**Department of Social Services**

Human Resources Administration

Department of Homeless Services

**Office Of Audit & Quality Assurance**

**Steven Banks**
Commissioner

**Molly Murphy**
DSS First Deputy Commissioner

**Saratu Ghartey**
Chief Program Accountability Officer

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**150 Greenwich Street**
**New York, NY 10007**

**929 221 7126**

August 7, 2018

Mr. Stephen Lynch
NYS Office of the State Comptroller
59 Maiden Lane, 21st Floor
New York, New York 10038

Re: 90 Day Corrective Action Plan update to Audit of Oversight of Security Expenses in Single Adult and Adult Family Homeless Shelters (2016-N-6)

Dear Mr. Lynch:

In accordance with a request from your office dated May 7, 2018, we are providing an update regarding the status of the agency's implementation of the recommendations contained in the Audit Report of the New York City Department of Social Services' Oversight of Security Expenses in Single Adult and Adult Family Homeless Shelters (2016-N-6).

It is our mission to serve New York City's most vulnerable population in the most compassionate, efficient and effective manner, while adhering to all applicable rules, regulations and laws by which we are bound.

We are confident that our progress demonstrates the agency's commitment to continually improving our operations. Should you have any questions, please contact Sonia Lamrhari, Director of the DSS Bureau of Audit Coordination at 929-221-5724.

Sincerely,

Maria Ciniglio

Enclosures

**NYC DEPARTMENT OF SOCIAL SERVICES**
**OFFICE OF AUDIT SERVICES**
**CORRECTIVE ACTION PLAN (90 Day Update)**

**Audit Name: OSC Audit of Oversight of Security Expenses in Single Adult and Adult Family Homeless Shelters**
**Audit Number: 2016-N-6**

**Date: 8/7/2018**

| Recommendation | Agency Response | Responsible Unit | Agency Corrective Action | Target Date |
|---|---|---|---|---|
| Recommendation 1:<br><br>Establish clear, written standard operating procedures for required expenditure reviews. | DHS agrees with this recommendation. | DHS Adult Shelters and DSS Finance | DHS Program will develop a standard operating procedure for expenditure reviews.<br><br>Program staff will be trained on new procedure.<br><br>DHS program staff responsible for contract oversight and management will be trained on the new DHS Invoice Submission and Review Procedure Guide. | **Drafted December 2017**<br><br>**Final procedure 4/30/18**<br><br>**8/07/18 Update - Completed**<br><br>**Initial staff training completed - January 2018**<br><br>**Distribution of final procedure to staff - May 2018**<br>**8/07/18 Update - Completed** |

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| | | | | |
| Recommendation 2:<br><br>Complete monthly expenditure reviews of provider expenses and maintain documentation of the reviews. | DHS agrees with this recommendation. | DHS Adult Shelters and DSS Finance | DHS Adult Services and DSS Finance will develop a standard operating procedure for invoice and expenditure review in accordance with the DHS Fiscal Manual and the Department of Social Services Office of Program Accountability Contract Monitoring Office Reference Guide.<br><br>DHS program staff responsible for contract | **Drafted December 2017**<br><br>**Final procedure 4/30/18**<br><br>**08/07/18 Update – Completed**<br><br>**Initial staff training completed -** |

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| | | | oversight and management will be trained on the new DHS Invoice Submission and Review Procedure Guide. | **January 2018**<br><br>**Distribution of final procedure to staff - May 2018**<br><br>**8/7//18 Update -Completed** |
| Recommendation 3:<br><br>Complete annual budget reviews prior to the beginning of the fiscal year. | DHS agrees with this recommendation.<br><br>DHS provides training and guidance to all DHS contracted shelters in March and April of each prior fiscal year regarding the submittal of the new fiscal year budget. Providers are directed to submit their new fiscal year budgets no later than May 15th of the current fiscal year. DHS reviews all new fiscal year budgets that are submitted by May 15th and approves prior to July 1 of new fiscal year. | DHS Budget | DHS Budget is responsible for reviewing all budgets at Level 1 and Level 4. DHS Programs reviews at Level 3 and 4. DHS Budget and Program will ensure that new fiscal year budgets submitted by the established deadline are reviewed and approved prior to the new fiscal year. | **Completed/On going** |
| Recommendation 4: | DHS agrees with this recommendation. | DHS Adult Shelters and | DHS program staff will review the expenditure | **June 2018** |

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| Follow-up on the expenditure discrepancies we identified and take appropriate action. | | DSS Finance | discrepancies, detailed in the fact sheets, and take action, where appropriate. | **8/7/18 Update - DHS has completed an initial review of the expenditure discrepancies identified and will finalize its findings and take appropriate action by October 31, 2018.** |
| Recommendation 5:<br><br>Ensure that providers comply with their contractual requirements to retain sufficient documentation supporting proper procurement and payment of security services. | DHS Agrees with this recommendation. | DHS Adult Shelters | DHS will provide guidance to all DHS-contracted shelters during annual fiscal training regarding their responsibility to comply with all contractual requirements to retain sufficient documentation supporting proper | **Started March 2018 and ongoing**<br><br>**8/7/18 Update – Completed/ Ongoing** |

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| | | | procurement and payment of services.<br><br>Program staff responsible for contract oversight and management will conduct annual audits to ensure that DHS-contracted providers retain documentation supporting proper procurement and payment of security services. | <br><br>**May 2018**<br><br>**8/7/18 Update-Completed/ Ongoing** |
| Recommendation 6:<br><br>Periodically review the credentials of providers' security personnel. | DHS Agrees with this recommendation. | DHS Adult Shelters | Program staff will conduct semi-annual review of the credentials of DHS-contracted providers' security personnel. | **May 2018**<br><br>**8/7/18 Update -- Completed/ Ongoing** |
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| Recommendation 7:<br><br>Maintain a current inventory of security equipment located at all shelters that reflects best practices for inventory record keeping. | DHS agrees with this recommendation.<br><br>DHS will adopt a two-phase approach:<br><br>Phase I – short term solution – DHS will obtain the current security inventory lists from providers. | DHS Adult Shelters | DHS will obtain the current security inventory lists from providers. | **Completed March 2018**<br><br>**8/7/18 Update -- Completed/ Ongoing** |
| | Phase II – long term comprehensive solution – DHS will set-up a formal framework to address the deficiencies in the inventory tracking process. DHS will develop a comprehensive sustainable solution to ensure inventory records are kept up to date and include descriptions, quantities, locations, dates of purchase and original cost. | DHS Executive Staff | DHS Executive Staff will coordinate internal efforts and convene a work group and facilitate internal discussion to formulate a comprehensive sustainable solution and plan. | **Started December 2017 /Ongoing** |
| Recommendation 8: | DHS agrees with this recommendation. | DHS Adult Shelters | DHS will provide guidance during annual | **Started March 2018** |

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| Ensure that providers comply with all contractual requirements, including the submission of inventory maintenance standard operation procedures and security equipment inventory records. | | | fiscal training regarding their responsibility to comply with all contractual requirements.<br><br>DHS program staff responsible for contract oversight and management will conduct annual audits to ensure submission of inventory maintenance standard operating procedures and security equipment inventory records. | **and ongoing**<br><br>**May 2018**<br><br>**8/7/18 Update – Started July 2018 & Ongoing** |
| Recommendation 9:<br><br>Maintain consistency in contract clauses, including the submission of inventory records. | DHS agrees with this recommendation. | DSS Legal | OLA will revise all shelter agreements to include the language indicated in the CAP. | **Completed** |
| Recommendation 10:<br><br>Maintain consistency in contract clauses, including ownership interest of security equipment, and | DHS agrees with this recommendation. | DSS Legal | OLA will revise all shelter agreements to include the language indicated in the CAP. | **Completed** |

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| remove the "in excess of $5,000" language. | | | | |