



**Department of
Social Services**

Human Resources
Administration

Department of
Homeless Services

DSS Accountability Office

May 6, 2021

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

**Re: NYC Department of Homeless Services- Capital Improvements Projects Audit
2018-N-3 CAP Follow-Up**

Dear Mr. Lynch:

In accordance with a request from your office we are providing an update regarding the status of the agency's implementation of the recommendations contained in the Audit of NYC Department of Homeless Services Capital Improvement Projects 2018-N-3.

We are confident that our responses demonstrate our commitment to improving our operations going forward. Should you have any questions, please contact Sonia Lamrhari, Director of the DSS Bureau of Audit Coordination at 929-221-5724.

Sincerely,

Christine Maloney

Christine Maloney

**NYC DEPARTMENT OF SOCIAL SERVICES
OFFICE OF AUDIT SERVICES
CORRECTIVE ACTION PLAN UPDATE**

Audit Name: NYS Comptroller Audit of DHS Controls Over Capital Improvements & Repairs at Homeless Shelters
Audit Number: 2018-N-3

Date: May 6, 2021

Auditor's Recommendations	Agency Response	Responsible Unit	Agency Corrective Action	Target Date
<p>Recommendation 1:</p> <p>Establish written policies or procedures for managing all aspects of the capital improvement process, including but not limited to:</p> <ul style="list-style-type: none"> • The capital project planning process, including justification and criteria for project prioritization. • Monthly reporting requirements to ensure that reports and meeting minutes are consistently completed, reviewed, and retained. • Compliance with PPB Rules and DHS' internal practices regarding competitive bidding and maintenance of procurement documentation. 	<p>Partially Agree</p> <p>We agree that specific written policies and procedures should be developed. DHS has formed a workgroup to develop and establish specific written policies, procedures that will provide a written framework to support the planning process and project prioritization.</p> <p>However, we do not agree with the report's conclusion that DHS currently lacks an appropriate process for planning and prioritizing projects. The capital project planning process is reflected in DHS CPI and budget processes, and projects are prioritized based on potential health/life safety impacts and the need to stabilize major building systems. This is done while also minimizing reductions in client capacity. The report oversimplifies some of the complexities of the capital project process; it is not uncommon, for example, for unforeseen complications with structure(s) and field conditions to cause unavoidable delays and cost increases. It is also important to recognize that most capital projects are being undertaken in very old structures which are still occupied. This necessitates project staging and relocation of clients where needed. Please see the attached Appendix A with comments regarding some of the projects referenced on pages 3 and 10 of the report.</p>	<p>DHS Facilities & Logistics</p>	<p>Develop and establish DHS specific written policies.</p>	<p>January 2021</p> <p><u>4/30/2021-Update: Completed</u></p> <p>See attached: Procedure Manual & Glossary of Capital Terms</p>

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	We do not agree that PPB rules were not followed. DSS has had oversight of DHS capital projects since the integration was completed in 2017. Under DSS's purview all procurement rules regarding competitive bidding and documentation have been complied with.			
Recommendation 2: Standardize the monthly reporting format and develop a process to ensure that monthly reports are dated, reviewed, and approved.	Agree A standardized monthly report format was implemented in March of 2020. This predates work on some of the projects (such as Fort Washington Armory) referred to in the report. A workflow to ensure monthly reports are reviewed and dated is now being followed. Reports are created by a Project Manager, then are routed to the Director then to the Assistant Commissioner for signature. PDF's of final product are archived on the network.	DHS Facilities & Logistics	Ensure written signoff and meeting minutes of capital projects.	Implemented/ March 2020
Recommendation 3: Implement controls to ensure that capital project data in the Spreadsheet is accurate.	Agree DHS will integrate a two-tiered review system and will utilize direct data pulls from FMS to enhance our review of data in the spreadsheet to reduce the chance of human error in the report. Spreadsheet accuracy will be maintained by coordinating all data with a download from FMS to reflect current capital project data.	DHS Facilities & Logistics	Coordinate and ensure spreadsheet accuracy from FMS.	July 2020 <u>4/30/2021 Update:</u> Completed

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<p>Recommendation 4:</p> <p>Develop and implement a system for tracking the progress and costs of capital projects.</p>	<p>Partially Agree</p> <p>DHS does currently have a system for tracking capital projects. Each capital project begins with a project record entered into EAM. This system allows the tracking of project updates, change orders, budget actions, etc. to provide data points supporting planning decisions. As noted above in response to Recommendation 2, it is not uncommon for complications to cause unavoidable delays and increased costs.</p> <p>Nonetheless, we agree that an enhanced tracking system would be helpful, and as part of a planned upgrade the EAM system will be enhanced and fully integrated with the City Financial Management system (FMS) Passport, the new procurement tool. DHS has entered into an agreement with consultants to review and identify needed data and appropriate solutions to support this enhancement.</p>	<p>DHS Facilities & Logistics</p>	<p>Enhance EAM system to integrate with the City FMS system.</p>	<p>January 2022</p>