obtained the MTE inspection reports that had been conducted by Program Analyst for each of the eight shelters during our scope period. From these reports, we judgmentally selected the eight units per shelter based on the criteria of a long-term stayer, with the intention of evaluating the case file records maintained at the shelter

²² Clinton, Hillside House, Life, CRF East, St. John’s Family Residence and Hamilton Family Residence.

premises, as well as the ILPs recorded in CARES to determine the degree of oversight provided to the long-term stayers. We also randomly selected an additional 93 units to inspect at the eight shelters, for a total of 101 units.²³

Using the conditions assessed during MTE inspection reviews, as well as those of the bi-weekly shelter inspections, we developed our own checklists and accompanied by shelter staff, we conducted site inspections for the period of April 2, 2015 through September 8, 2015. For those units with five or more health and safety related conditions, we reviewed the maintenance reports, the bi-weekly shelter inspections, the results of DHS's RSRI, as well as MTE inspections to determine whether concerns identified by us had been noted by the other inspections, especially for conditions that appeared as though they had been in existence for a while and should have been noted and addressed. In addition, for the residents in our sample who were considered long-term stayers, we reviewed CARES to determine whether shelter providers made efforts to discuss with tenants issues that tenants were responsible for addressing under the code of conduct rules.

To determine whether MTE inspections were performed for all required shelters and whether the shelter providers submitted CAPs following the inspections, we randomly selected 29 shelters and reviewed 57 MTE reports. We compared the inspection results to the CAPs to determine whether the CAPs were submitted within the required time frame, whether they properly addressed the issues found during the inspections, and whether a reminder letter was sent to the shelters if the CAPs were submitted late.

We selected a sample of 12 families from the eight shelters we inspected to review the social services that the families received. Our sample is comprised of one randomly-selected family from each shelter's population of long-term stayers and the four families that had the longest stay among the total population of residents at the eight shelters. For these 12 families, we reviewed the following aspects in CARES:

- Timeliness of initial assessment of needs and timeliness of first ILP session;
- Frequency of ILP sessions – most notably whether criteria of weekly ILP sessions were held for long-term stayers and ACS/newborn cases;
- Number of ILP sessions scheduled, number of ILP sessions that were missed by families, number of ILP absences that were excused;
- Number of ILP sessions noted in CARES;
- Percentage of compliance with all ILP tasks;
- Warning notices and conferences held by shelter providers in instances of absences and non-compliance with goals and tasks of ILP;
- Length of stay of family in shelter; and
- Frequency of shelter inspections for residents with a newborn or ACS case.

²³ Our initial selection had been 102 units, but we were unable to inspect one unit at the cluster and so we eliminated it from our sample.

APPENDIX

Conditions Relating to Health and Safety Concerns Found at Eight Shelters

Condition	Number of Units Per Shelter with Condition								Total #	% of Apt. Inspected
	St. Johns	Flatlands	CRFH East	Walton Hotel	Corona	Lincoln Atlantic	Hospitality	CRFH Cluster		
<u>SHELTER RESPONSIBILITY</u>										
Combination of Vermin, Rodents, Ants and Roaches	4	3	1	3	8	8	2	25	54	53%
Broken Items	4	1		7		3		26	41	41 %
*No Window Screen				9	3	1		25	38	38%
Holes/Cracks in Walls Ceilings	4		1	4		2		7	18	18%
Chipped Paint and Plaster				2		3		7	12	12%
Faulty Showerhead Kitchen and Bathroom Sinks		1		3	2			5	11	11%
Issues with Stove, Oven, Knobs	3			2		1		5	11	11%
Evidence of Mold and Mildew	3			3				4	10	10%
Faulty Front Door Lock	1			1				3	5	5%
Issues with Electrical Outlet (Loose, Not Working)			1	2				2	5	5%
Issues with Bed (Sagging or No Mattress, Broken Frame)				3		1		1	5	5%
* Faulty Smoke or Carbon Monoxide Detectors	1				1			3	5	5%
*Blocked/Clogged Sink, Bathtub, Toilet				1				4	5	5%
*Refrigerator Not Working Properly				3				1	4	4%
Window or Fire Escape Window Does Not Open				3				1	4	4%
Evidence of Leaks/Cracks on Walls and Ceiling					2			2	4	4%
Bathroom Kitchen Sink Not Attached to Wall								3	3	3%
Complaint re No Heat	2								2	2%
*Broken Toilet					1			1	2	2%
<u>CLIENT RESPONSIBILITY</u>										
Dirty, Cluttered Apartment	4	2	3	4		6	2	11	32	32%
Safe Sleep Flyer Not Posted Above Crib				2		3	2	10	17	17%
Crib Not Used for Safe Sleeping	1			2		4		4	11	11%
Evidence of Client Smoking in Apt.	3		1	2			1	4	11	11%
Unauthorized Electrical Appliances	4	2	1						7	7%
Blocked Exits and Bedrooms				4		1		1	6	6%
TOTAL	34	9	8	60	17	33	7	155	323	

* These conditions may have occurred as a result of the family's negligence; however, it was the shelter's responsibility to remedy the conditions.



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December 16, 2015

BY E-MAIL AND BY HAND

Marjorie Landa
Deputy Comptroller for Audit
Office of the Comptroller
Municipal Building
1 Centre Street, Room 1100
New York, NY 10007

Re: Response to Audit Report on the Department of Homeless Services' Controls Over Shelter Placement and Provision of Services to Families with Children (MG14-088A)

Dear Ms. Landa:

This letter is in response to the Audit Report on the Controls of the Department of Homeless Services' ("DHS" or the "Agency") Over the Shelter Placement and the Provision of Services to Families with Children, issued by the Office of the Comptroller ("Comptroller" or the "Auditors") on December 2, 2015 ("Audit Report").

Homelessness has increased by approximately 115% over the past two decades. Increasing homelessness is an unfortunate product of today's economic realities - increasing income inequality, rents rising, and wages remaining flat. People fall on hard times, can't make rent, and end up entering shelter. Furthermore, in 2011, the State and City cut Advantage, a rental assistance program that was a critical shelter exit strategy, leading to a significant increase of homeless New Yorkers in shelter. Mayor de Blasio came into office with 50,689 in our shelter system. Today, there are approximately 58,000 individuals in shelter.

On December 15, 2015, Mayor De Blasio announced a comprehensive operational review of New York City's homeless programs to ensure services are delivered as efficiently and effectively as possible in order to prevent, reduce and manage homelessness. The review, which will begin immediately, will be led by Human Resources Administration Commissioner Steve Banks, acting in his capacity as the administrator of the social services district for New York City, and First Deputy Mayor Anthony Shorris, with the Mayor's Office of Operations supporting the effort. This review will only further serve to bolster DHS' efforts to provide safe and suitable shelter to all homeless families in its care, and to provide those families the necessary services and supports to return to permanent housing.



DHS would also like to share the aggressive reforms the Administration has already implemented over the past two years. While the Audit Report focuses on on shelter unit conditions, ILP compliance and security, it does not include DHS' reforms in these areas, including: (1) establishing Shelter Repair Squads, the Office of Regulatory Compliance and Accountability, the Office of Continuous Quality Improvement, the Quality Assurance Unit, the Strategic Planning Unit and the Clinical Services Unit; (2) promulgating the Shelter Inspection Procedure, the Operational Plan Procedure, the Case Management Guidelines, and Crime Prevention Surveys; (3) hiring additional staff for Family Services, Maintenance and Repair, and Security and Emergency Operations; and (4) developing significant rental assistance programs for families in shelter.

DHS more fully explains these points below, and then responds to each of the specific findings and recommendations in the Audit Report.

I. SIGNIFICANT IMPROVEMENTS IN INFRASTRUCTURE, OVERSIGHT AND SHELTER MANAGEMENT

The De Blasio administration and DHS Commissioner Gilbert Taylor have taken a very pro-active approach to shelter oversight, and during Calendar Year 2014, took many significant steps toward improving Agency infrastructure, oversight and shelter management. These steps were further bolstered through interagency collaboration with the Department of Investigations ("DOI"), which released a report on March 15, 2015, containing shelter-related findings, recommendations, and corrective actions agreed to by DHS. Since the issuance of that report, DHS furthered its important work, developing new programs for oversight and management to ensure its shelter facilities are properly maintained and families and individuals receive the highest level of service delivery.

A. New DHS Program Divisions

Soon into the administration, DHS performed an analysis of Agency operations and began to make changes to organization, reporting structures and responsibility centers to ensure greater efficiency and increased quality output from the Agency. These changes—such as dividing the Division of Facility Maintenance and Development into the specialized Division of Capacity Planning and Development, while moving Maintenance into the Division of Administration—has already led to a more efficient and well-structured Agency.

In addition, the following new program divisions have been created to further enhance shelter management, monitoring and oversight:

- **Office of Regulatory Compliance and Accountability ("ORCA")**: ORCA's mission is to assist DHS program divisions and their providers in adhering to the statutory, regulatory and contractual obligations outlined by the State Office of Temporary and Disability Assistance ("OTDA"). DHS formed ORCA, which sits within the Office of Legal Affairs, in August 2015. ORCA will ensure that providers and directly operated facilities respond to outstanding issues related to State inspections,



DOI findings, Fire Department of the City of New York (“FDNY”)/Department of Housing Preservation and Development (“HPD”)/Department of Buildings (“DOB”) violations, and internal monitoring process and tools. ORCA works closely with program divisions to develop and implement stringent compliance tools to make certain that shelter conditions, be they physical plant and/or social services, are maintained at the highest professional standards. ORCA is also responsible for enforcement of the Operational Plan Procedure and a portion of the Shelter Inspection Procedure.

- **Office of Continuous Quality Improvement (“CQI”)**: CQI ensures quality assurance is in place with regard to compliance with OTDA regulations as well as DHS policies and procedures. DHS formed CQI, which sits within the Division of Policy and Planning, in May 2015. CQI accomplishes its goals through three primary functions:
 - *Site Visits*: CQI performs unannounced quality assurance site visits to evaluate service provisions “on the ground.” These visits are staggered during the workday as well as overnight to ensure a complete picture of operations. Each shelter site will have at a minimum two unannounced visits annually to identify discrepancies in service. CQI will issue full reports following visits, indicating strengths and weaknesses. These reports are submitted to the DHS Commissioner and to the Deputy Commissioner in charge of the service site who will work with the site to develop a timeline to rectify deficiencies in terms of service operation. Once the Deputy Commissioner has deemed the modifications complete, a final unannounced visit will be made to ensure the changes have been made.
 - *HomeStat*: HomeStat forums are monthly interactive meetings with Agency and shelter staff, and are intended to foster a shared sense of accountability and system wide problem-solving about critical issues affecting client outcomes. During a HomeStat meeting, data trends related to the facility being examined are discussed and compared to overall system performance. Additionally, an in-depth case review is done focusing on practice and housing permanency. After the meeting, recommendations are provided to the facility and the facility has two weeks to submit their implementation plan. In this manner, HomeStat provides the opportunity for DHS leadership, as well as its providers, to learn from the experiences of both those who manage DHS programs and those who work directly with client, using data to inform Agency practice. Beginning in 2016, HomeStat forums will be held bi-monthly.
 - *Evaluation and Quality Improvement Protocol (“EQUIP”)*: In January 2016, CQI will implement EQUIP, an assessment system to evaluate shelter performance. Over the last 10+ years, DHS has used the Performance Incentive Program (“PIP”) to evaluate shelters by assessing quantity driven performance. Focusing on placement outcomes, PIP financially incentivized shelters to achieve or surpass pre-determined placements targets. EQUIP offers a more robust evaluation by expanding the review scope to include additional metrics, such as: compliance, outcomes, and quality (which considers service delivery areas ranging ILP quality/timeliness to quality of shelter environment). The evaluation data is obtained through onsite case record reviews, site inspections and CARES data pulls. DHS will evaluate each shelter on an annual basis with quarterly progress reporting. Performance report cards will be developed with corresponding corrective actions highlighting areas in need of improvement and technical assistance offered by the appropriate DHS staff when indicated.



- **Quality Assurance Unit (“QA”)**: QA is responsible for the systematic monitoring and analysis of the various aspects of shelter services to ensure standards of quality are being met, to provide technical assistance and training, and to inform the continued development of agency practice and standards. DHS formed QA, which sits within Family Services’ Office of Permanency and Planning, in October 2015. QA conducts thorough case reviews of identified shelters/families, analyzes OTDA inspection reports for deficiencies in shelter service delivery, identifies areas of intersection where support is needed, and bridges efforts for a comprehensive response. Additionally, QA provides written recommendations to strengthen case records, assists with implementation of recommendations and training, and follows up to ensure adherence to recommendations and training. QA facilitates the monthly Case Management guidelines training for shelter staff, and provides other Family Services-specific training to shelter and Family Services staff.
- **Strategic Planning Unit (“SPU”)**: SPU is set up to support the division’s program areas by enhancing structure and improving efficiency. DHS created the Strategic Planning Unit, which sits within the Division of Family Services, in January 2015. SPU develops policies, procedures, and process flows to ensure consistency, identifies inefficiencies, and works to improve the quality of practice across the division and shelter provider network. SPU also researches and oversees the implementation of best practices, including evidence-based and evidence-informed metrics of service delivery, creating and managing new opportunities and supports for families and children through a portfolio that covers education/vocational training, employment, and health and wellbeing. SPU also provides data support and uses data to inform practice, coordinates with HRA’s Enhanced Shelter Mobile Diversion Teams to assist families by offering additional benefits and services to bolster efforts to achieve permanency, and liaises with partner agencies and departments to aid families in need of assistance because of domestic violence.
- **Clinical Services Unit (“CSU”)**: DHS is developing the CSU, a division within Family Services, to oversee the expansion of the Safety First Team of Social Workers. The Safety First Team formed in December 2014 to engage and assess families with children residing in shelter who are deemed to be “high risk.” The Team assessed over 1,900 families and provided as-needed interventions depending on individual family circumstances. The expansion of Safety First into the CSU will permit for additional resources and staff to further this important mission. To staff the CSU, DHS will hire a director, three supervisors and 24 social workers. To further supplement these teams, DHS is adding funding to contracted provider budgets to hire Client Care Coordinators, who will be social workers tasked with assisting families with children in shelter as they navigate multiple systems and cope with the stressors and anxiety induced by homelessness.
- **Shelter Repair Squad (“SRS”)**: The Mayor’s Office of Operations formed the SRS on May 15, 2015, as an outgrowth of the DOI recommendations to address conditions at New York City homeless shelters. SRS consists of representatives from DHS, HPD, DOHMH, DOB, FDNY, and the Department of Design and Construction (“DDC”), and is committed to conducting bi-annual inspections of all NYC shelters to ensure the health and safety of all residents. Since SRS was launched, over 10,000 building violations have been cleared and work has begun on all long-term repairs at DHS facilities. Moreover, the SRS has nearly finalized a central database that monitors inspections across all enforcement agencies – DHS, DOB, HPD, FDNY, and DOHMH. By tracking inspections, violations, and corrective action plans in the central inspection database, the Shelter



Repair Squad will have the capacity to monitor the progress of all violation clearances and their respective CAPs. Furthermore, the SRS is in the process of creating a scorecard for all city shelters, which will reinforce to shelter staff the importance of maintaining safe and clean shelters.

B. New DHS Procedures

In addition to the new program divisions described above, DHS has also issued significant new procedures to address shelter oversight and management:

- **Shelter Inspection Procedure:** On March 3, 2015, DHS implemented the Shelter Inspection Procedure, applicable to all shelters in the DHS system. Using the Routine Site Review Inspection (“RSRI”) as the official shelter inspection tool, inspections evaluate the physical and structural conditions of a shelter as well as the shelter provider’s ability to maintain the site in good repair. The procedure requires correction of severe violations within 24 hours and subsequent re-inspection by DHS. Additionally, the new procedure:
 - Requires providers to submit corrective action plans within 14 business days from the date of the report (prior to the procedure, providers had 30 days to submit corrective action plans);
 - Formalizes lease review of shelters by DHS’ Office of Legal Affairs and its Administration Division which oversees the maintenance, repair and capital construction projects for all shelters within the DHS system;
 - Calls for enforcement conferences with key members within the DHS and its sister agencies, HPD, DOB and FDNY; and
 - Permits the recoupment of funds from providers who do not ensure the remediation of violations, as set forth in the RSRI and enforcement conferences.
- **Operational Plan Procedure:** On May 30, 2015, DHS implemented the Operational Plan and Operating Certificate Procedure. This Procedure requires all Family Services shelter providers to submit and obtain Agency approval of an Operational Plan for each facility it manages. An Operational Plan means a comprehensive and detailed plan which documents and outlines a shelter provider’s operation of its families with children facility in accordance with the requirements of 18 NYCRR §900 *et. seq.* This is a significant change in business practice for the Family Services shelter system in that all facilities will be required to develop an Operational Plan regardless of the shelter type or whether OTDA will issue it a Tier II certification under Part 900. In fact, where a facility would not submit an Operational Plan to OTDA (non-Tier II facilities are not certified by OTDA) the provider must still provide such plan to DHS. The Agency will review the plan and approve such facilities’ Operational Plans. Furthermore, the Procedure outlines what must be included in Operational Plans, as well as the timeline for submitting Plans for approval by DHS and certification by OTDA, where applicable. For purposes of enforcement, this Procedure applies to all shelters within the DHS system.
- **Case Management Guidelines for Family Shelters:** DHS promulgated and released Case Management Guidelines to shelter providers on November 2, 2015. These guidelines outline DHS’ expectations for case management services at all of its shelters for families with children. Incorporating City and State shelter regulations and administrative directive, as well as Agency



expectations (including, but not limited to, those within shelter contracts and formal procedures). The guidelines fall into eight different categories: (1) Conditional Review; (2) Assessment and Exit Strategy; (3) Service Planning and Referrals; (3) Service Planning for Children; (4) Permanency Services and Re-Housing; (5) Case Conferences and Non-Compliance; (6) Leaving Shelter and Moving into Permanent Housing; (7) Health, Safety, and Operational Activities; and (8) Supervisory Tasks. Each of the aforementioned sections contains required action items, a description of the required services, the appropriate staff member, and a time frame within which the services must be completed.

- **Crime Prevention Surveys and Security Assessments**: The DHS Security and Emergency Operations Division (“SEOD”) began conducting Crime Prevention Surveys in March 2015, initially with the assistance of the NYPD, as recommended by the DOI report. Within the Families with Children system, SEOD conducted these surveys at:
 - 334 out of 334 Cluster buildings (100%)
 - 63 out of 63 Hotels (100%)
 - 90 out of 183 Tier II shelters (49.1%)

These Surveys, in turn, informed the Agency’s security assessment process to determine the cost related to specific Survey recommendations, and led SEOD to begin researching various security strategies. These assessments began in September 2015. Since then, 61 security assessments with specific recommendations for enhancing security at DHS shelters have been completed.

C. Shelter Monitoring and Building Inspection Tools

In addition to the various programs and divisions described above, and including contractual obligations, DHS has as a primary tool of evaluation and oversight the Monitoring Tool Evaluation (“MTE”) and the Routine Site Review Inspection (“RSRI”).

- **MTE**: DHS program divisions utilize the MTE to evaluate the performance of each contracted and non-contracted shelter facility twice a year. The MTE includes (1) a monthly apartment fitness report which is based upon inspection of 10 percent or at least 10 of the units in each facility, whichever number is greater, and evaluates housekeeping and safety factors in each unit; (2) a social services/program review; (3) a housing placement target review; and (4) a verification of unity occupancy review. Thirty days after receipt of the MTE, the provider must submit a Corrective Action Plan (“CAP”) indicating whether corrective action has been taken with respect to all issues requiring correction, or if not, providing an estimated date for correction.
- **RSRI**: An RSRI is an inspection and audit pursuant to Article V of the Human Services Standard Contract and Section 5.04 of Appendix A of the Human Services Standard Contract. The RSRI contains 348 questions and each question is categorized into one of three areas: cleanliness, building integrity, and management. The RSRI is the primary tool used by DHS to determine whether a shelter’s physical environment is in compliance with the laws, codes, regulations and rules governing Temporary Housing Assistance. The RSRI also helps DHS evaluate the appropriateness and efficiency of the provider’s use of City funds budgeted for maintenance of the shelter. Finally, the RSRI helps identify problematic building conditions (i.e. roofs, plumbing, HVAC) to prevent their premature failure.



Both of these tools, each conducted bi-annually, allow DHS to monitor shelter providers' performance in providing social services to homeless families, as well, as their maintenance of the physical conditions of the shelter.

D. Hiring of Additional Staff

To ensure DHS can meet its regulatory and procedural mandates, as well as ensure its divisions are properly staffed to meet those goals, this administration has also brought on significant additional staff in the following program divisions:

- **Family Services**: Family Services has been approved to hire 40 additional staff, including 2 Program Administrators and 15 Program Analysts. DHS will use this additional staff to equalize shelter portfolio assignments, and provide for frequent site visits to each shelter location in addition to semi-annual regular site audits for social service delivery and basic health safety compliance for shelter units. Staff will also provide at least two case record reviews in addition to the MTEs to ensure compliance with regulations, policies and procedures concerning service delivery. At this time, DHS has already reallocated staff to augment this function and are in the process of hiring additional staff to ensure full program oversight.
- **Maintenance, Repair, Capital and Construction ("MRCC")**: During summer 2015, MRCC hired eight (8) additional inspectors to reach a twenty (20) person inspection team. These Inspectors are responsible for monitoring DHS shelters as it relates to the maintenance of building systems. Working within MRCC's Facility Maintenance Unit ("FMU"), these inspectors guide shelter staff on improving facility conditions, and also conduct surveys, evaluate on-site conditions and provide guidance to the providers on identified defects. Additionally, MRCC has been approved to hire an additional eight (8) inspectors as well as three (3) RSRI Violation Monitors. Monitors will be responsible for reviewing certificates of occupancy, RSRI corrective actions plans, and DOB and FDNY violation remediation strategies, and will work with each provider/landlord in the development of long term and short term measures to ensure compliance with NYC Codes.
- **Wildcat Workers**: To add further resources to MRCC in cleaning rooms after families exit and preparing them for new shelter entrants, DHS hired fifteen (15) Wildcat workers which are stationed at twelve DHS shelters (including PATH intake and Flatlands) and can be deployed as needed to provider-operated shelters.
- **Security and Emergency Operations Division ("SEOD")**: SEOD has hired 263 additional Peace Officers to enhance security throughout the Agency's shelter system. Additionally, SEOD has expanded Peace Officer deployment to five additional sites, reinstated the Citywide Task Force of Peace Officers for targeted response to additional facilities, and expanded the Sex Offender Unit. The Warrant Squad's duties were also expanded to include joint operations with the U.S. Marshal Service and various NYPD units. SEOD is also conducting additional training classes.



II. SIGNIFICANT RENTAL ASSISTANCE PROGRAMMING AND PERMANENT HOUSING PLACEMENTS

One of the most significant hurdles to achieving permanent housing is affordability. To address this need, DHS, along with the Human Resources Administration, has made significant achievements in bringing back rental assistance for homeless families and relinking families to NYCHA subsidized housing for the first time since the end of the Advantage rental assistance program. Since the cutting of the Advantage program, the number of families with children in the DHS shelter census had grown by 47% (with a concordant 57% increase in the number of individuals in the families with children system).¹ While fueled in part by aftereffects of the 2009 recession, a significant driver of the increase in census was that families and individuals were staying in shelter longer. A comparison of FY2011 (the last full year in which Advantage operated) and FY2014 (the last full year before the rollout of new rental assistance programs) shows a marked increase in the percentage of long term stayers (over 2 years) in the system. Indeed, long term stayers as a percentage of the DHS shelter census increased from 5% in March 2011 to 17% in November 2015.

To address this need, in September 2014, DHS, in conjunction with HRA, developed a robust rental assistance program called Living in Communities (LINC), which includes rental subsidies available to working families and vulnerable families, including those experiencing episodic homelessness. Additionally, in 2014, DHS relinked to NYCHA public housing by establishing targeted and selective use of NYCHA resources to offer homeless families apartments in public housing. DHS and HRA also developed a program called CITYFEPS, which assists families who have entered the homeless shelter system due to eviction as well as families residing in shelters slated for imminent closures. To bolster these efforts, Family Services engaged its provider network in a series of in-person meetings to communicate the urgency of reducing the census and to brainstorm about strategies and address challenges. DHS also engaged landlords and brokers directly by holding broker breakfasts, hosting housing forums for landlords/brokers and clients, and partnering with HRA to offer incentives for landlords and brokers willing to lease units to shelter clients. These and other programs have succeeded in exiting 24,494 clients from shelter and into permanent housing from the beginning of FY15 to date. And, in addition to individuals who exited shelter on their own, over 52,000 individuals have exited shelter since July 1, 2014.

While ILPs and case management meetings are indeed important to keeping families on the path to permanent housing, without rental assistance and subsidized housing, the reality is that most families in the DHS shelter system will be unable to exit shelter. Notably, of the 12 families included in the sample, six have already moved out of shelter using the rental assistance or subsidized housing described above.² Additionally, one family was reunified with family. DHS continues to work with the other five families, as it does with all its shelter clients, to identify rental assistance or subsidized housing options that may provide the means of exiting shelter to permanent housing.

¹ These statistics looks at the census on March 31, 2011 and on November 30, 2015.

² Family 4 moved out on August, 16, 2015 into NY/NY III Supportive Housing; Family 5 moved out on July 30, 2015 into independent living; Family 6 moved out on September 20, 2015 using a LINC I voucher; Family 8 moved out on September 30, 2015 using a CITYFEPS voucher; Family 9 moved out on June 22, 2015 using a CITYFEPS voucher; and Family 11 moved out on October 21, 2015 into a NYCHA Section 8 apartment.



III. COMMENTS ON METHODOLOGY

The Comptroller looked at 101 client units in eight (8) facilities and looked at the CARES case records of twelve (12) families. DHS operates 161 shelters for Families with Children, and in CY2015, has had an average daily census of 12,539 families. In its entirety, the Families with Children system consists of 12,635 units across 161 shelters housing 12,192 families. Therefore, the auditors only examined 0.8% of the system.

IV. FINDINGS AND RECOMMENDATIONS

Each of the Audit Report's specific Findings and Recommendations, as well as DHS' responses, is discussed in detail below.

1. Allocation of Resources to Oversee Shelter Providers

Comptroller's Findings: The Comptroller found that DHS has not established formal policies and procedures to govern the Program Analysts' shelter oversight functions. Additionally, the Comptroller found that due to Program Analyst's reliance on shelters to self-report unit conditions and social service compliance, DHS has limited assurance that the providers notify DHS of all relevant issues in a timely manner.

DHS' Response: DHS has substantial programs and resources designed to address shelter performance, as well as clearly defined tasks and standards for Program Analysts. Importantly, Program Administrators and Analysts are program and contract managers, and by necessity, they must use oversight and monitoring functions to ensure the social services providers in the shelters are properly delivering shelter services. Shelter providers are held accountable through MTEs, RSRI, and operational plans, and RSRI.

First, Program Analysts' duties and responsibilities include overseeing the social services that not-for-profit providers perform for DHS. Analysts assist in developing Requests for Proposals, provide social services technical assistance to the DHS Agency Chief Contracting Officers, and read/rate proposals that are submitted. In addition, Program Analysts work with providers to establish short-term/long-term operational staffing goals, conduct operational reviews, workforce planning analyses, and routine/special site visits to ensure that all agency requirements are applicable and that City, State and Federal regulations are met. Analysts also analyze, review and approve operating budgets and financial plans, participate in the design and implementation of performance measurement standards, conduct reviews of client case histories, independent living skills and exit interviews, and assist providers in designing strategies to motivate difficult clients. Program Analysts may also represent the Agency during community meetings and/or discussions with local officials and community leaders. Moreover, with specific respect to MTE evaluations, concrete directions and standards for performing those evaluations are included within the cover page of that document.

Additionally, in May 2015, DHS established the Office of Continuous Quality Improvement to further monitor shelter performance and service delivery. And, on November 2, 2015, DHS distributed the newly-created Case Management Guidelines for Family Shelters, which are based on regulation, administrative



directive, DHS policy and best practices. Shelter providers will be held to the standards laid out in that document, in part through the work of CQI and QA oversight. DHS has also implemented an Operational Plan Procedure (May 30, 2015) and an Inspection Procedure (March 3, 2015), both of which establish additional oversight on shelter performance and service delivery, as well as building maintenance. This oversight will be conducted not only by Program Administrators and Analysts, but also by Family Services' Quality Assurance Unit and the Office of Regulatory Compliance and Accountability.

Comptroller's Recommendation 1: DHS should consider reallocation of current staff from other units to increase the number of Program Analysts. Additionally, DHS should continue to seek from additional funding from the Office of Management and Budget (OMB) to enable DHS to hire additional Program Analysts.

DHS' Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS has been approved to hire an additional 40 staff for Family Services, including two Program Administrators and 15 Program Analysts.

Comptroller's Recommendation 2: DHS should codify its policies and procedures governing oversight of the shelters to better ensure that (1) Program Analysts are aware of their specific responsibilities, and (2) shelters are being monitored in a consistent manner.

DHS' Response: In addition to the existing standards described above, DHS will look into creating a manual to assist Program Analysts in Families with Children in performing their job duties.

2. Health and Safety Conditions of Shelters

A. Conditions that Raise Health and Safety Concerns at Eighty-Seven Percent of the Apartments Visited

Comptroller's Findings: The Auditors visited 101 randomly selected units located in 8 shelter facilities in the DHS shelter system for Families with Children between April 2, 2015 and September 8, 2015, and created their own checklist to do the inspections using conditions assessed during MTEs and during safety shelter inspections performed by shelter staff. The Auditors found 323 conditions that raise health and safety concerns related to 88 of the 101 units.

DHS Response: DHS takes issues of health and safety in its shelter seriously and with the utmost concern for the well-being of its shelter clients. To meet these standards of quality, DHS has a robust shelter inspection program and significant oversight programs to ensure that client units are well maintained and provide safe and suitable shelter to all families. These inspections are conducted by trained inspectors in DHS' MRCC unit, as well as in multi-disciplinary teams from the City's Shelter Repair Squads. And bi-weekly shelter unit inspections are performed by trained social services staff, who not only are present to record deficiencies that require correction by the provider or building manager, but also to counsel families in maintaining a clean and habitable shelter unit.



The Audit Report's findings here are based only on observations made in specific client units, and do not reflect the physical conditions of the shelters. Rather, the findings have to do with conditions in a client's unit that can be either addressed through work orders by shelter staff (i.e., issues with appliances, furniture, cabinets, etc) or through counseling and compliance conferences with the client (i.e., issues caused by client behavior). And finally, some of the conditions are based on client report and not findings, while some of the conditions are based on client behavior (e.g., smoking in the unit, clutter in front of doorways, safe sleep flyers), and are matters for social workers to work on with clients. Indeed, the conditions cited by the Comptroller vary from requiring quick attention (though none are life threatening or severe) to behaviors that would be worked on over a longer term.

Comptroller's Recommendation 3: DHS should ensure that the shelter providers promptly correct the conditions that raise health and safety concerns in the eight sampled shelters identified in this report.

DHS' Response: Program Analysts have now visited all 101 shelter units and, working with provider agency staff, all conditions have been corrected and resolved, with proper work orders submitted, with the small exception of messy/dirty units, which are being addressed through provider staff.

Comptroller's Recommendation 4: DHS should reinforce to shelter providers the importance of performing the required number of unit inspections. Additionally, DHS should enhance its own monitoring system to keep track of the number of units inspected on a weekly and bi-weekly basis.

DHS Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. On November 2, 2015, DHS issued Case Management Guidelines to provide additional guidance on required case management activities, including bi-weekly health and safety inspections. In addition to monitoring by Program Administrators and Analysts, CQI will provide oversight and intervention to ensure providers are complying with the Guidelines. Moreover, the Shelter Inspection Procedure and the additional oversight from the Office of Regulatory Compliance and Accountability permit for stronger steps for ensuring that actual building conditions are rectified and corrected. Finally, as discussed above, the SRS will work to quickly resolve violations identified in the shelters. DHS will continue to use these various new tools to ensure that cited conditions are followed up on in an expeditious manner.

B. Inadequate Controls to Ensure Residents are not Placed into Shelter Before Needed Repairs are Completed

Comptroller's Findings: The Auditors found DHS has no requirement for Program Analysts or MRCC to inspect premises, even on a random basis, to ensure they are in satisfactory condition before allowing new residents to move into the units.



DHS' Response: DHS has a current count of 12,635 units of shelter for Family with Children. On a monthly basis, on average, 57 units go offline due to family exits. Providers must either bring those units back online or perform any short- or long-term maintenance to ready the units for a new family. If the unit needs additional repairs before it comes back online, the provider will report that to DHS. DHS tracks offline units by categorizing them as maintenance (includes basic housekeeping and should be ready for occupancy within twenty-four hours), under repair (includes minor repair and should be ready for occupancy with three days), and long term repair (includes repairs that are more than three days). Additionally, for units classified as long term, the provider must submit a Long Term Off-Line Approval form to DHS' Housing Emergency Referral Operation ("HERO") division, detailing the scope and timeline for completion of the repair. HERO works with the Providers to ensure that they are on schedule and within timeframe, and for units that are 30 days or more in long term status, HERO coordinates reinspections and may ask for an inspector from MRCC or CPD in order for these units to return to online status. MRCC may also assist in repairs in City-owned buildings. On a monthly basis, an average of 46 units is brought back online. Given this volume, and given there is no defined pattern as to the location of any such units across the five boroughs, DHS cannot allocate staff to inspect the units, even on a random basis.

However, if DHS learns that a family has been placed into a unit that should not have been brought back online due to unit conditions, DHS addresses the issue immediately, including moving the family, if necessary. Any such findings by DHS will necessitate a meeting with the provider. Repeated instances will lead to an enforcement conference with the Office of Regulatory Compliance and Accountability, as laid out in the March 3 Shelter Inspection Procedure.

Comptroller's Recommendation 5: DHS should ensure that apartments in which families are placed are inspected by shelter providers as required and all necessary repairs are completed in a timely manner.

DHS' Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. Through the promulgation of the Shelter Inspection Procedure, and the formation of the Shelter Repair Squad, CQI and QA, as well as the hiring of additional MRCC and Family Services staff, DHS has greater abilities to enforce requirements that all shelter units are properly maintained and inspected by shelter providers prior to families being placed in them. Moreover, the Shelter Inspection Procedure and Operational Plan Procedure will both provide additional oversight into how shelter providers maintain their shelter units.

C. DHS' Inspections not Consistently Performed and Followed Up

Comptroller's Findings: The Auditors found that all MTEs were conducted in Calendar Year 2014. The Auditors also found that 60 of the required 284 RSRI were not conducted in Fiscal Year 2013 (July 1, 2012 to June 30, 2013). The Auditors also reviewed 57 randomly selected MTEs during Fiscal Year 2014 (July 1, 2013 to June 30, 2014) for 29 shelters that required Corrective Action Plans ("CAPs") and found 29 CAPs were submitted late (ranging from 10 days to more than 60 days past the deadline). The Auditors found that out of



the 56 CAPs that were late or not submitted, DHS followed up on only 19 to determine why the shelter provider had not submitted the CAP in a timely manner.

DHS Response: The Auditors present their findings based on statistics anywhere from one to two and a half years ago, and are thus out of date. For MTEs, they refer to CY14. For RSRI, they refer to FY13. And for CAPs, they refer to FY14. These findings then, at best, reflect the performance of the prior administration. Since that time DHS has made significant changes, many of which are described above. Moreover, having devoted significant attention to shelter conditions, as part of this Commissioner's priorities and due to its collaboration with the Department of Investigation, DHS continues to strive in these areas.

The following data points reflect DHS' progress in completions of RSRI and MTEs. For RSRI, DHS completed 446 inspections in CY13, 494 inspections in CY14 and 776 in CY15.³ For MTEs for Families with Children shelters, DHS completed 289 evaluations in FY13, 279 evaluations in FY14 and 279 evaluations in FY15. And for CAPs, 278 were submitted in FY13, 278 in FY14 and 251 in FY15. The remaining CAPs are being followed up on by Program Administrators to ensure complete submission.

As discussed above, DHS instituted a Shelter Inspection Procedure that sets forth requirements for shelter inspections and correction of any building violations, and a multi-tiered process to engage with providers around any lack of correction. This procedure permits the eventual recoupment of funds from providers failing to remediate any violations. Furthermore, DHS has already added 8 inspectors to its MRCC unit, and will be adding an additional 11. These key staffing updates will permit DHS to ensure the requisite number of RSRI inspections are performed each year. And with the hiring of additional Program Analysts along with the oversight of CQI and QA, and the added resources of the Shelter Repair Squads, there are greater tools in place for ensuring completion of MTEs, RSRI and CAPs.

Comptroller's Recommendation 6: DHS should ensure that shelter providers submit and implement CAPs on a timely basis when deficiencies requiring the submission of such plans are identified by the DHS inspections.

DHS' Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. As discussed above, the Shelter Inspection Procedure sets forth this requirement, which is enforced through MRCC and the Office of Regulatory Compliance and Accountability. Moreover, requirements around shelter inspections, building conditions, violations and corrective actions are being built into all newly-signed contracts. Also, the development of a centralized database for the SRS will ensure increased identification, monitoring and correction of building violations. Finally, the hiring of additional Family Services and MRCC staff will greater allow the Agency to ensure that all evaluations are completed, that all CAPs are submitted and that any requisite follow-up is achieved.

³ As required by the March 3, 2015 Shelter Inspection Procedure, RSRI are performed on all shelters, including clusters.



3. Efforts to Transition Families Out of Temporary Housing

A. ILPs Not Developed in a Timely Manner and in Accordance with DHS Standards

Comptroller's Findings: The Auditors found DHS does not have a tracking system in place to record shelters' overall compliance with mandated Independent Living Plan ("ILP") requirements, and that DHS does not track shelters' overall compliance with monitoring families' progress in meeting established goals. The Auditors found that the shelter providers did not prepare assessments for five of the twelve randomly-selected "long term stayer" families within the requisite 10 day period. The Auditors also found that the shelter staff did not schedule the required number of ILPs for eight of the families.

DHS' Response: Independent Living Plans ("ILPs") are collaborative documents developed and/or revised by shelter staff with the cooperation of a homeless shelter family, which sets forth a strategy for meeting such family's housing-related public assistance and care needs as identified in an assessment, and for obtaining housing other than temporary housing and which establishes such family's responsibilities during their receipt of temporary housing assistance and specifies the conditions upon which temporary housing assistance will be provided. DHS requires that ILPs be developed with a family on a bi-weekly basis.

ILPs are developed based on needs identified in shelter assessments, which are evaluations of a family's housing and housing-related public assistance and care needs including, but not limited to, the availability of housing, the need for temporary housing assistance, employment and educational needs, the need for preventive or protective services, the ability to live independently, and the need for treatment of physical and mental health problems, including substance abuse. DHS requires its shelter providers to conduct assessments within 48 hours of a family being determined eligible for shelter. And, to further ensure assessments are completed in a timely manner, DHS is moving a significant portion of the assessment function from shelter to intake, so that families coming through PATH will have an assessment completed by the time they are placed in shelter.

These standards are included within all shelter contracts, and also within State regulation and directive, but also in the promulgated Case Management Guidelines for Family Shelters. Moreover, these standards will be regular parts of shelter oversight and monitoring through the CQI unit, the QA unit and HomeStat meetings. And, timely and regular development of ILPs is a core function of bi-annual MTEs.

Comptroller's Recommendation 7: DHS should modify existing monitoring controls and develop additional ones as needed that would allow it to ensure that shelter providers are completing ILPs in a timely manner and scheduling the required number of ILP sessions.

DHS Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. As stated above, DHS has issued Case Management Guidelines, which reinforce the necessity for performing proper shelter assessments and ILP meetings. And, DHS is reinforcing the need to conduct these meetings with shelter providers directly, as well as through



MTEs, CQI, QA and HomeStat. Finally, by shifting assessment functions to intake, DHS will be greater able to ensure timely completion of such documents.

B. Limited Follow-up When Clients Do Not Comply with ILP Requirements

Comptroller's Findings: The Auditors found none of the twelve families reviewed attended all of their ILP sessions, and the percentage of missed ILP sessions for each family ranged from three to eighty-seven percent. The Auditors found only six of the twelve residents received any type of warning for failure to attend an ILP session or comply with their tasks, and that shelter providers scheduled conferences for six of the twelve families, and evidence in CARES showed only one family attended all the required conferences.

DHS' Response: DHS expects its shelter providers to do its best to ensure ILP compliance and regular ILP meeting attendance, and to issue noncompliance notices when clients fail to attend their ILPs. Case notes are required to be entered to discuss any noncompliance. In addition to these standards being set forth in State regulation and shelter contracts, as well as Case Management Guidelines, the Agency's Client Responsibility Procedure also focuses heavily on ILP compliance. Originally issued in 2009 and updated in July 2015, the Client Responsibility Procedure for Families with Children addresses noncompliance, and provides a multi-tiered enforcement to work with clients. The procedure requires providers to document noncompliance and client engagement, to advise the family of noncompliance, and to potentially issue ILP violations. Further ILP noncompliance can lead to case conferences with the family and the representative staff of the family's shelter, as well as enforcement conferences with Family Services.

Importantly, not all ILP noncompliance is equal. Just as every family in the DHS shelter system is unique, so too are their ILPs, as well as their ability to maintain compliance with those ILPs. Indeed, ILPs are social services tools to keep a family working to permanency, but do not, in and of themselves, ensure a family's ability to obtain public assistance, to obtain employment or to obtain permanent housing. Various other factors come into play through client engagement, and thus, the means of addressing noncompliance vary from family to family. It is a significant matter for shelter staff to engage with families to determine the best means of ensuring compliance with client responsibilities.

DHS maintains several means of monitoring these processes. First, bi-annual MTEs evaluate a particular shelter's compliance with case management requirements. Second, CQI, HomeStat and QA all provide additional means of oversight and management, ensuring compliance with the Case Management Guidelines, shelter regulations and contractual requirements. Third, the additional staff in the Clinical Services Unit as well as the funding for shelter-level Client Care Coordinators will better assist shelter staff in engaging with hard-to-reach or high need clients. Indeed, the CSU's Safety first Team conducted a review of 1585 families in 156 shelters between January and June 2015 who had been in shelter for two years or more. This review led to personalized service and compliance plans for those families. And finally, the hiring of additional Program Analysts will permit the staff to handle more manageable shelter portfolio workloads.

Finally, DHS would like to clarify the correlation the Audit Report makes between long-term stayers, ILP completion and compliance, and shelter exits. Shelter exit into permanent housing is most dependent on one



factor: housing affordability. And for the vast majority of DHS shelter families, this is not achievable without rental assistance or subsidized housing. DHS and HRA developed significant rental assistance programs (in the form of LINC and CITYFEPS), relinked homeless families to NYCHA housing and obtained Section 8 vouchers for the first time since 2009. This led to FY15 being having the highest number of family moveouts since FY11, the year the State cut funding to Advantage. Indeed, six of the twelve families reviewed by the auditors have now exited to permanent housing using rental assistance or subsidized housing.

Comptroller's Recommendation 8: DHS should work with shelter providers to better enforce ILP preparation and conducting the first ILP session on a timely basis, as well as ensure that providers schedule the required number of ILP sessions, especially for those residents who are still in shelter beyond 270 days.

DHS Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS will be performing training sessions on the Case Management guidelines, and reinforce those Guidelines through MTEs, CQI, QA and compliance with the Operational Plan Procedure. Moreover, shelter-level Client Care Coordinators will further assist in engaging with hard to reach or high risk clients.

Comptroller's Recommendation 9: DHS should modify existing monitoring controls and develop additional ones as needed to ensure that shelter providers follow up with clients who do not consistently accomplish the tasks set forth in their ILPs and/or attend their ILP sessions and conferences.

DHS Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS will be performing training sessions on the Case Management guidelines, and reinforce those Guidelines through MTEs, CQI, QA and compliance with the Operational Plan Procedure. Moreover, shelter-level Client Care Coordinators will further assist in engaging with hard to reach or high risk clients. DHS will also engage non-compliant clients through enforcement conferences, as described in the Client Responsibility Procedure.

C. Shelters Do Not Enter All Required Events in CARES

Comptroller's Findings: The Auditors found shelter providers are not diligent in ensuring they enter all relevant case information into CARES. The Auditors determined when shelter providers fail to enter all required information into CARES on a consistent basis, including missed ILPs, Program Analyst are not made aware of missed ILPs and are less likely to know they need to become involved in assisting clients.

DHS' Response: As a preliminary matter, CARES files do not necessarily contain all client records. Shelter staff still occasionally uses paper documents, as some documents are not available in CARES because not all shelters have the technology to scan the document into CARES. However, DHS is working on reinforcing the importance of having all documents in CARES and of the need to ensure that non-CARES files can be



uploaded into a client's CARES file. DHS will also look into building a reporting feature into CARES to generate the number of late ILPs by a provider at any given point.

Comptroller's Recommendation 10: DHS should modify existing monitoring controls and develop additional ones as needed that would allow it to ensure that shelter providers are entering all relevant information pertaining to housing and servicing families in CARES as required.

DHS Response: DHS agrees with this Recommendation, and had already taken action prior to issuance of the Audit Report. DHS will be performing training sessions on the Case Management guidelines, and reinforce those Guidelines through MTEs, CQI, QA and compliance with the Operational Plan Procedure. Additionally, DHS will look into developing further updates to CARES that may allow for better overall performance monitoring of shelter providers uploading, or filling in, all required CARES forms.

Comptroller's Recommendation 12: DHS should work closely with shelter providers to encourage better compliance for those families that are not attending ILP sessions or that are not complying with their tasks.

DHS Response: DHS agrees with this Recommendation, and had already taken action prior to issuance of the Audit Report. DHS will be performing training sessions on the Case Management guidelines, and reinforce those Guidelines through MTEs, CQI, QA and compliance with the Operational Plan Procedure. Moreover, shelter-level Client Care Coordinators will further assist in engaging with hard to reach or high risk clients. DHS will also utilize the multi-tiered conferences described in its Client Responsibility Procedure.

4. Weaknesses in Shelter Security

Comptroller's Findings: The Audit Report reported security issues during their visits to the eight sampled shelters, such as an insufficient number of security guards at two shelters, no sign-in and sign-out logs at one shelter, and inoperable cameras at another shelter. The auditors concluded a lack of adequate security increases vulnerability of residents to theft, break-ins, and other crimes.

DHS' Response: DHS is committed to ensuring the safety of all its shelter clients. Following the issuance of the DOI report, DHS' Security and Emergency Operations division, initially in conjunction with the NYPD, conducted Crime Prevention Surveys as well as Security Assessments of nearly all shelters in the DHS system. Since the assessments began in September 2015, 61 security assessments with specific recommendations for enhancing security at DHS shelters have been completed. DHS is already working to implement the assessments, and will continue to do so as additional assessments are completed. DHS also brought on an additional 263 Peace Officers to enhance security at its shelters.

Specific to the Audit Report's findings:



- *St. John's*: DHS conducted a Crime Prevention Survey on November 15, 2015 and confirmed all 51 cameras were operable.
- *CRFH Cluster*: As described in DHS' response to the DOI report, since cluster buildings have private tenants, DHS cannot put security in the building, cameras or otherwise, and cannot have a sign in/out desk. However, DHS is identifying means of strengthening safety of the buildings, including, as per the security assessment for this cluster, additional outdoor and indoor lighting.
- *Corona*: DHS's security assessment for Corona identified the need for additional security staff, and DHS will work with the provider to ensure that is completed.

Comptroller's Recommendation 12: DHS should work with shelter providers to ensure all shelter facilities, including clusters, are provided with adequate security, including a sufficient number of security guards as well as security cameras.

DHS Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS has conducted Crime Prevention Surveys on all sites in the Audit Report, and has finalized Security Assessments for four of the eight sites. The additional four will be completed within in the next six months. Furthermore, as stated above, Crime Prevention Surveys were conducted at 334 out of 334 Cluster buildings (100%), 63 out of 63 Hotels (100%), and 90 out of 183 Tier II shelters (49.1%). Finally, over the past year, DHS has repaired all broken CCTV systems across its portfolio and has approved capital funds to install them at seven additional shelters, three of which are for Families with Children. DHS will ensure all security surveys and assessments are completed, and will continue to work with its State partners as well as NYPD to ensure proper security at DHS shelters.

5. Shelters Operating Without Contracts

Comptroller's Findings: The Audit Report found DHS failed to enter into written contracts with 51 hotels, 10 cluster type shelters, and 3 Tier II shelters. The Auditors concluded that by allowing shelters to provide social services through unwritten agreements, DHS has further weakened its ability to monitor and hold shelters responsible for fiscal and programmatic performance.

DHS' Response: DHS has publicly stated it planned to enter into contracts with its non-contracted providers. Not only did DHS make this statement in writing in response to the DOI report issued in March 2015, but it has also stated it directly to the Comptroller's contracting unit through repeated meetings over the past year concerning contract registration and capacity. Finally, DHS provided the Auditors with a spreadsheet specifically detailing its plans to bring the 64 shelter mentioned in the Audit Report to contract, though negotiated acquisitions, new shelter contracts and contact amendments.

Comptroller's Recommendation 13: DHS should enter into written contracts with all of the shelters for which it is currently placing families yet has no contract in place. Those contracts should, at a minimum, specify services to be provided, establish minimum performance standards, and detail remedies or termination clauses for failure to meet standards.



DHS Response: Prior to issuance of the Audit Report, DHS had already taken action in accordance with this Recommendation. DHS has developed a plan to bring its non-contracted shelter capacity to contract in order to ensure proper management and oversight to all shelter programs. DHS will continue to work with the Comptroller to accomplish these goals.

In closing, we thank the Auditors for their efforts in performing this review and giving DHS an opportunity to respond to the Draft Report's findings and recommendations.

Sincerely,

A handwritten signature in blue ink, appearing to be "GT", written over a horizontal line.

Gilbert Taylor

cc: DHS
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