

AUDIT REPORT



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF MANAGEMENT AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Audit Report on the Oversight of Father Flanagan's Group Home Contract by the Department of Juvenile Justice

MD08-062A

June 25, 2008



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

In accordance with the Comptroller's responsibilities contained in Chapter 5, §93, of the New York City Charter, my office has conducted an audit of Father Flanagan's Boys Home's compliance with the key terms of its contract with the Department of Juvenile Justice (DJJ) and of DJJ's monitoring of the contract.

DJJ provides detention, aftercare, and prevention services to juveniles aged 7 through 15 in New York City. DJJ oversees a network of non-secure detention group homes in Queens, Manhattan, Brooklyn, and the Bronx. Audits such as this provide a means of ensuring that organizations under contract with the City comply with their contracts and are adequately monitored by City oversight agencies.

The results of our audit, which are presented in this report, have been discussed with DJJ officials, and their comments have been considered in the preparation of this report.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at audit@comptroller.nyc.gov or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in black ink, appearing to read "William C. Thompson, Jr.", written over a horizontal line.

William C. Thompson, Jr.

WCT/ec

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The City of New York
Office of the Comptroller
Bureau of Management Audit

Audit Report on the
Oversight of Father Flanagan's
Group Home Contract by the
Department of Juvenile Justice

MD08-062A

AUDIT REPORT IN BRIEF

This audit determined whether Father Flanagan's Boys Group Home (Father Flanagan's) operated in accordance with the key terms of its contract with the Department of Juvenile Justice (DJJ) and whether DJJ adequately monitored the contract.

DJJ provides detention, aftercare, and prevention services to juveniles aged 7 through 15 in New York City. DJJ oversees a network of non-secure detention group homes in Queens, Manhattan, Brooklyn, and the Bronx. In 2000, DJJ entered into a contract with Father Flanagan's for the purchase of non-secure detention group care for juveniles at 535 Bergen Street, Brooklyn. The term of the most recent contract between DJJ and Father Flanagan's for the Bergen Street facility was April 1, 2005, through March 31, 2008. According to the contract, Father Flanagan's is required to provide the following services: custody, detention, basic youth care, food, clothing and shelter, transportation, education, health care, recreation, court-related services, social work and case management services, social skills instruction, group sessions, and the monitoring and supervision of these services.

Audit Findings and Conclusions

Father Flanagan's, for the most part, operates in accordance with the key terms of its contract with DJJ. It ensures that educational services are provided according to state and local regulations, including transporting juveniles to and from school and providing assistance when needed. Father Flanagan's also ensures that juveniles are transported to and from court, medical and dental appointments, and recreational events. In addition, all new employee backgrounds are examined prior to hiring, and the backgrounds of existing employees are monitored annually. Furthermore, Father Flanagan's ensures that various logbooks are maintained and that weekly indicator reports, monthly expenditures, and quarterly reports regarding employee status are submitted to DJJ, as required by the contract. Moreover, operating expenditures paid for with

DJJ funds appeared to be reasonable, were adequately supported by invoices, and were always within the contract budget.

However, we noted some areas in which Father Flanagan's was not in compliance with the contract. Father Flanagan's did not ensure that all of its employees had valid driver's licenses, and had incomplete logbooks which are required to contain all incidents that occur at the facility.

We also found that DJJ does not adequately monitor its contract with Father Flanagan's Bergen Street facility. DJJ has not conducted performance evaluations of the contract on an annual basis as required. Site visits and corrective action plans are not documented; internal and external audits were lacking; facility logbooks were not adequately reviewed; and driver's licenses were not monitored for validity. In addition, DJJ did not have case management reports, minutes of Facility Director meetings, facility census reports, or school progress reports, which should be used by DJJ to monitor Father Flanagan's compliance with the contract. Furthermore, the incident database maintained by DJJ was incomplete.

Audit Recommendations

Based on our findings, we make 10 recommendations, 5 of which are listed below. DJJ should:

- Ensure that it conducts annual performance evaluations for all contractors and should conduct a current performance evaluation prior to the renewal of the Bergen Street facility contract to determine whether it should be renewed.
- Create a formal monitoring system whereby it performs routine site visits to the Bergen Street facility to ensure compliance with the contract and, if necessary, perform follow-up visits.
- Ensure that timely annual external audits of the financial and operational activities as well as periodic internal audits are conducted of the Bergen Street facility.
- Ensure that it periodically reviews the Bergen Street facility's logbooks, along with any accompanying backup documents, and that logbooks are completed and up to date. It should also ensure that evidence of its own review is documented.
- Ensure that Father Flanagan's is reviewing and monitoring its employees' driver's licenses to ensure that they are valid and that the employees are qualified to drive.

DJJ Response

In their response, DJJ officials generally agreed with nine audit recommendations and disagreed with one.

INTRODUCTION

Background

The Department of Juvenile Justice (DJJ) provides detention, aftercare, and prevention services to juveniles aged 7 through 15 in New York City. DJJ's mission is to provide secure and non-secure detention for alleged juvenile delinquents¹ and secure detention for alleged juvenile offenders² whose cases are pending, as well as for post-adjudicated juveniles awaiting transfer to state facilities.

DJJ operates three secure and 17 non-secure detention group homes located throughout the City that admit nearly 6,000 juveniles each year. DJJ's non-secure detention program offers an alternative to secure detention for some of the young people remanded to DJJ's custody. Non-secure detention provides structured residential care for alleged juvenile delinquents in a less restrictive setting while they are awaiting disposition of their cases in Family Court. These facilities are characterized by the absence of physically hardware, construction, and procedures. Non-secure detention offers juveniles a supportive, family-like environment and close supervision while in detention.

DJJ programs seek to assist juveniles in reforming themselves while holding them accountable for their actions. These programs provide a number of services to youth while in non-secure detention including case management, education, health, dental, and mental health services. To encourage responsible behavior, residents are assigned daily chores, such as making their own beds, assisting in the kitchen, and keeping the facility neat and clean. In addition, all juveniles are required to receive recreation time, which is structured time that allows juveniles the opportunity to learn about sportsmanship, teamwork, and healthy relationships. Physical activity and "mental stimulation" are part of these activities. In Fiscal Year 2007, the average length of stay of juveniles in secure and non-secure detention was 27 days, and the average daily cost of detention per juvenile was \$551.

DJJ oversees a network of non-secure detention group homes in Queens, Manhattan, Brooklyn, and the Bronx. Chapter 28 of the New York City Charter allows DJJ to establish, initiate, control, maintain, and operate secure and non-secure facilities and allows DJJ to contract with public and private agencies for such services.

In 2000, DJJ entered into a contract with Father Flanagan's Boys Group Home (Father Flanagan's) for the purchase of non-secure detention group care for juveniles at 535 Bergen Street, Brooklyn. The term of the most recent contract between DJJ and Father Flanagan's for the Bergen Street facility was April 1, 2005, through March 31, 2008. (A DJJ official informed us that the contract is being extended for the period April 1, 2008 through June 30, 2008 at the same rate of the underlying contract. The official stated that the extension is needed in order to

¹ A juvenile delinquent is a person at least 7 and less than 16 years of age who commits an act that would be a crime if he or she were an adult and who is found to be in need of supervision, treatment, or confinement.

² A juvenile offender is a youth 13 to 15 years of age who is charged and tried as an adult for committing one or more of 18 specific crimes.

complete budget negotiations for the renewal agreement.) According to the contract, Father Flanagan's is required to provide the following services: custody, detention, basic youth care, food, clothing and shelter, transportation, education, health care, recreation, court related services, social work and case management services, social skills instruction, group sessions, and the monitoring and supervision of these services.

All DJJ residents attend schools staffed with Department of Education (DOE) personnel. Father Flanagan's provides its own school facility in which the DOE staff work. Each resident is assigned a youth care worker at the home who monitors the resident's progress in school. Youth Care Workers also assist residents with homework after school. The Clinical Support Specialist (case manager) at the group home monitors and discusses with the resident his or her behavior in school, academic progress, future goals; and files all school reports and report cards in the resident's case management file.

DJJ's contract states that Father Flanagan's will be compensated for actual expenditures not to exceed \$2,775,000 for the three-year period ended February 28, 2008 (\$925,000 a year). Father Flanagan's Bergen Street facility has a 12-bed capacity and a budget equivalent to the cost of 18.5 full-time employees.

Objective

The objectives of this audit were to determine whether Father Flanagan's Boys Home operated in accordance with the key terms of its contract with DJJ and whether DJJ adequately monitored the contract.

Scope and Methodology

The scope of the audit was Fiscal Year 2007. However, we also examined whether audits and performance evaluations were conducted as far back as the inception of the contract with Father Flanagan's for the Bergen Street facility (2000).

To gain an understanding of DJJ's and Father Flanagan's operations, we interviewed officials from both, including those involved with the Bergen Street facility. Namely, we interviewed DJJ's Deputy Commissioner of Administration and Policy, the Assistant Commissioner and the Executive Director of Non-Secure Detention (NSD), DJJ's Fiscal Officer, and its Director of Internal Audit. We also interviewed Father Flanagan's Central Office employees, including the Program Operations Manager, Site Financial Officer, and Human Resource Specialist. In addition, we met with Bergen Street Facility's Program Director and Senior Youth Care Worker, as well as with the DJJ Operations Liaison assigned to that facility.

To gain an understanding of the program requirements and the criteria applicable to our audit objectives, we reviewed the contract between DJJ and Father Flanagan's. In addition, we requested any performance evaluations that DJJ conducted for the Bergen Street facility and

reviewed the information entered into VENDEX³ for the Bergen Street facility for the period of April 1, 2005, through March 31, 2006, to determine how DJJ rated the facility. We also reviewed DJJ policies regarding certain day-to-day activities of the Bergen Street facility. To determine whether facility operations were in compliance with DJJ's contract, we reviewed portions of the Facility's Census Report, as well as the agenda for each monthly facility director's meeting and for some of the case management meetings. To determine compliance with the contract, we also reviewed some of the monthly court lateness reports, recreational schedules, and all incidents and episodes reported to DJJ by the Bergen Street facility.

We reviewed the Bergen Street facility logbook, visitor logbook, and incident reports for detail and accuracy. We compared the details in the facility log to the details in the Bergen Street's Recreation schedules that are submitted to DJJ. We compared the details in the visitor logbook to a schedule of site visits made by DJJ officials to the Bergen Street facility during Fiscal Year 2007, and we compared the information in facility incident report logs to DJJ's call-in incident database to determine whether all incidents were recorded and reported to DJJ as required by the contract. The comparisons of the logbooks to other data allowed us to determine whether the information given to us by DJJ and the facility was complete and accurate.

To determine the extent of DJJ's oversight of activities at the Bergen Street facility, we requested documentation of site visits, follow-up visits, corrective action plans, and all correspondence between DJJ and the facility. We reviewed the documents that DJJ was able to provide, which included two checklists from site visits, one email, and a corrective action plan. We reviewed the two external audits (2001 and 2005) provided to us by DJJ during the course of the audit and requested copies of any internal audits that were performed since DJJ entered into the contract with Father Flanagan's (2000). We also reviewed three external audits (2002–2004) provided to us by DJJ at the exit conference.

We reviewed the following documents that DJJ was required to receive from the Bergen Street facility to determine whether DJJ reviewed the reports: weekly indicator reports; monthly reports; quarterly reports; a biannual inventory listing of the furniture purchased by the Bergen Street facility with DJJ funds; and documents submitted to DJJ annually, such as liability insurance certification, automobile insurance, annual training schedules, annual fire inspections, and confirmation that employees have a valid driver's license.

We reviewed the case management files for a judgmentally selected sample of 12 of the 163 juveniles who received residential care at the Bergen Street facility during Fiscal Year 2007 to determine whether the files were maintained in compliance with the contract requirements.

To determine whether employee personnel backgrounds were monitored by DJJ, we examined the personnel files for the 19 Bergen Street employees (15 Youth Care employees and 4 Supervisors) who were employed during Fiscal Year 2007. We determined whether they were bona fide employees and whether proper approvals were obtained when the employees were hired. We also determined whether the employee driver's licenses were reviewed and whether any employees were allowed to drive without valid licenses. In addition, we determined for each

³ VENDEX is a computerized citywide system that provides comprehensive contract management information.

of the 19 employees whether an inquiry was made to the Statewide Central Register of Child Abuse and Maltreatment (which includes a check of the sex offender registry) for any history of child abuse or maltreatment and sex offender prior to their employment.

To determine whether DJJ reviewed expenditures prior to payments and whether the payments were in accordance with its contract, we judgmentally selected for review the Bergen Street's expenditure reports for the months of April, May, and June 2007 along with accompanying back-up documents. These months were selected because they were the most current of the audit scope and totaled \$231,254 of the \$925,000 in expenditure reimbursements Father Flanagan received for Fiscal Year 2007. For the payroll expenditures, our examination included all of the required timekeeping records. The review of Other Than Personal Expenditures (OTPS) included all invoices that were for \$1,000 or more.

We reviewed the payroll registers for the 20 employees for the randomly selected months of April through June 2007 to verify the accuracy of the \$191,561 in payroll expenses reimbursed by DJJ. We also reviewed the time records for the 15 non-managerial employees employed during the judgmentally selected period of April through June 2007 to determine whether Bergen Street employees were paid correctly. Our review included handwritten time sheets (timesheets) and computerized electronic time cards (PZT cards). The documents were examined for completeness, accuracy, and evidence of supervisory review. The time sheets and computerized electronic time cards were compared to the staff payroll expenditures to determine whether all hours paid were properly calculated and documented.

To determine whether Bergen Street maintained complete and accurate records to support its OTPS expenditures and whether DJJ reviewed the records, we reviewed the payments listed on the expenditure report submitted to DJJ for the randomly selected months of April through June 2007 to verify the \$26,604 in OTPS expenses reimbursed by DJJ. Each payment was traced to its supporting documents to determine whether the expenditures were properly authorized, reasonable, and necessary for the operation of the facility.

The results of the above-mentioned tests, while not projected to their respective populations, provided a reasonable basis to determine whether Father Flanagan's operated in accordance with the key terms of its contract and whether DJJ adequately monitored the contract.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the audit responsibilities of the Comptroller, as set forth in Chapter 5, §93, of the New York City Charter.

Discussion of Audit Results

The matters covered in this report were discussed with DJJ officials during and at the conclusion of this audit. A preliminary draft report was sent to DJJ officials and discussed at an exit conference held on April 30, 2008. On May 16, 2008 we submitted a draft report to DJJ officials with a request for comments. We received a written response from DJJ officials on June 2, 2008. In their response, DJJ officials generally agreed with nine audit recommendations

and disagreed with one concerning the maintenance and review of documentation related to contract monitoring, stating:

“The audit report . . . provides an opportunity for enhancement of the Department’s oversight of the group home system. To that end, DJJ agrees with nine of your recommendations, though, disagrees with one as outlined in this correspondence.”

The full text of the DJJ response is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

Father Flanagan's, for the most part, operates in accordance with the key terms of its contract with DJJ. It ensures that educational services are provided according to state and local regulations, including transporting juveniles to and from school and providing assistance when needed. Father Flanagan's also ensures that juveniles are transported to and from court, medical and dental appointments, and recreational events. In addition, all new employee backgrounds are examined prior to hiring and the backgrounds of existing employees are monitored annually. Furthermore, Father Flanagan's ensures that various logbooks are maintained and that weekly indicator reports, monthly expenditures, and quarterly reports regarding employee status are submitted to DJJ, as required by the contract. Moreover, operating expenditures paid for with DJJ funds appeared to be reasonable, were adequately supported by invoices, and were always within the contract budget.

However, we noted some areas in which Father Flanagan's was not in compliance with the contract. Father Flanagan's did not ensure that all of its employees had valid driver's licenses, and had incomplete logbooks, which are required to contain all incidents that occur at the facility.

We also found that DJJ does not adequately monitor its contract with Father Flanagan's Bergen Street facility. DJJ has not conducted performance evaluations of the contract on an annual basis as required. Site visits and corrective action plans are not documented; internal and external audits were lacking; facility logbooks were not adequately reviewed; and driver's licenses were not monitored for validity. In addition, DJJ did not have case management reports, minutes of Facility Director meetings, facility census reports, or school progress reports, which should be used by DJJ to monitor Father Flanagan's compliance with the contract. Furthermore, the incident database maintained by DJJ was incomplete.

Any contracted program should be monitored to ensure compliance with the provisions of the contract; this is critically important when at-risk children are involved. Without periodic monitoring, DJJ cannot be assured that the Bergen Street facility is operating within the terms of its contract. Such monitoring is required by New York City's Procurement Policy Board (PPB) rules prior to the renewal of the contract, which expired on February 28, 2008, and is currently eligible for renewal.

These weaknesses are discussed in detail in the following sections.

Lack of Annual Performance Evaluations

DJJ has not conducted performance evaluations of its contract with Father Flanagan's Bergen Street facility on an annual basis; only one evaluation was reflected in VENDEX for the three-year contract term (April 1, 2005, through March 31, 2008). Agencies are required to evaluate contractor performance and submit the evaluation to VENDEX annually. We requested from DJJ, but have not received, copies of the performance evaluations of the Bergen Street facility conducted since 2000.

Section 4-01, "Evaluation and Documentation of Vendor Performance," of the PPB rules, states, "The agency shall monitor the vendor's performance against such standards and indicators on an ongoing basis and sufficiently far in advance of the end of the contract term to determine whether an existing contract should be extended, renewed, terminated, or allowed to lapse. A performance evaluation shall be done no less than once annually." As mentioned previously, DJJ's contract with Father Flanagan's expired on March 31, 2008. DJJ has extended the contract term for the Bergen Street facility until June 30, 2008, and DJJ officials stated that they intend to renew the contract. However, DJJ extended the contract without conducting the required performance evaluations for the last two years of the contract term.

A vendor's performance is critical to an agency's determination to award, renew, extend, or terminate a contract. Any ongoing program should be evaluated for its effectiveness prior to the renewal of a contract. This reassures all parties involved that the program is beneficial to the clients as well as to the City and that it is functioning as intended.

In the absence of annual performance evaluations and monitoring, discussed in the following sections of the report, we do not know the basis upon which DJJ concluded that the vendor's performance was adequate enough to extend the contract.

Recommendation

1. DJJ should ensure that it conducts annual performance evaluations for all contractors and should conduct a current performance evaluation prior to the renewal of the Bergen Street facility contract to determine whether it should be renewed.

DJJ Response: "DJJ agrees with this recommendation, however, it should be noted that the annual VENDEX performance evaluation for year one of the contract was completed and provided to your Office."

Auditor Comment: As previously stated, the term of this contract was for three years—April 1, 2005 through March 31, 2008. In addition, DJJ has extended the contract term for the Bergen Street facility until June 30, 2008, with an intent to renew the contract. However, during this entire contract period, DJJ has conducted only one performance evaluation that was entered into VENDEX on June 16, 2006. DJJ should ensure that it conducts the required annual performance evaluations for all contractors. This is especially important prior to the renewal of a contract, as in the case of the Bergen Street Facility contract.

Lack of Site Visits and Corrective Action Plans

DJJ does not adequately monitor the activities of the Bergen Street facility through regular site visits, generally does not document the results of visits that are conducted, and does not have evidence of any follow-up or communications with the facility that result from the visits. DJJ offered two incomplete checklists and one email to document only one site visit during Fiscal Year 2007 and one at the end of Fiscal Year 2006. Due to the lack of

documentation, we cannot be certain of the number of site visits made by DJJ to the Bergen Street facility or of any follow-up action resulted from the visits.

DJJ's Operations Liaison is the individual primarily responsible for checking the facility for compliance with state regulations and for ensuring that the residents are safe, that the security alarms and fire alarms are in working order, that the home is well maintained and that logbooks are in compliance with DJJ requirements. The DJJ Operations Liaison documents his visits, as well as follow-up action required, by filling out a "Site Visit Monitoring Instrument," and via email communications with his supervisors. DJJ informed us that the majority of the site visits were made by the DJJ Operations Liaison, but that the Executive Director of NSD and Assistant Commissioner may also make periodic site visits during the year. Site visits made by any DJJ officials are required to be documented. Although DJJ does not currently have a policy regarding the required number of site visits, DJJ officials claimed to have made a number of site visits throughout the year.

After several requests for back-up documents of the site visits, we received a schedule of site visits that was compiled by DJJ. The schedule is not detailed, and we do not accept it as evidence to substitute for checklists or other forms of correspondence that would evidence the site visits. The only information noted on the visitor's schedule is the date, time (which is not always filled in), and the individual performing the visit. Although there is a comments section, it was blank. According to the schedule, there were 16 site visits conducted by DJJ during Fiscal Year 2007. However, this information does not reconcile with the monthly reports submitted by the Bergen Street facility to DJJ's Executive Director of NSD, which indicate that there were only four visits made during that period.

Because of the lacking and conflicting evidence, we examined the visitor logbook in an attempt to determine the number of visits conducted. According to DJJ's policy, "all visitors conducting site visits sign in to the visitor's logbook at each group home . . . so that these visits are also recorded here." According to the facility's visitor logbook, only 10 of the 16 visits indicated on DJJ's schedule were noted in the logbook. Moreover, there were two visits in the logbook that were not noted on DJJ's list of site visits, bringing the total number of visits to 12; however, as previously stated, we received evidence of the visits only in the form of one checklist for Fiscal Year 2006 and one for Fiscal Year 2007.

DJJ officials claim that site visits are a key method used in monitoring the facility. However, DJJ officials cannot effectively monitor and evaluate the Bergen Street facility without regular site visits and without documenting their findings, observations, results, and follow-up actions required. Without completed checklists or other credible supporting documents, DJJ was unable to demonstrate how many visits were made per month. As a consequence, we were unable to assess the conditions found during those visits to determine whether DJJ took appropriate action to resolve identified issues.

During the exit conference, DJJ officials informed us that they only had one Operations Liaison during Fiscal Year 2007, and as a result, they were not able to conduct as many site visits as they would have liked. In addition, DJJ officials told us that they are in the process of updating their policy and procedures to ensure that site visits are conducted at least two times per

month—one day visit and one evening visit. DJJ officials also gave us a list of site visits conducted after the scope of our audit had concluded; however, the visits were supported with just two checklists completed during Fiscal Year 2008. Once again, this is evidence of only two site visits for a 10-month period. DJJ officials stated that they were considering using an automated process that would record all visits made to the facilities.

Recommendations

DJJ should:

2. Review the schedule of site visits to determine why it does not reconcile with the visitor's logbook and with the monthly reports.
3. Create a formal monitoring system whereby it performs routine site visits to the Bergen Street facility to ensure compliance with the contract and, if necessary, perform follow-up visits.
4. Ensure that all site visits and all resulting follow-up communications are properly documented and maintained for review.

DJJ Response: With regard to recommendations 2 through 4, DJJ officials stated, “DJJ agrees with these recommendations. . . . Site visits, as part of a monitoring system, have been bolstered by a recently developed and implemented four-page instrument, which is attached. . . . Furthermore, the Department has increased its site visits to the group home. During January 1, 2008 through May 20, 2008, DJJ visited on nineteen occasions at different intervals during the 24-hours/7-days a week agency childcare operations. . . . Attached are also two other recently developed and implemented monitoring tools. . . . Two of the three new monitoring tools also reference corrective action. . . . Taken together, these new tools strengthen the oversight of the group home system.”

Auditor Comment: We are pleased that DJJ has agreed to implement these recommendations. However, DJJ needs to ensure that the new monitoring tools are used appropriately. Although DJJ officials claim to have conducted 19 site visits after our audit scope, they provided us with only one⁴ site-visit monitoring instrument for that time period. For DJJ's new monitoring tools to be effective, DJJ must ensure that they are used to document all visits to the group home and that all concerns are recorded and followed up.

Lack of Internal and External Audits

According to DJJ's contract with Father Flanagan's, DJJ “shall engage an independent certified public accounting firm to perform a final audit of the Contractor's operations during each Contract Year.” In addition, DJJ claims that “information contained in monthly

⁴ DJJ provided us with one additional site-visit monitoring instrument for Fiscal Year 2008; however, it was dated prior to January 2008.

expenditure reports is verified post audit by an independent auditor contracted by DJJ.” However, only two independent annual audit reports (2001 and 2005) have been conducted since DJJ entered into a contract with the Bergen Street facility in 2000.

Moreover, although DJJ has an internal audit department, we received no evidence that internal audits were performed by the DJJ audit department. Throughout our audit, DJJ made references to the reviews performed by their internal audit department, specifically reviews of Father Flanagan’s timekeeping reports and of compliance with the contract. In our last correspondence with DJJ, we asked whether there was anyone within DJJ who was responsible for reviewing timekeeping records. DJJ officials responded by stating that “when required, typically during a Compliance Review audit, the Director of the Audit’s Office will review timekeeping records of a facility.” Although we repeatedly requested copies of any internal audits and reviews, we received none. DJJ officials finally acknowledged that “no compliance review was ever done before for this facility.”

A system of external and internal audits is an important monitoring tool for the management and oversight of an entity. Both external and internal audits contribute to sound financial reporting and ensure that internal control procedures are in place. At the exit conference, DJJ officials provided us with copies of independent audit reports for Fiscal Years 2002 through 2004 that had just been completed. They stated that as a result of requests for budget modifications by the Bergen Street facility for those three years, there was a delay in completing the audit reports. After the exit conference, we received a budget modification for the Bergen Street facility for Fiscal Year 2002 that was approved by DJJ over six years later on March 27, 2008. Six years is an excessive amount of time for approval of budget modifications. DJJ needs to ensure that budget modifications are approved on a timely basis so that there is no delay in completing the independent audits. (The audit reports since Fiscal Year 2005 have still not been completed.)

DJJ officials also stated during the exit conference that no internal DJJ review or audit of the Bergen Street facility had ever been performed and that DJJ performs these reviews only if it noted problems. However, DJJ would not have a way of identifying problems or concerns that are not discovered through site visits unless it conducted internal audits and reviews.

Without annual external and periodic internal audits, DJJ cannot ensure that all internal controls are in place and that the Bergen Street facility is meeting all of its goals and objectives, including those outlined in its contract.

Recommendations

DJJ should:

5. Immediately conduct an external audit.
6. Ensure that budget modifications are approved on a timely basis.

7. Ensure that timely annual external audits of the financial and operational activities as well as periodic internal audits are conducted of the Bergen Street facility.

DJJ Response: With regards to recommendations 5 through 7, DJJ officials stated, “DJJ agrees with these recommendations, though, four years of audit reports completed by an external audit firm were tendered to your Office on April 30, 2008 for contract years 2001 through 2005. Additionally, these audit reports revealed no significant findings.”

Auditor Comment: We acknowledge in our report that by the completion of this audit, we received external audit reports for the contract years 2001 through 2005. However, no external audit reports have been completed since 2005. Moreover, the reports for Fiscal Years 2002 through 2005 were not completed until December 12, 2007, which is an excessive amount of time. DJJ officials cannot rely on the fact that the previous audit reports revealed no significant findings as the reason for not conducting future audits in a timely manner.

Facility Logbooks Are Incomplete And Are Not Adequately Reviewed

The Bergen Street facility’s logbooks are incomplete and were not always filled out in accordance with DJJ’s policies. The contract requires that Bergen Street “maintain a log which lists . . . all events, and activities occurring in the facility or with the youth.” Father Flanagan’s failed to ensure that bed-checks were performed and recorded according to DJJ policy and did not ensure that logbooks included all required information on a timely basis.

Moreover, DJJ did not adequately review the logbooks to ensure compliance with DJJ policies. All incidents that occur at the facility are to be recorded in a logbook and are also to be immediately sent to DJJ. Bed checks must also be recorded. DJJ officials claim that as part of their assurance that the facility is in compliance with the program provisions of its contract, they “review logbooks to ensure that they are appropriately completed and . . . bed checks are being made as per DJJ policy.” Although it is the responsibility of Father Flanagan’s to ensure that logbooks are properly filled out, had DJJ officials been reviewing the logbooks, they would have noted the irregularities.

When we asked for supporting documentation of DJJ’s review, we were told that “there is no documentation of DJJ doing this, unless a problem is noted.” However, we identified a problem that was not addressed by DJJ, namely, that the bed checks are recorded every hour, yet according to DJJ’s policy, “bed checks of residents at bedtime . . . shall be made . . . every 30 minutes.” Not only does Father Flanagan’s fail to ensure that bed checks are performed as required, DJJ does not review the logbooks to ensure Father Flanagan’s compliance with this requirement.

We also found that the Bergen Street facility's logbooks did not include all incidents⁵ that occurred. We received from DJJ a report of 40 incidents that occurred at Bergen Street during our audit period, thereby indicating that DJJ was aware of these incidents. Only 7 of these 40 incidents were recorded in the facility logbook, and only 15 of the 40 incidents were recorded in the incident report logbook. Although it is Father Flanagan's responsibility to ensure that logbooks are complete, had DJJ been monitoring the logbooks on a regular basis, it would have ensured that all incidents were recorded, as required by the contract.

We were told by the DJJ Operations Liaison that the logbooks were supposed to be descriptive in their details of all day-to-day occurrences. In addition, according to DJJ's policy and procedures, "the logbook entries shall be made without undue delay and shall be recorded legibly, accurately and concisely, in chronological order." As a general practice, Bergen Street officials recorded entries in the logbook every hour. However, when this was not the case, we did not see a DJJ citation for incomplete logbooks. For example, on August 13, 2006, at 4:00 p.m., one juvenile absconded, and although it was reported to the police, the incident was not recorded in the facility's logbook at the time that the incident took place, but rather several hours later. Moreover, Bergen Street officials did not indicate in the logbook that anything was out of the ordinary; two hours after the incident, there was an entry in the logbook stating "all is well . . . all youths in house." Somewhere between 8:00 p.m. and 9:00 p.m., when the event was finally recorded in the logbook as a "late entry," the only mention of the incident was to state that one youth was AWOL. No further details, description, or status of the situation were mentioned. In addition, from the entry in the logbook, it appears that it took facility officials four to five hours to notice that the youth had absconded.

DJJ Response: "It is important to further explain an audit observation to provide context regarding the time an incident occurred . . . where a youth who had fled the facility was recorded in the facility logbook although it was reported to DJJ within the mandated one-hour from occurrence. It is critical to appreciate that facility staff were managing a crisis situation where the priorities include the safety of the child who ran away, the well-being of the other children in care and public safety."

Auditor Comment: We understand that the facility staff were in the process of tending to an emergency situation, and we are not suggesting that recording the information in the logbook was more important than taking care of the youth. At the time that the youth supposedly absconded—4:00 p.m.—facility staff nonetheless took the time to record the status of the youth at the center. In fact, facility staff took the time to record four additional hourly entries into the logbook, none of which noted that a youth had absconded. It was not until prior to the 9:00 p.m. entry that the abscond was recorded as a late entry. Therefore, DJJ's inference that tending to youth was a greater priority than entering the information in the logbook is not accurate. Instead, it appears that facility staff recorded events and conditions as if nothing out of the ordinary had occurred and continued to do so for the next four to five hours. The logbook gives the appearance that it took facility officials four to five hours to notice that the youth had absconded. In

⁵ Incidents include, but are not limited to, injury to juveniles or staff, assaults on juveniles or youth care workers by juveniles, attempted absconds, absconds, injuries to juveniles, discovery of contraband, and destruction of property.

addition, although DJJ officials contend that the incident was reported to DJJ within the mandated one hour from occurrence, since the incident was not recorded in the logbook promptly, neither we nor DJJ have any way to confirm the exact time that the incident actually occurred.

Not only is the information not entered into the logbooks in chronological order, it is also illegible and vague. Often, the dates are not entered at all, or, if entered, it is difficult to decipher where one day ends and the next day begins. Moreover, the information is not descriptive, and based on the handwriting, it appears often as if the information for bed checks was entered in advance by the same individual rather than as the checks occurred. Such entries are contrary to DJJ's policy, which, as stated above, stresses legibility and accuracy.

DJJ could not demonstrate that it reviewed the Bergen Street logbooks as required. We saw no evidence of review by DJJ of the logbooks themselves, nor did we receive documentation supporting its claim of having reviewed them. Had DJJ officials been reviewing the logbooks on a regular basis, they would have noticed that bed checks were not being conducted as required and that the facility's visitor and incident report logbooks were not complete.

After the exit conference, DJJ officials provided us with a copy of a draft revision of their policy regarding the logbooks in which DJJ officials will be required to note the review of entries in the logbooks to ensure that entries are being made in compliance with DJJ policy.

Recommendation

8. DJJ officials should ensure that it periodically reviews the Bergen Street facility's logbooks, along with any accompanying backup documents, and that logbooks are completed and up to-date. It should also ensure that evidence of its own review is documented.

DJJ Response: "DJJ agrees with this recommendation and, revised and implemented Facility-Level Order #01/08 titled, 'NSD/SEEDS - Logbooks' on May 19, 2008 requiring agency staff inspecting group home logbooks to document their review in the logbook."

Lack of Monitoring of Driver's Licenses

DJJ did not ensure that Father Flanagan's monitored the driving records of Bergen Street Facility employees to ensure that drivers are properly licensed. As a result, four youth care workers had out-of-state driver's licenses. In addition, one youth care worker had a suspended driver's license. Had DJJ been monitoring the driving records, these employees would not have been allowed to drive.

One of the job requirements as outlined in Father Flanagan's job description for Bergen Street facility employees is that each employee must possess a valid driver's license and that they drive as a part of their duties. A driver's license is a prerequisite to employment with the facility because each youth care worker is required to drive the young people to and from their

daily appointments. We requested from Father Flanagan's a list of all employees who were authorized to drive; however, rather than sending us a list, they responded that they do "not keep a designated driver's list. This is because all staff that are hired and work at . . . Bergen Street have to have a valid driver's license and are mandated to drive at all times." Accordingly, a valid driver's license is an important document that should be checked when Father Flanagan's performs the biannual audits of each youth care worker. In fact, according to DJJ's contract, "only persons in possession of a valid driver's license . . . shall be permitted to transport youth in the custody of the department." However, Father Flanagan's failed to monitor the records adequately and as a result, the above four employees were allowed to drive.

According to the New York State Department of Motor Vehicles, "if you have a driver license from another state, you must get a driver license from NYS within 30 days after you become a resident of NYS." Section 250 (5) of the Vehicle and Traffic Law defines the term "resident" as a person who lives in New York State with the intent to make New York State a "fixed and permanent" place to live. Living in the state for 90 days is considered "presumptive evidence" that you are a state resident. As indicated in the W-4 certificates, three of four employees with out-of-state licenses lived in New York. As indicated in their personnel files, the employees were employed by the Bergen Street facility for more than 90 days, thereby indicating that they lived in New York for a period greater than 90 days. One of the four employees with an out-of-state license lived in New Jersey and had a license from Virginia. According to the New Jersey State Department of Motor Vehicles, "drivers over 18 who are licensed in another state have 60 days upon establishing residency in New Jersey to obtain a New Jersey driver's license." According to her W-4 certificate, this employee resided in New Jersey for more than 60 days. Each of the four employees should have had proper licenses. In addition, one employee had two suspensions during 2007. According to the Department of Motor Vehicles, it is against the law to drive with a suspended driver's license.

DJJ officials need to monitor Father Flanagan's so that it ensures that all employees have valid driver's licenses. This would reduce DJJ's and Father Flanagan's exposure to liability. Proper review of records would provide assurance that drivers have valid licenses and that they are allowed to operate a motor vehicle. Without such reviews, DJJ cannot be certain that the drivers should be driving, thereby exposing DJJ and Father Flanagan's to the possibility of lawsuits and liabilities in the event that the drivers are in an accident or are stopped by a police officer.

During the exit conference, DJJ officials stated that they currently monitor the driving records on a real time basis and not on an annual basis. In addition, after the exit conference, DJJ officials provided us with a revision of DJJ's policy and procedures regarding the requirement for a valid driver's license.

Recommendation

9. DJJ should ensure that Father Flanagan's is reviewing and monitoring its employees' driver's licenses to ensure that they are valid and that the employees are qualified to drive.

DJJ Response: “DJJ agrees with this recommendation and, revised and implemented Operations Order #09/07 titled, ‘NSD/SEEDS – Vehicular Operations’ on May 16, 2008 to include the NYS residency requirement highlighted by your Office.”

Inconsistencies in Monitoring and Review of Bergen Street Documents by DJJ

There were various discrepancies between the documents that DJJ was required to maintain according to its contract and agency policies, and what we actually received from DJJ. Throughout the audit, we asked DJJ officials to provide evidence of how they ensure that Father Flanagan’s is in compliance with the program provisions of its contract. Although DJJ officials made mention of various monitoring mechanisms, they were not able to provide them. As a result, DJJ could not demonstrate the extent to which it performs monitoring, if indeed it performs monitoring at all. The details are listed below:

Lack of DJJ Review of Case Records

According to the contract, “A current, up-to-date, case management record shall be maintained on each youth in custody.” DJJ officials claim that they review case records and case management files to ensure that “qualitative case management services are being delivered to each resident.” DJJ officials stated that the files are reviewed to ensure, among other things, that phone calls are being made to parents, case managers are routinely meeting with residents and are writing progress notes, reports from school are being addressed, and mental health issues are being followed up. We reviewed a sample of case management files and determined that, for the most part, the case management files are being maintained according to the contract, with some minor discrepancies. In addition, the contract states that Father Flanagan’s will submit reports concerning the case management of juveniles. However, when asked to provide evidence that case management files are reviewed, DJJ officials were unable to supply us with any reports or documentation to evidence that these reviews are taking place. Moreover, DJJ officials stated that “each resident is assigned a youth care worker at the home who monitors the resident’s progress in school.” However, when asked how the progress of each child was documented by the youth care workers and monitored by DJJ, we were told that “DJJ maintains no separate documentation of this, other than what might be noted in the resident’s case management file.” As previously noted, DJJ was unable to supply any evidence that it reviews the case management files.

DJJ Response: “The Department reviewed case management activities through monthly reports detailing case work statistics from the provider. . . . The reviews took place although they were not documented. DJJ management staff also met with group home case management staff on a bi-monthly basis.”

Auditor Comment: DJJ acknowledges that the reviews are not documented; without such evidence, we have no way of knowing whether the reviews actually took place. Further, there is no evidence of any discussions held during the bimonthly meetings.

DJJ Response: “Further evidence of the oversight of . . . case work service for children was provided to your Office through Adjustment Reports. . . . An Adjustment Report is an overview of the needs and services a youth in care is receiving prepared by case work staff. The report’s details come from the youth case record. . . . In instances where the Adjustment Report was ordered by the Judiciary, DJJ management staff reviewed each report.”

Auditor Comment: DJJ officials are using the Adjustment Reports as an indication that they review the case management files; however, that is not accurate. By DJJ’s own admission, the Adjustment reports are prepared by Bergen Street case workers, not by DJJ, and the details of the reports come from the youth case records. DJJ receives the Adjustment Reports only; the youth case records remain at the facility. DJJ officials do not have copies of the youth case records at the time that they are reviewing the reports; as a result, they cannot possibly review the report for accuracy or content.

Lack of Evidence of Regular DJJ Meetings with Bergen Street

We were told by DJJ that as part of its monitoring efforts, the Assistant Commissioner, Executive Director of NSD, Operations Liaisons, and School Coordinator meet with all the Facility Directors of the NSD Group Homes on a monthly basis. In addition, we were also told that DJJ had bimonthly Case Manager meetings. When we asked for minutes of the monthly and bimonthly meetings that pertained to the Bergen Street facility, we were told that minutes were not prepared for any of these meetings. Without minutes, we have no way of verifying that the meetings took place or that anything was discussed regarding the Bergen Street facility. During the exit conference, DJJ officials provided us with attendance sheets as evidence that the meetings took place.

DJJ Response: “The Department provided alternative evidence in support of the occurrence of monthly directors meetings and bi-monthly case management meetings. . . . The evidence provided to your office included hard copies of meeting agendas and attendance records of participants of monthly directors meetings. The meeting handouts, including site-specific data, were available for your Office’s review as an alternative means of documentation.”

Auditor Comment: Though we did receive meeting agendas and attendance sheets of participants, neither of these provided details of the discussions held at the meetings. By recording meeting minutes, DJJ would be able to: confirm any decisions made; record any actions agreed to be taken; record who was allocated tasks or responsibilities; and provide details of the meeting to anyone unable to attend. In addition, minutes would serve as a record of the meeting’s procedures and outcome. Meeting agendas or lists of attendees cannot substitute for minutes of meetings. These meetings were attended by individuals from all 17 Non-Secure Detention Facilities; without minutes, it cannot be determined what issues were discussed with regards to the Bergen Street facility. As for the meeting handouts referred to in DJJ’s response, this is the first time that we are being made aware of the existence of such documents although we requested evidence of

monthly directors meetings and bi-monthly case manager meetings during the course of the audit. As a result, we cannot comment on the meeting handouts.

Lack of DJJ Monitoring of Daily Census Reports

Another statement made by DJJ officials to describe its monitoring of the contract was that “staff also monitor on a daily basis submission of the facility census at midnight.” The census is defined as a handwritten account that must be faxed to DJJ by midnight every day. The census contains a list of residents in the facility along with various details of each resident’s status, including the resident’s next court date, any transfer or release of residents, and any transfer to secure detention. This information is used by DJJ to produce an NSD Daily Census Report. However, when we requested evidence of the daily monitoring of the facility census, DJJ officials informed us that they were “accidentally deleted” for the first six months of Fiscal Year 2007. During the exit conference DJJ officials gave us a sample of census reports that they had been able to recover from their deleted files.

DJJ Response: “DJJ did conduct reviews of the Daily Census Reports and while initially the Department produced a sampling of the documentation for the second half of Fiscal Year 2007, each day during that period was available for your Office’s review. A sampling was also provided for the first half of the year, although the daily documents were accidentally deleted for that period. DJJ was ultimately able to document the monitoring of the Daily Census Reports for the audit period.”

Auditor Comment: DJJ was not able to document the monitoring of the Daily Census Reports for our audit period. By DJJ’s own acknowledgement, it had deleted the daily documents for the first part of Fiscal Year 2007. DJJ was not able to document its review of the Daily Census Reports for almost half of the fiscal year and was unable to document its monitoring of this required report.

Lack of DJJ Review of Its Incident Call Database

According to the contract, “critical and non-critical incident reports shall be called in within one hour of the incident.” DJJ claims to review its incident call database as part of its monitoring of the contract. However, upon our comparison of the incident call data base to the Bergen Street facility’s incident report logbook, we found that 4 of the 19 incidents recorded in the Bergen Street logbook were not listed in the DJJ incident call data base, thereby indicating that DJJ was not aware of these incidents.

DJJ’s review of records and details of the day-to-day operations of the Bergen Street facility is a vital monitoring activity and essential to ensuring that the facility is in compliance with the program provisions of its contract. If DJJ officials do not maintain or review these monitoring documents, they cannot be assured that the Bergen Street facility is in compliance with the provisions of its contract. DJJ needs to ensure that all documents required for its monitoring of the facility’s performance and adherence to the contract are maintained and reviewed on a regular basis.

DJJ Response: “Of the four incidents . . . one . . . would not, however, have been provided to your Office because the reported incident occurred at a school site outside of the group home and did not take place onsite as per the scope of your Office’s request.”

Auditor Comment: The incident referred to by DJJ took place in a Family Court, not at a school site, and it involved an assault by one youth on another youth. The scope of our audit was never limited to onsite incidents, as we are aware that DJJ is responsible for youth in its care 24 hours a day, even when they are in school, in court or involved in various other activities. Moreover, according to DJJ’s policy, significant events outside the facility are to be recorded as part of the incident notification list. An assault is a significant event, regardless of the setting; this assault should have been immediately called into DJJ, as required.

DJJ Response: “There was a third incident reconciled when its agency control number was found located in the wrong section of the report.”

Auditor Comment: Though some incidents listed in the logbook did have control numbers, none of the four incidents cited by us had control numbers listed. We therefore question whether DJJ is referring to the correct incident.

DJJ Response: “An event occurring in the group home may not fall squarely within mandated incident reporting guidelines and not accepted as an incident into the database. In one instance . . . some tin foil wrapping was taken from the dinner table and supposedly fashioned into a weapon. . . . In another example, a vehicle had hit the group home vehicle’s mirror . . . and it was not accepted as an incident based on circumstances. If an event is not accepted according to the parameters in the Agency’s protocol, it would not be logged into the incident database.”

Auditor Comment: Based on our interviews and correspondence with DJJ officials, we were given to understand that all incidents that are recorded in the incident report logbook are required to be logged into the incident call database. Any occurrences that are not of sufficient significance to be recorded in the incident report logbook are recorded in the facility logbook. While those entries are not required to be called into DJJ, any incidents that are recorded in the incident report logbook must be called into DJJ within an hour of occurrence. Moreover, according to DJJ’s contract, all critical and non-critical incidents are required to be called in. The fact that all four of the incidents were significant enough to warrant entry in the incident report logbook indicates that these incidents should have been entered into DJJ’s incident call database as well.

Recommendation

10. DJJ needs to ensure that it maintains and periodically reviews all documents required for its monitoring of the Bergen Street facility’s performance and adherence to the contract.

DJJ Response: “DJJ disagrees with this recommendation for several reasons.”

“DJJ maintained required records pursuant to the contract and produced many of these documents to your Office. The breadth of the records included, but were not limited to, annual and quarterly training reports, annual fire inspections, annual driver’s license reviews, inventory reports, . . . recreation reports, fire drill reports, monthly expenditure reports.”

Auditor Comment: Although we did receive various records from DJJ, they were not substitutes for those that we did not obtain. We cannot accept annual fire inspection or inventory reports in place of minutes of meetings or review of case records. Each document and form of record serves its own purpose. Irrespective of the documents that we did obtain, DJJ needs to ensure that all documents required for its monitoring of the facility’s performance and adherence to the contract are maintained and reviewed on a regular basis, especially case records, which document the case management services being delivered to each resident.

DJJ Response: “DJJ monitors group homes in various ways, including monthly meetings attended by facility management and requiring group homes to report all incidents within one-hour.”

Auditor Comment: Though DJJ once again claims to monitor the group homes through the monthly meetings, as we stated previously, since minutes of these meetings are not maintained, we cannot ascertain to what degree, if any, the monitoring takes place. Moreover, although DJJ does require all incidents to be called in within an hour of occurrence, as established in our report, incidents are not always recorded at the time they actually occur. As a result, we question DJJ’s ability to be certain that all incidents are called in within the established timeframe.

It is essential that DJJ review records and details of the day-to-day operations of the Bergen Street facility. This is a vital monitoring activity and critical to ensuring that the facility is in compliance with the program provisions of its contract. Accordingly, we urge DJJ to reconsider its response to this recommendation.



The City of New York
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Neil Hernandez
Commissioner

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Via Electronic Mail

June 2, 2008

John Graham
Deputy Comptroller for Audits, Accountancy & Contracts
Office of the NYC Comptroller
One Centre Street, Room 1100 North
New York, NY 10007

Re: Audit Report on the Oversight of Father Flanagan's Group Home Contract
by the Department of Juvenile Justice MD08-062A

Dear Deputy Comptroller Graham:

The NYC Department of Juvenile Justice (DJJ) received your final draft audit report dated May 16, 2008 regarding the group home operated at 535 Bergen Street, Brooklyn under contract with Father Flanagan's, for Fiscal Year 2007, for children undergoing juvenile delinquency proceedings and remanded by the Family Court.

DJJ values the Comptroller's acknowledgement of the quality of care provided to the City's youth at this site, including the facility environment being conducive to childcare. The audit confirms that the group home operates according to the key terms of the contract to provide childcare, food, clothing and shelter, education, recreational activities, and court-related services. It is also significant that the Comptroller recognizes that the group home staff is regularly checked and cleared to care for the youth before and during their employment to ensure the appropriate supervision of children.

The Department also appreciates your Office's acknowledgement of the financial administration of the contract as evidenced by supporting invoices that expenditures were reasonable and within budget.

The audit report also provides an opportunity for enhancement of the Department's oversight of the group home system. To that end, DJJ agrees with nine of your recommendations, though, disagrees with one as outlined in this correspondence.

Recommendation 1

DJJ agrees with this recommendation, however, it should be noted that the annual VENDEX performance evaluation for year one of the contract was completed and provided to your Office. The second year's evaluation was initially completed and submitted to the vendor on Wednesday, May 28th for finalization. As you know, the third year, as reflected in the amended contract extension registered by the Comptroller, will end at the end of this month.

While the Department was not able to tender all evaluations since 2000, DJJ did provide completed evaluations dated February 24, 2004 and July 22, 2005. Additionally, the VENDEX Query Subsystem Performance Evaluation Extract from the online system confirmed that performance evaluations were completed on January 15, 2002 and April 21, 2003.

Recommendations 2-4

DJJ agrees with these recommendations, and it should be noted that the Department conducted several visits to the group home during the audit period as reflected in the facility's visitor logbooks situated near the front entrance of the home. Some of these visits are also documented in departmental vehicular travel records.

Site visits, as part of a monitoring system, have been bolstered by a recently developed and implemented four-page instrument, which is attached. These tools were previously shared with your Office.

Furthermore, the Department has increased its site visits to the group home. During January 1, 2008 through May 20, 2008, DJJ visited on nineteen occasions at different intervals during the 24-hours/7-days a week agency childcare operations.

Attached are also two other recently developed and implemented monitoring tools specific to nighttime and early morning hour, and daytime and evening hour intervals targeting critical operational areas. For instance, the nighttime and early morning tool focuses on staff alertness and security with the expectation that it can be accomplished without disrupting sleeping residents.

Two of the three new monitoring tools also reference corrective action, if necessary, to ensure thorough follow-up. Taken together, these new tools strengthen the oversight of the group home system.

Recommendations 5-7

DJJ agrees with these recommendations, though, four years of audit reports completed by an external audit firm were tendered to your Office on April 30, 2008 for contract years 2001 through 2005. Additionally, these audit reports revealed no significant findings.

It has generally been Department practice to conduct internal financial audits and programmatic desktop audits of contracted vendors on an as-needed basis if raised concerns warrant such auditing.

There is an internal audit group in the agency's Administration Division with auditing capability and the Department had previously added a staff member. In the interest of enhancing agency business practices, DJJ's internal audit group will institute periodic audits for the group home system.

Recommendation 8

DJJ agrees with this recommendation and, revised and implemented Facility-Level Order # 01/08 titled, "NSD/SEEDS – Logbooks" on May 19, 2008 requiring agency staff inspecting group home logbooks to document their review in the logbook. A protocol for logbooks had been previously put in place on April 10, 2008. On May 20, 2008, DJJ met with the vendors to operationalize the order. Additionally, the new monitoring instruments, referenced previously, have a logbook review component to them.

It is relevant to note that DJJ does inspect the group home logbooks, and this provider also maintains an additional bed-check logbook to record checks of residents when they are sleeping. This provider's policy is to conduct these checks every fifteen minutes, even though DJJ requires bed-checks every half-hour. The provider's monitoring of its site for the bed-check requirement includes an automated system where staff call-in bed-checks, and the results are shared with the site's management staff.

It is important to further explain an audit observation to provide context regarding the time an incident occurred (DJJ # 20063783) where a youth who had fled the facility was recorded in the facility logbook although it was reported to DJJ within the mandated one-hour from occurrence. It is critical to appreciate that facility staff were managing a crisis situation where the priorities include the safety of the child who ran away, the well-being of the other children in care and public safety. The situation also requires the staff to coordinate with the City Police Department. Subsequently, the Family Court would issue a warrant for the youth.

Incidentally, DJJ staff arriving at the group home contemporaneous to this incident did note that the time of the incident was not noted in the logbook and had it entered as a late entry to also meet administrative requirements.

Recommendation 9

DJJ agrees with this recommendation and, revised and implemented Operations Order # 09/07 titled, "NSD/SEEDS – Vehicular Operations" on May 16, 2008 to include the NYS residency requirement highlighted by your Office. A protocol regarding the subject had been previously put in place on June 21, 2007.

Recommendation 10

DJJ disagrees with this recommendation for several reasons. First, the Department provided alternative evidence in support of the occurrence of monthly directors meetings and bi-monthly case management meetings to demonstrate meaningful oversight of the provider in lieu of meeting minutes. The evidence provided to your Office included hard copies of meeting agendas and attendance records of participants of monthly directors meetings. The meeting handouts, including site-specific data, were available for your Office's review as an alternative means of documentation.

Second, DJJ maintained required records pursuant to the contract and produced many of these documents to your Office. The breadth of the records included, but were not limited to, annual and quarterly training reports, annual fire inspections, annual driver's license reviews, inventory reports, court appointment arrival times, weekly managerial indicators, monthly programmatic reports with case management indicators, recreation reports, fire drill reports, monthly expenditure reports, proof of liability and auto insurance, and proof of submission of the group home census at midnight.

Third, DJJ monitors group homes in various ways, including monthly meetings attended by facility management and requiring group homes to report all incidents within one-hour to the Department's centralized Movement, Control and Communications Unit, which are catalogued in the Agency incident database. The group home staff also reported incidents to DJJ staff assigned to oversee the group home system.

These various methods serve to monitor the group home and extensive evidence of these activities was tendered to your Office.

Fourth, the Department reviewed case management activities through monthly reports detailing case work statistics from the provider, though, the Comptroller requested documentation of case record review. The reviews took place although they were not documented. DJJ management staff also met with group home case management staff on a bi-monthly basis to conference issues and requirements.

Further evidence of the oversight of the coordination of case work service for children was provided to your Office through Adjustment Reports requested by and prepared for the Judiciary. An Adjustment Report is an overview of the needs and services a youth in care is receiving prepared by case work staff. The report's details come from the youth case record and provide contemporaneous progress of the youth's stay in agency custody for the judge in such areas as their education, family contacts, health and mental health and, their relationships with staff and fellow peers. In instances where the Adjustment Report was ordered by the Judiciary, DJJ management staff reviewed each report.

The Department is pleased the Comptroller appropriately recognizes that the group home's case management records were being maintained according to the contract with some minor discrepancies.

Fifth, DJJ did conduct reviews of the Daily Census Reports and while initially the Department produced a sampling of the documentation for the second half of Fiscal Year 2007, each day during that period was available for your Office's review. A sampling was also provided for the first half of the fiscal year although the daily documents were accidentally deleted for that period. DJJ was ultimately able to document the monitoring of the Daily Census Reports for the audit period.

Lastly, the Department has attempted to address the audit observation that four of nineteen incidents from the group home were not recorded in the Agency incident database but it is unclear exactly which ones they were without meaningful reconciliation between our agencies. As part of our due diligence, the Department identified four incidents in the group home logbook, which did not have Agency incident control numbers enumerated in the logbook.


Of the four incidents, the Department matched two reports in the Agency incident database. One of the two reports would not, however, have been provided to your Office because the reported incident occurred at a school site outside of the group home and did not take place onsite as per the scope of your Office's request. The incident was reported and maintained in the group home logbook and the agency database. There was a third incident reconciled when its agency control number was found located in the wrong section of the report.

The fourth incident referenced in the audit report was not identified but that could be for other reasons, which need to be elaborated upon for clarity. An event occurring in the group home may not fall squarely within mandated incident reporting guidelines and not accepted as an incident into the database. In one instance, for example, some tin foil wrapping was taken from the dinner table and supposedly fashioned into a weapon but it was not determined to be a weapon. In another example, a vehicle had hit the group home vehicle's mirror causing it to fold inward but without DJJ Response to Comptroller Audit Report MD08-062A

damage, and it was not accepted as an incident based on the circumstances. If an event is not accepted according to the parameters in the Agency's protocol, it would not be logged into the incident database.

The Department thanks you and your staff for your report. If you require additional information, please contact Deputy Commissioner for Administration & Policy, Jacqueline James at 212.442.7840.

Sincerely,



Neil Hernandez

c: Judith Pincus
Jacqueline James
Stephanie Prussack
Fridrey Uwoghiren
Margaret Tullai
Father Steven Boes
Anthony DiLauro

Attachments

**NSD/SEEDS SITE VISIT
COMPREHENSIVE MONITORING INSTRUMENT**

Facility:	Date:	Time:	Date of Last Visit:
Inspected By:		Title:	

Physical Facility (Check if Not Examined this Site Visit)

- | | Yes | No |
|---|--------------------------|--------------------------|
| • Are the grounds clean, free of contraband and well maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are garbage cans lidded and neatly maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is equipment clean and in good working order? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is furniture clean, unbroken and well maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all appliances (e.g. dishwasher, washer, dryer, air conditioners) functioning? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all repairs to walls, floors, light fixtures, plumbing, etc being timely addressed? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is kitchen effectively cleaned and are food stuffs properly stored? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are the bathrooms effectively cleaned and well maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all light fixtures functional? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are mattresses ripped and torn? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Were room temperatures appropriate for season? | <input type="checkbox"/> | <input type="checkbox"/> |
| Season: _____ Bedroom Temps: _____ Living Rm Temp: _____ | | |

Security (Not Examined)

- | | Yes | No |
|---|--------------------------|--------------------------|
| • Is alarm system armed upon arrival and departure? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is entire alarm system functional? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all outside doors and windows alarmed and/or otherwise secured? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all fire escape windows alarmed? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are residents coats and footwear locked away when residents in facility? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are lockers available to store visitor's items? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are transfriskers in working order? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Can staff on duty demonstrate successfully how to utilize transfriskers? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is contraband logbook updated and are searches being conducted appropriately? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are combustible materials and cleansers properly stored and locked away? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is medication cabinet locked? | <input type="checkbox"/> | <input type="checkbox"/> |

Fire Safety (Not Examined)

- | | Yes | No |
|--|--------------------------|--------------------------|
| • All smoke detectors functional? | <input type="checkbox"/> | <input type="checkbox"/> |
| • All emergency exit lights functional and lit? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are fire exits free of obstruction? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Have fire extinguishers been updated/inspected appropriately? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Do entries in Fire Drill Log correspond with housing log? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are a minimum of 3 drills being held monthly (one per tour) | <input type="checkbox"/> | <input type="checkbox"/> |
| • If commercial stove has ventilation hood been cleaned and inspected? | <input type="checkbox"/> | <input type="checkbox"/> |

Food Supplies (Not Examined)

- | | Yes | No |
|--|--------------------------|--------------------------|
| • Are there adequate levels of fresh meats, vegetables, fruits, and grains? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate levels of frozen foods and canned goods? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate levels of dairy products and juices? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all food items stored at least 6" off of floor? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all boxed foods and canned goods labeled with date placed on shelf? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Do all freezers and refrigerators have thermometers? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all freezers and refrigerators at correct temperature? (-10 to 0/45 degrees) | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is an up-to-date dietician approved menu posted? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is the menu being followed (ck w/residents, staff, look at food supply)? | <input type="checkbox"/> | <input type="checkbox"/> |

Other supplies (Not Examined)

- | | | |
|--|--------------------------|--------------------------|
| • Are there adequate personal supplies (soap, toothpaste, toothbrushes, shampoo, lotion etc.?) | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate levels of paper goods (toilet paper, paper towels)? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate levels of bedding (sheets, pillow cases, and blankets)? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate and appropriate cleaning supplies? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate towels and washcloths? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate levels of clothing including underwear, socks pajamas, robes, slippers, pants and tops? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there emergency supplies including flash lights, batteries, and water? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are the correct amount and type of Over the Counter Medications present? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are first aid kits available and appropriately stocked? | <input type="checkbox"/> | <input type="checkbox"/> |

Programs (Not Examined)

- | | Yes | No |
|--|--------------------------|--------------------------|
| • Is an up-to-date recreation schedule posted? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is recreation schedule followed(ck log book, as residents, staff)? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate board games and cards available? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is recreation equipment included basketball/soccer balls, soft balls? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there any external or internal recreation equipment including ping pong/pool/video games? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are functioning computers available for resident use? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is weekly chore schedule posted? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there a resident manual available and do residents get copies? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are residents engaged in activities other than TV and video games? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there a viable documented behavioral management system? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there valued rewards in place for good behavior? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are resident's levels on behavioral system posted? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is school calendar posted? | <input type="checkbox"/> | <input type="checkbox"/> |

Climate and Tone (✓ Not Examined) **Residents were not at home**

- | | Yes | No |
|--|--------------------------|--------------------------|
| • In observed interactions between staff and residents, does there appear to be a positive tone and climate in the facility? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is atmosphere of group home warm and inviting? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there decorative enhancements on walls? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are positive messages conveyed through signs and postings? | <input type="checkbox"/> | <input type="checkbox"/> |

Communication and Logs (☐ Not Examined)

- | | Yes | No |
|---|--------------------------|--------------------------|
| • Is census board up-to-date and accurate? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are log book entries in house log appropriate as per DJJ policy? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is census being recorded routinely and are dual head counts being recorded at beginning and end of each tour? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are bed checks being recorded appropriately? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there two visitor logs (one general and one for resident visits only)? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is resident visitor log thoroughly and appropriately completed according to OCFS regulations? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there a file where Critical and Incident Reports are maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are facility emergency contact numbers posted? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is Child Abuse Registry number posted? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is policy manual available with DJJ and agency policies? | <input type="checkbox"/> | <input type="checkbox"/> |

Case Records (☐ Not Examined)

- | | Yes | No |
|---|--------------------------|--------------------------|
| • Is there an updated case record on every resident? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are progress notes recorded for each resident demonstrating daily contact the first week and weekly contact thereafter? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there an authorized visitor's list? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there an updated telephone record? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there 311's and Special Court Orders? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there progress reports from school? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there medical summaries and mental health evaluations/summaries? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there a medical consent form? | <input type="checkbox"/> | <input type="checkbox"/> |

Vehicles (☐ Not Examined)

- | | Yes | No |
|---|--------------------------|--------------------------|
| • Do all seats have functional seat belts? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Do all vehicles have updated registrations and inspections? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are all vehicles clean and free of contraband? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are updated insurance cards in vehicle? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there at least half a tank of gas in vehicle? | <input type="checkbox"/> | <input type="checkbox"/> |

Other concerns or comments on any boxes marked No:

List of items not corrected from previous site visit(s):

1. _____
2. _____
3. _____
4. _____

Copy of this evaluation given to:

Name Title

Supervisor/Facility Director Receipt:

I have been given a copy of this evaluation and have been informed that a written proposed corrective action to the NSD Executive is necessary within five business days. I also understand that a follow-up visit will be conducted within the next two weeks.

Signature Title Date

Original to: Executive Director

- Copy to: Assistant Commissioner
Facility Director
Facility Supervisor (in absence of Facility Director)
File

**NSD/SEEDS NIGHT SITE VISIT
MONITORING INSTRUMENT**

Facility:	Date:	Time:	Date of Last Visit:
Inspected By:		Title:	

Night Tour Observations:

	Yes	No
• Did staff respond to doorbell in a reasonable amount of time?	<input type="checkbox"/>	<input type="checkbox"/>
• Was alarm system engaged?	<input type="checkbox"/>	<input type="checkbox"/>
• Were lights on in hallway?	<input type="checkbox"/>	<input type="checkbox"/>
• Were the appropriate amount of staff on duty?	<input type="checkbox"/>	<input type="checkbox"/>
• Were staff posted appropriately?	<input type="checkbox"/>	<input type="checkbox"/>
• Were bed checks being recorded in logbook at minimum every 30 minutes?	<input type="checkbox"/>	<input type="checkbox"/>
• Were logbook entries up-to-date?	<input type="checkbox"/>	<input type="checkbox"/>
• Were staff alert?	<input type="checkbox"/>	<input type="checkbox"/>
• Did staff know their count?	<input type="checkbox"/>	<input type="checkbox"/>
• Did all residents appear to be asleep and/or quietly in their beds?	<input type="checkbox"/>	<input type="checkbox"/>

Other concerns or comments on any boxes marked No:

Copy of this evaluation given to:

Name _____
Title

Supervisor/Facility Director Receipt:

I have been given a copy of this evaluation and have been informed that a written proposed corrective action to the NSD Executive is necessary within five business days. I also understand that a follow-up visit will be conducted within the next month.

Signature _____ _____
Title Date

Original to: Executive Director

Copy to: Assistant Commissioner
Facility Director
Facility Supervisor (in absence of Facility Director)
File

**NSD/SEEDS SITE VISIT
MONITORING INSTRUMENT**

Facility:	Date:	Time:	Date of Last Visit:
Inspected By:	Title:		

This form confirms that a site visit was made to the above facility on the date and time recorded above. The areas checked below were examined during the site visit. Any concerns are listed in the concerns section below.

Areas checked during today's visit:

- Physical Facility
- Security
- Fire Safety
- Food Supplies
- Other Supplies
- Programs
- Climate and Tone
- Communication and Logs
- Case Records
- Vehicles

The following concerns were noted:

Corrective Action Plan Required: YES No (If yes, please submit within five business days)

Supervisor/Facility Director Receipt: I have been given a copy of this site visit monitoring form and understand that my facility must submit a corrective action within five business days if a corrective action is required.

Signature Title Date

Copy to: Assistant Commissioner
Executive Director
Facility Director or Designee