

AUDIT REPORT



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

Audit Report on the Processing of Clients' Permanent Housing Applications by the HIV/AIDS Services Administration of the Human Resources Administration

ME02-116A

June 30, 2003



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 audited the efficiency of the HIV/AIDS Services Administration (HASA) in processing clients' applications for permanent housing. The Human Resources Administration (HRA) provides a broad range of programs and services intended to help individuals and families achieve their highest level of self-reliance. HASA is the primary mechanism within HRA to provide access to benefits and services to persons with AIDS and HIV-related illnesses.

Our audit resulted in the findings and recommendations that are presented in this report. The findings and recommendations were discussed with HRA officials; their comments were considered in the preparation of this report.

Audits such as this provide a means of ensuring that City resources are used effectively, efficiently, and in the best interest of the public.

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 cursive script that reads "William C. Thompson, Jr.".

William C. Thompson, Jr.

Report: **ME02-116A**
Filed: **June 30, 2003**

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AUDIT REPORT IN BRIEF

This audit assessed the efficiency of the HIV/AIDS Services Administration (HASA) in processing clients' applications for permanent housing. The Human Resources Administration (HRA) provides a broad range of programs and services intended to help individuals and families achieve their highest level of self-reliance. HASA is the primary mechanism within HRA to provide access to benefits and services to persons with AIDS and HIV-related illnesses.

Audit Findings and Conclusions

HASA is not efficient in processing clients' applications for permanent housing, nor does it comply with its own time frame for processing requests for financial assistance for clients who have secured a valid lease or letter of intent to rent.

Case managers at HASA field centers do not track the progress of permanent housing applications filed with the Housing Unit. By not following up on clients' applications, case managers are failing in their duty to clients to help ensure that their housing needs are met. The lack of monitoring by case managers may be due in part to inadequate procedures detailing the specific steps and responsibilities of the HASA units involved in the placement process. Finally, only 14 (44%) of the 32 financial assistance request packages for the sampled clients were processed by HASA within the required five business days.

These weaknesses serve to make the difficult task of finding permanent housing for clients even more difficult. At the exit conference, HRA officials acknowledged the problems we identified during the audit and stated that HASA has instituted, or is in the process of instituting, corrective measures to improve its efficiency in processing housing applications.

Audit Recommendations

We made seven recommendations, some of which are listed below. HRA should:

- More fully develop the HASA procedures manual so that the housing placement process, and the roles that the various HASA units play in the process, are clearly defined. At a minimum, the manual should identify the key stages in the placement process, the responsibilities of all parties at those stages, the maintenance of key documents, and the controls to ensure that the process operates as intended.
- Ensure that HASA management develops monitoring tools to track the housing placement process. The monitoring tools should be designed to identify areas where improvement is needed; management should then develop strategies to initiate corrective measures in those areas.
- Ensure that Case Financial Assessment (CBCFA) packages are processed in a more timely manner and that key events related to the processing are documented in the case files. These events should include, at a minimum, the dates that packages are forwarded to the CBCFA coordinator, the dates packages are returned, and any other significant events that affect the timely processing of the packages.
- Ensure that supervisors and/or directors track the timeliness in processing CBCFA packages. For packages that are not processed in a timely manner, directors should identify the causes for the delays and develop strategies to address those causes.

Agency Response

HRA agreed with the audit's findings and recommendations.

INTRODUCTION

Background

The mission of the New York City Human Resources Administration (HRA) is to help individuals and families achieve their highest level of self-reliance. To fulfill this mission, HRA provides a broad range of programs and services including income support, Medicaid, home care services for elderly and disabled individuals, and support services for individuals with AIDS and HIV-related illnesses.

Local Law 49 of 1997 created the Division of AIDS Services within HRA to provide access to benefits and services to persons with AIDS and HIV-related illnesses. In Fiscal Year 2000, HRA created the HIV/AIDS Services Administration (HASA) as the primary mechanism within HRA to expedite access to essential benefits and social services needed by persons living with AIDS and HIV-related illnesses and their families.

HASA provides social, financial, and vocational services to eligible individuals and families. Its services cover home care and homemaking; financial and medical support; and family case management. HASA also provides housing assistance, including permanent and transitional housing, to those who are homeless or potentially homeless.

The Serviceline Unit is the first contact that applicants or the public have with HASA, either through contacting HASA by phone for information and referral or by walking into a Serviceline office and requesting services. Persons approved for HASA services (or clients) are assigned to one of 12 field centers in the five boroughs. Clients are assigned to case managers at the field centers, who are responsible for assessing clients' needs, including any housing needs that they may have.

Case managers are required to discuss permanent housing options with clients and, if clients need housing, assist them in completing housing applications. Homeless clients are referred to transitional supported or single room occupancy (SRO) housing. According to the HASA's procedure manual, case managers should ensure that clients in emergency placements or temporary housing situations (i.e., in SRO hotels or living with friends) complete a HASA permanent housing application. HASA contracts with housing providers throughout the city to place clients living in temporary housing into permanent congregate and other supportive housing. The HASA Housing Unit is responsible for this function.

As of the end of Fiscal Year 2002, according to the *Fiscal Year 2002 Mayor's Management Report*, HASA had 30,129 open cases and had provided housing and support services to clients for 6,236 of them. During that year HASA received a total of 9,508 applications for permanent housing and placed 1,311 clients. According to HRA, the total HASA permanent housing budget for Fiscal Year 2002 was approximately \$77 million.

Objective

The objective of this audit was to assess HASA's efficiency in processing clients' applications for permanent housing.

Scope and Methodology

The scope of our audit was July 2001 through October 2002. To gain an understanding of HASA operating policies and procedures as they relate to our audit objective, we interviewed relevant personnel from the Housing Unit and each of the 12 field centers. In addition, we reviewed relevant documentation, such as the HASA *Policy and Procedures Manual*. To gain an understanding of applicable laws that govern mandated services to eligible persons, we reviewed Local Law No. 49 of 1997.

We reviewed two previous audit reports conducted by our office—*Compliance of Tolentine Zeiser's Paradise Residence with its Contract with the Human Resources Administration's Division of AIDS Services and Income Support*, issued April 3, 2001 and *Compliance of the Foundation for Research of Sexually Transmitted Diseases with its Contract with the Human Resources Administration's Division of AIDS Services and Income Support*, issued June 29, 2000—to determine whether they identified any issues related to HASA's processing of housing applications. The two prior audits revealed problems with the timeliness of HASA's processing of applications.

To gain an understanding of HASA's process for placing its clients in permanent housing, we interviewed the Director of the Housing Unit and prepared a flowchart of that unit's operations. The flowchart was reviewed and approved by the Housing Unit Director. We also interviewed the directors of each of the 12 field centers.

To assess HASA's efficiency in processing clients' housing application, we initially selected a sample of 120 clients, consisting of clients from each of the field centers. The sample was selected from a population of 485 clients who had submitted permanent housing applications in July 2001. The number of clients randomly selected from each center was based on that center's percentage of the 485 applications.

We requested case files from the centers for each of 120 sampled clients to determine the actions taken by case managers regarding the clients' applications. Eight centers were unable to provide 16 (13%) of the 120 files. For the other 104 clients, we reviewed the case history notes and documents relevant to the housing applications. We determined whether the case managers followed up with the Housing Unit to determine the status of the housing applications and whether there was any evidence that the Housing Unit forwarded relevant documents to the case managers.

To ascertain whether HASA is complying with Local Law 49 by processing a Case by Case Financial Assessment (CBCFA) within the required time frame, we reviewed

documentation available in case files at the field centers for 28 clients in our sample who found apartments on their own and requested financial assistance. (The CBCFA is completed when a client is requesting financial assistance for housing related expenses.) We also determined whether case managers gave those clients receipts when they provided documents necessary to determine eligibility, and whether the clients had completed a Form W145N (Request for Emergency Assistance for An Active Public Assistance Case) as required.

To assess the Housing Unit process for referring housing applications to housing providers, we reviewed case files at the Unit for our 104 sampled clients. To assess the accuracy of client information listed in the database report, we compared information in the report with documentation available in the clients' files, including the housing application. We also reviewed the files to determine whether, where applicable, the Unit prepared and forwarded relevant documents to the centers.

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 New York City 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 HRA officials during and at the conclusion of this audit. A preliminary draft was sent to HRA officials and was discussed at an exit conference on June 11, 2003. On June 12, 2003, we submitted a draft report to HRA officials with a request for comments. We received a written response from HRA on June 26, 2003. In its response, HRA agreed with the audit's findings and recommendations. HRA stated:

“We would like to thank you for the opportunity to respond to your draft report on the above-referenced audit. As a whole, we do not disagree with the audit's findings and recommendations, as many of them were identified by the Commissioner's Office when she arrived and immediate actions were taken to address them. In addition, it should be noted that the entire HASA senior management staff has changed since the period during which the audit was conducted.”

The full text of the HRA comments is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

HASA is not efficient in processing clients' applications for permanent housing, nor does it comply with its own time frame for processing requests for financial assistance for clients who have secured a valid lease or letter of intent to rent.

Case managers at HASA field centers do not track the progress of permanent housing applications filed with the Housing Unit. The mission of HASA is to expedite access to essential benefits and services to clients, and case managers are HASA's primary link to clients. By not following up on clients' applications, case managers are failing in their duty to clients to help ensure that their housing needs are met. The lack of monitoring by case managers may be due in part to inadequate procedures detailing the specific steps and responsibilities of the HASA units involved in the placement process. Directors at the field centers are not familiar with the placement process or the documentation their centers receive from the Housing Unit. In addition, coordination between the Housing Unit and the centers regarding client placements is limited. Finally, only 14 (44%) of the 32 financial assistance request packages for the sampled clients were processed by HASA within the required five business days. However, the starting date for processing a number of these packages appears to have been inappropriately moved up.

These weaknesses serve to make the difficult task of finding permanent housing for clients even more difficult. At the exit conference, HRA officials acknowledged the problems we identified during the audit and stated that HASA has instituted, or is in the process of instituting, corrective measures to improve its efficiency in processing housing applications.

Case Managers Do Not Track Progress of Applications

Case managers at the 12 HASA field centers followed up on only 10 (7%) of the 142 housing applications that they submitted to the Housing Unit for the 104 sampled clients. Of the 10 follow-ups, the managers initiated six; the remaining four were in response to inquiries from other parties. By not adequately following up on clients' housing applications, case managers are failing to provide clients with the assistance needed to obtain housing and to ensure that the Housing Unit is processing applications in a timely manner.

Case managers have the responsibility to assess clients' needs and monitor their cases to ensure that their needs are met as well as possible. They are required to document case activity—including any efforts they make on behalf of their clients—in the clients' case files. Efforts taken would include checking the status of a housing application with the housing specialist from the Housing Unit assigned that client's case. The HASA *Policy and Procedures Manual* states that "monitoring includes regular ongoing visits and intervention to resolve problems." This would include securing permanent housing. However, the listed procedures do not specify the type or frequency of follow-ups of the housing applications that case managers should conduct.

Our review of case files disclosed that case managers only followed up on 10 (7%) of the 142 permanent housing applications filed by the 104 sampled clients from July 2001 to August 2002 (33 clients submitted more than one application during the review period). Furthermore, in

only six of the 10 cases was the follow-up initiated by the case managers; in the other four cases the follow-up was initiated by third parties, such as the client's doctor.

A number of the clients who filed applications had been living in temporary placements for a long period of time. For example, one client who was living at a health-care facility for at least 16 months completed three housing applications from July 2001 through April 2002. According to the statements on the applications and in the case manager's notes in the case file, the client was waiting for an apartment in order to leave the facility. Yet, according to the case file, the case manager did not call the Housing Unit to check on the applications. As of October 2002, the client had not obtained permanent housing.

Directors at three of the 12 centers acknowledged that their case managers do not follow up on the applications. One director stated that case managers at his center generally do not follow up on housing applications because they do not know which housing specialists the applications are assigned to. He did not indicate that the case managers made any efforts to obtain that information from the Housing Unit.

We note that there is no guarantee that a placement will be found for a client if a case manager follows up on the client's application. However, by not following up on clients' applications, case managers are failing in their duty to clients to help ensure that the Housing Unit is working to secure an apartment for them.

Case managers are responsible for assisting clients in obtaining needed services. For example, according to the HASA procedure manual, case managers are responsible for arranging interviews between clients and housing providers, yet none of the client interviews for our sampled clients were arranged by their case managers. Since the Housing Unit works with the housing providers and refers clients for possible placements, case managers should be in touch with the Housing Unit to learn the status of applications as well as when, and to whom, clients are referred for potential housing. However, we found that the HASA procedure manual gives no clear directions on how the placement process should function and the roles that the various parties (centers, case managers, Housing Unit) play in it. We believe that the lack of monitoring by case managers is due in part to this inadequacy.

HASA Procedures Do Not Adequately Govern the Placement Process

Both the Housing Unit and the case managers work to find permanent housing for clients. Procedures governing the placement process should exist that clearly delineate the responsibilities of both the Housing Unit and the case managers in that endeavor.

However, while procedures for the placement process do exist, they do not adequately identify the various steps in the placement process, such as the referral and placement of clients, nor do they indicate the specific responsibilities of the field centers and of the Housing Unit. For instance, the procedures state that case managers are required to arrange an interview between clients and housing providers, but do not state the method by which case managers at the centers are to be notified when the Housing Unit refers their clients to housing providers.

Because the procedures do not adequately cover the placement process, various parties do not know what their responsibilities are, and coordination between the Housing Unit and the centers is limited. Below are some of the areas in which there are inefficiencies or confusion over the responsibilities of each party.

Scheduling of Client Interviews with Housing Providers

When a housing provider notifies the Housing Unit that it has a vacancy, the Unit is supposed to refer three clients to that provider for possible placement. Each client is supposed to be interviewed by the housing provider to determine whether the placement is suitable. Under HASA procedures, case managers are responsible for arranging the interviews for their clients.

However, case managers do not schedule client interviews. During the review period, 66 of the sampled clients were referred to housing providers for permanent supported housing (the remaining 38 clients were not referred to providers during the scope period). The 66 clients were referred 119 times to providers (35 clients were referred more than once during the period); the case files for those clients indicate that case managers did not schedule any of the client interviews. According to a Housing Unit official, it is the housing providers that schedule the client interviews.

Although the procedures state that the case managers should schedule the interviews, they are silent as to the method by which centers are to be notified when their clients are referred for permanent supported housing. In fact, there is no requirement that the Housing Unit notify centers when their clients are referred to housing providers. In general, the Housing Unit did not notify case managers of client referrals; in only 18 (15%) of the 119 referrals did we find evidence in the case files that the centers were notified. We reviewed the Housing Unit database to determine the outcome of the 119 referrals. The outcome of these referrals, as reported in the database, is shown in Table I, below.

TABLE I

Outcome of Referrals to Housing Providers
As of August 2002

Category	Number	%
Placed by housing provider	21	18%
Case closed (client placed)	2	2%
Placed elsewhere	1	1%
Outstanding (client placed)	1	1%
No interview scheduled (client placed)	1	1%
Rejected by housing provider	4	3%
Refused by Client	9	8%
Client no show	2	2%
Withdrawn by DASIS (now known as HASA)	6	5%
No interview scheduled	13	11%
Outstanding	1	1%
Administrative return—no vacancy	35	29%
Administrative return	17	14%
Unable to contact case manager	6	5%
Total	119	100%

Note: due to rounding, numbers in each column may not add up

As shown in the shaded boxes in Table I, the database reported that only 26 of the 119 referrals ended in placements. (The case files for these clients indicate that there were 28 placements—two more than reported. One client was placed in July 2002, but the database was not updated to reflect the placement; the other client was placed in October 2002.) The rest were returned to the Housing Unit for such reasons as the client refusing the apartment or the interview not being scheduled.

(In reviewing the database, we found a number of incidents where the information differed from that recorded in the case files. For the 52 referrals classified by housing specialists as “administrative return” and “administrative return—no vacancy” in the database, documentation in the Housing Unit case files indicate that 13 were classified for other reasons, such as “client no show” and “client refused apartment.” Since housing specialists rely on the database as a key source of activity on applications, it is important that HASA make efforts to ensure that only accurate information is entered in it.)

When housing providers are responsible for scheduling the interview, rather than the clients’ case managers, there is an increased risk that certain clients will be excluded from receiving housing because the provider did not schedule them for an interview. A housing provider has an incentive to fill available units, regardless of whether it interviews three candidates or one. As a result, providers may not be as diligent in arranging interviews on behalf of a client as that client’s case manager should be. Case managers at the centers are responsible for ensuring that their clients’ housing needs are met to the best of the agency’s ability.

Accordingly, managers should ensure that clients have an opportunity for an interview with every provider that the clients' cases are referred to.

Center Directors are Unfamiliar with the Placement Process

Directors are responsible for managing the daily operations of the field centers. Therefore, it is important for directors to have a good understanding of the overall placement process and the role that the centers have in it.

However, based on interviews with the directors and follow-up questionnaires we submitted to them, it appears that they are unfamiliar with both the placement process and the documents that they receive from the Housing Unit. For example, directors stated that they receive notification of client interviews from the Housing Unit. There was no evidence in the case files of this, and officials at the Housing Unit stated that they never send that information. The directors of the centers were also generally unaware who scheduled the interviews. Two directors stated that their case managers schedule client interviews (they do not), and another six directors incorrectly stated that the Housing Unit schedules the interview. Finally, regarding the outcome of the client interviews, directors at seven centers said they receive them, although Housing Unit officials stated that they do not send this information.

As the overseers of the operations of the case managers, the directors should be knowledgeable of all aspects of case managers' duties, including those related to assisting clients in obtaining permanent housing. However, directors are unfamiliar with the steps involved in the overall placement process, and HASA procedures do not adequately address the process. If directors are not familiar with their managers' responsibilities and the placement process in general, they will be hindered in their ability to provide assistance in meeting clients' housing needs.

Housing Unit Does Not Notify Field Centers of Status of Client Applications

Since case managers are responsible for the overall management of clients' cases, and are the ones whom clients are to contact with any questions regarding the status of their housing applications, it is important that they be aware of all significant events regarding clients' applications. However, there are no procedures that dictate how case managers are to be notified.

According to Housing Unit officials, case managers are notified by housing specialists when significant events occur. Officials stated that a Referral Memorandum is forwarded when a client is referred to a housing provider, and a Confirmation of Placement form is forwarded when a client moves into a new apartment. Furthermore, according to Unit officials, all activity on a client's case is recorded in the Housing Unit database, which a case manager can review at any time to learn the status of a client's case.

However, there is limited evidence in the case files that the Housing Unit notifies the case managers of such significant events as when clients are placed in housing. For the 119 client referrals to housing providers, there were only 18 Referral Memorandums in the case files. Of

the 28 placements during the period, there were only six Confirmation of Placement forms in the case files. The HASA Procedures Manual does not require that the Housing Unit forward the above documents to case managers, nor does it require that the Housing Unit record all significant events in a database. The centers do not even have access to the Housing Unit database. As a result, case managers do not know what is going on regarding their clients' applications. If the Procedures Manual did address these issues, it could serve as a reference for both the Housing Unit and the centers to document the required steps for processing housing applications. It would also help ensure that the lines of communication between the Housing Unit and the centers are open, and that managers are kept apprised of their clients' applications.

We also found that the Housing Unit enacts policies that are not included in HASA procedures, and fails to effectively communicate these policies to the field centers. For example, Housing Unit officials told us that housing applications expire after six months. (There is nothing in writing to document this policy, however.) According to officials, if a housing need still exists after six months, a new application should be prepared. However, this policy is stated nowhere in HASA procedures, nor has it been communicated to the centers. Most directors were unaware that the applications had such a limitation, and some others thought that the applications expired after three months. Furthermore, the Unit provides no notification to centers or clients when an application expires, nor does it document this in the Housing Unit case files or in its database. As a result, clients are denied the opportunity to obtain housing through HASA because neither they nor their case managers are aware that the unit is no longer attempting to place them.

These inefficiencies make the difficult task of finding permanent housing for clients much harder. Since case managers are primarily responsible for the overall day-to-day management of a client's case, it is essential that they be kept abreast of service activities that affect their clients. Therefore, to ensure effective and efficient case management, HASA should have procedures in place to ensure the adequate sharing of vital client information.

Inadequate System for Case File Maintenance at Both the Centers and the Housing Unit

HASA procedures have no guidelines for the Housing Unit and field centers to follow regarding case file maintenance.

Both the Housing Unit and field centers prepare case files for clients. The case files are meant to document events in clients' cases and serve as referral points to ensure that necessary steps are neither omitted nor duplicated. The files also contain the supporting documentation for the information recorded on the Housing Unit database.

We requested the client files from the field centers for the 120 clients in our original audit sample. However, eight centers could not find 16 of the 120 files requested. Subsequent requests were made to the eight centers for the original files, but to date we have not received those 16 files. None of the centers were able to provide a satisfactory explanation as to why the files were missing. As a result, we were prevented from conducting certain audit tests for these clients.

More important, however, is the lack of oversight that the missing files appear to indicate. The fact that the centers could not find those files brings into question the extent to which case managers are following up on these cases.

For the cases referred to the Housing Unit, officials told us that a folder is set up for every client. However, we found that a number of clients had multiple folders. In addition, there was no documentation in the case files to support some of the information recorded in the Housing Unit database. For instance, according to the database report that we received from Housing Unit officials, certain applications were referred to housing providers, and a referral memorandum should have been prepared. However, we found no evidence of those documents in the Housing Unit case files, nor did we see these documents in the case files at the centers.

The HASA Procedure Manual gives no instructions regarding file maintenance at either the field centers or the Housing Unit. The procedures do not state what should be in the case files, who should maintain possession of the case files, and the method by which files are to be transferred to other parties. As a result, it is left to the field centers and Housing Unit to determine what should be maintained in the files and where they should be stored.

It is essential for effective and efficient case management that HASA ensure that its field centers have adequate controls in place for securing clients' records, particularly since its clients are oftentimes reassigned to different case managers or transferred to different field centers. These controls should be clearly identified in a procedure manual that management could use in monitoring its operations to ascertain whether the controls are working as intended.

At the exit conference, HRA officials stated that they are in the process of revising the procedures manual and are working on providing the field centers with access to the Housing Unit database so that they can better track the progress of applications referred to the Unit.

Recommendations

HRA should:

1. More fully develop the HASA procedures manual so that the housing placement process, and the roles that the various HASA units play in the process, are clearly defined. At a minimum, the manual should identify the key stages in the placement process, the responsibilities of all parties at those stages, the maintenance of key documents, and the controls to ensure that the process operates as intended.

HRA Response: “We agree with this recommendation. As stated above, HASA is revising its policy and procedures manual as well as the Supported Housing Unit staff manual to address the concerns disclosed in the audit report. These manuals will detail staff responsibilities, and indicate the documents to be used in the new process. The revised documents, guidelines, and directories relating to supported housing will be placed on the Agency’s FileNet System which is readily available to field staff from their

desktop PC's. Finally, a comprehensive housing training program will begin on July 1, 2003, for all staff involved in placing our clients in supported housing."

2. Ensure that HASA management develops monitoring tools to track the housing placement process. The monitoring tools should be designed to identify areas where improvement is needed; management should then develop strategies to initiate corrective measures in those areas.

HRA Response: "We agree with this recommendation. As stated above, HASA implemented a new computer system in June 2003 that provides field case management staff with access to the Supported Housing Unit database. This system also allows management to track the process and identify areas where improvement is needed."

Only 44 Percent of Financial Assistance Request Packages Received a Decision Within Mandated Time Frame

Fourteen (44%) of the 32 financial assistance request packages that the field centers completed for sampled clients (three clients had more than one request package) who found an apartment received a decision from HASA within the required five business days. In addition, we saw no evidence that a request form for emergency assistance was completed as required for 13 of the 32 packages.

If a client needs financial assistance to pay certain expenses, HASA requires that a CBCFA package be prepared. A CBCFA is also prepared for clients who find an apartment on their own and need financial assistance. In order to be eligible for assistance, a client has to be on public assistance or have an application for public assistance pending. Eligible expenses include the security deposit, broker's fees, and moving expenses. The client's case manager and a HASA eligibility specialist are responsible for preparing the CBCFA package. At a minimum, the following documents should be included in the package: the Rental Assistance Form 1 (RAF1); the Request for Emergency Assistance for An Active Public Assistance Case form (W145N) and/or the Request for Additional Allowance or A Change in Grant form (W137A). When a client brings in the required documentation (e.g., lease or intent to rent letter) to support the request for financial assistance, the case manager has the client fill out, sign, and date the W145N form. After receiving the client's documentation, the case manager and the center eligibility specialist prepare the other necessary forms to complete the package. The RAF1 is prepared and signed by the case manager and eligibility specialist. All supporting documentation, such as the W145N form, must also accompany the completed RAF1. The completed CBCFA package is reviewed—and the RAF1 signed off—by the manager's supervisor and the center director or designee.

According to the HASA procedure manual, the entire CBCFA decision process should take no more than five business days. The centers are required to forward the CBCFA packages to CBCFA Control, located at the HASA main office, within two days. The CBCFA coordinator has three days to return the package to the center. The manual states that the date the client signs the W145N starts the five-day clock. If the package is approved, HASA will issue a check (or voucher) to the appropriate party, usually the landlord. Before payment is made, the case

manager is required to inspect the apartment to ensure that it meets HASA standards for adequate housing.

For our sample of 104 clients, 28 found an apartment on their own and requested financial assistance, necessitating the preparation of a CBCFA package. For the 28 clients, 32 packages were prepared (three clients had more than one package). However, 13 of the packages did not contain a copy of a completed W145N; for these cases, we used the dates indicated in the case history to determine whether the packages were processed within five days. Of the 32 CBCFA packages, only 14 (44%) received a decision within the required five days. On average, HASA took eight days to approve the CBCFAs. In three cases, it took more than 20 days for the packages to be approved. Table II, below, shows the frequency distribution of HASA's CBCFA approval process.

TABLE II

Frequency Distribution of CBCFA Approval

Number of Days From Date of W145N to CBCFA Decision	Number of Instances	Percent of CBCFA Decision in Time Period
Within 5 Business Days	14	44%
6-10 Business Days	9	28
11-20 Business Days	6	19
> 20 Business Days	3	9
Total	32	100%

As shown in Table II, only 14 of the CBCFA packages were processed within five days, according to the case files. Moreover, we found instances in which the date that the W145N was reportedly completed was later than the date that the client brought in the required documents. (These issues are discussed in more detail in the following section of this report.) For the remaining 18 packages that were not processed on time, there was no documentation in the case files to satisfactorily explain the reasons for the delays.

For one client, the W145N was dated December 7, 2001 but the package was not approved until January 8, 2002— 21 business days later. According to the RAF1, the case manager classified the move as “an emergency situation.” There is no indication in the package of when the package was forwarded to the CBCFA coordinator, however, so we are unable to determine whether the delay occurred at the center or with the coordinator. In this case the client eventually moved to the new apartment. For two other clients, however, the apartments were lost. This appears to be due to HASA's delay in approving CBCFAs and issuing rent checks.

According to a New York City Housing Authority (NYCHA) placement offer memo to HASA dated November 23, 2001, HASA was notified that a NYCHA apartment was available

for a client. The memo states that arrangements should be made for the client and case manager to view the apartment in order to secure it. Upon receiving the memo, the case manager should have contacted the client and made arrangements to view the apartment. If the client required financial assistance, a CBCFA package should also have been prepared. However, the next activity recorded in the file was dated December 26, 2001, when the client visited the center to check on the status of the apartment. Still, no package was prepared at that time. The case manager did not visit the apartment until January 9, 2002. The CBCFA package, including the W145N, was completed and approved the next day. However, the case manager did not contact the NYCHA contact person to deliver the checks until February 6, 2002, 18 business days later. At that time, according to the case history notes, the case manager was notified that the apartment had been given to someone else. As of October 2002, the client was still waiting to be placed in permanent housing.

Similarly, another client found an apartment and brought the relevant documents, including a signed lease, to her case manager on June 20, 2002. There is no evidence in the client's case file that a W145N was completed; however, based on the case notes and other documents in the file, it appears that the client brought the documents to the center on the above date. Yet the RAF1 form was not prepared until July 12, 2002—15 business days later. The CBCFA was denied because the client did not have an open or pending public assistance case. However, since this is one of the prerequisites to obtaining assistance, the case manager should have checked the client's public assistance status when she first requested assistance, in June. By the time the case manager assisted the client in completing the necessary paperwork to apply for public assistance and HASA approved the CBCFA package (in August 2002), the landlord had already rented the apartment to someone else. There was no documentation in the case files to explain the reasons for the delays.

W145N and Client Receipt not Always Completed

For the 32 CBCFA packages we reviewed, 13 (41%) were incomplete—three packages had incomplete W145N forms, and another 10 did not have the forms at all. None of the incomplete W145N forms were signed or dated by the clients. In 23 of the 32 packages, we found no evidence that HASA gave clients a receipt for their document submissions, as required.

HASA's policy manual states:

"To comply with Local Law 49, HASA/DHAS is required to track the timeliness of the CBCFA process from the date the client requests a particular service or benefit. It is essential that each CBCFA package include among its supporting documents, a W145N . . . with clients' signature and date. In addition, a signed copy of the client receipt must accompany all CBCFAs."

Our review of HASA's practice for preparing and approving CBCFAs disclosed that case managers did not always provide their clients with a dated receipt or have the clients complete a W145N form. Case files had a copy of the client receipt for only nine (28%) of the 32 CBCFAs and a copy of a signed and dated W145N for only 19 of the 32 CBCFAs. For 10 of the other 13,

there was no copy of a W145N in the case files, and the forms for the remaining three cases were not signed and dated by the clients, as required.

As stated previously, HASA procedures require that the supervisors of the case managers and eligibility specialists as well as the center directors review the CBCFA packages. However, the missing and incomplete W145Ns in the case files indicate that supervisors and directors are not adequately reviewing the CBCFA packages to ensure that all required documentation is present and complete. Failing to ensure that a package is complete may result in unnecessary delays during the approval process, and could result in a client losing an apartment.

Moreover, there were a number of instances in which the W145N was not completed in a timely manner. HASA procedures state that the W145N is to be completed when the client submits the required documentation. However, the case history notes for seven cases indicate that the W145N was completed a week or more after the client submitted the required documents, although it is supposed to be completed when the documentation is submitted. In three instances, the W145N was dated the same day that the CBCFA package was approved, giving the appearance that HASA did not complete the W145N until it had completed the package. However, the case files indicate the clients had submitted documentation to case managers prior to the recorded W145N date. (As stated previously, HASA uses the date of the W145N to track the timeliness of the CBCFA process.)

According to its mission statement, HASA “is committed to service provision that is individualized, efficient, effective, and of high quality.” Accordingly, as it relates to housing, it is important that those responsible for assisting clients exercise due diligence in meeting clients’ needs. To this end, HASA should clearly identify and document the responsibilities of various units in its procedures and institute controls to ensure that those responsibilities are consistently carried out. At the exit conference, HRA officials conceded that the processing of CBCFA packages has been lengthy, but stated that they have instituted new procedures to shorten the time taken to process packages.

Recommendations

HRA should:

3. Ensure that CBCFA packages are processed in a more timely manner and that key events related to the processing are documented in the case files. These events should include, at a minimum, the dates that packages are forwarded to CBCFA coordinator, the dates packages are returned, and any other significant events that affect the timely processing of the packages.

HRA Response: “We agree with the recommendation. During our own internal review in October 2002, HASA identified similar areas of concern with the Case By Case Financial Assessment (CBCFA) process to those disclosed in the audit report. By early December 2002, HASA had changed the entire process. One of these changes was to allow many more of the CBCFAs to be approved by the Center Directors. This has reduced the decision time as well as the time required for the actual benefit issuance. The revised

process incorporates most of the recommendations made by the audit. This includes more timely processing, better review and control of the process at the center level, and more effective communication between case managers and their supervisory staff. This new process has resulted in many benefits being issued on the same day as the decision.”

4. Ensure that supervisors of the case managers and eligibility specialists as well as center directors adequately review the CBCFA packages to ensure that all required documentation is present and complete.

HRA Response: “We agree with this recommendation and have already taken steps to implement it. As described in our response to Recommendation #3 above, by early December 2002, HASA had changed the entire CBCFA process. One of these changes was to allow many more of the CBCFAs to be approved by the Center Directors, resulting in more timely processing, better review and control of the process at the center level, and more effective communication between case managers and their supervisory staff.”

5. Ensure that supervisors and/or directors track the timeliness in processing CBCFA packages. For packages that are not processed in a timely manner, directors should identify the causes for the delays and develop strategies to address those causes.

HRA Response: “We agree with this recommendation and have instituted tracking of the timeliness of the processing of these packages at all levels, as described above.”

6. Ensure that W145Ns are completed in a timely manner. The forms should be completed when clients bring in the required documentation for the financial assistance request, as HASA procedures require.

HRA Response: “We agree with this recommendation and have taken steps to ensure the timely and complete processing of the CBCFA package. Effective October 2002, once the client provides the required documentation, the W145N is signed and included in the CBCFA package.”

7. Ensure that clients sign and date the W145Ns and are given a receipt for documents submitted, as HASA procedures require.

HRA Response: “We agree with this recommendation and have taken steps to ensure that the forms W145N are completed properly and that clients are provided with a receipt. In September 2002, intensive training was provided to staff to highlight the importance of providing clients with a receipt. Since then, ongoing training has reinforced the importance of this requirement.”



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VERNA EGGLESTON
Administrator/Commissioner

DAN LEHMAN
Executive Deputy Commissioner

June 26, 2003

Mr. Greg Brooks
Deputy Comptroller
Policy, Audit, Accountancy & Contracts
The City of New York
Office of the Comptroller
1 Centre Street – Room 530
New York, NY 10007-2341

Re: Audit Report on the Processing of
Permanent Housing Applications by the
HIV/AIDS Services Administration (HASA)
of the Human Resources Administration
Audit No. ME02-116A

Dear Mr. Brooks:

We would like to thank you for the opportunity to respond to your draft report on the above-referenced audit. As a whole, we do not disagree with the audit's findings and recommendations, as many of them were identified by the Commissioner's Office when she arrived and immediate actions were taken to address them. In addition, it should be noted that the entire HASA senior management staff has changed since the period during which the audit was conducted.

In the interest of clarity and accuracy, we would like to point out that all references to permanent housing should specify "permanent supported housing." In addition, to fully reflect the breadth of housing services provided by HASA, the report should note that as of the end of Fiscal Year 2002, as reported in the Mayor's Management Report, HASA had 30,129 open cases and had provided emergency services and supported housing and support services to 6,236 clients; had performed 10,500 emergency placements; and provided rental assistance for 19,310 cases.

Following is our detailed response to all the audit's findings and recommendations:

Auditors' Finding # 1:

HASA is not efficient in processing clients' applications for permanent housing, nor does it comply with its own time frame for processing requests for financial assistance for clients who have secured a valid lease or letter of intent to rent.

Agency's Response:

We do not disagree with this finding. HASA has developed a new referral system for permanent housing requests. When it becomes effective in July 2003 case managers will be able to select up to six housing providers on the supported housing application. The selected options will be based on a weekly vacancy report made available to field case management staff. This will ensure that the supported housing application is referred to a provider within two to three days of receipt in the Housing Unit. The supported housing application will remain in effect until a housing placement is obtained. The new procedures and documents as well as staff responsibilities will be detailed in both the HASA policy and procedures manual and the Supported Housing Unit staff manual.

Pertaining to the timeliness of the processing of the Case By Case Financial Assessment (CBCFA), HASA has instituted improvements so that decisions are now routinely made within five days of receiving a completed application. In addition, we track the time it takes from the receipt of the completed CBCFA application until the benefit is issued. HASA has reduced the average time from 25.2 days in July 2001 to a present average of ten days. It should be noted that the five day turnaround period is an internal control policy only, and not a compliance requirement. The regulations require that non-emergency benefits be issued within 30 days of receipt of the completed application.

Auditors' Finding #2:

Case managers at HASA field centers do not track the progress of permanent housing applications filed with the Housing Unit.

Agency's Response:

We do not disagree with this finding. After a complete review of the systems, a new computer inquiry system was implemented by HASA in June 2003 that provides field case management staff with access to the Supported Housing Unit database. Staff can now retrieve information on the status of supported housing applications forwarded to the Supported Housing Unit, enabling them to follow up directly with housing providers to schedule interviews for clients. Access to this database also enhances communication between the Supported Housing Unit and the field case managers, as each party is able to see the actions being taken on a case at each step of the housing process.

Auditors' Finding #3:

Case Managers Do Not Track Progress of Applications.

Agency's Response:

We do not disagree with this finding, as our own internal assessment found this to be true. We have since implemented a new computer inquiry system that allows the case managers to track the progress of the applications.

Auditors' Finding #4:

HASA Procedures Do Not Adequately Govern the Placement Process.

Agency's Response:

We do not disagree with this finding. We are currently revising our policy and procedures manual as well as the Supported Housing Unit staff manual to address the concerns detailed in the audit report. These manuals will detail staff responsibilities, and indicate the documents to be used in the new process. In addition, HASA will begin a comprehensive housing training program on July 1, 2003 for Agency staff members who have a role in the supported housing referral and placement process. Finally, HASA will place the revised documents, guidelines and directories relating to supported housing on the Agency's FileNet System, which is readily available to field staff from their desktop PC's.

Auditors' Finding #5:

Scheduling of Client Interviews with Housing Providers

Agency's Response:

We do not disagree with this finding, and as stated above in response to Finding #2, HASA implemented a new computer inquiry system in June 2003 that provides field case management staff with access to the Supported Housing Unit database.

Auditors' Finding #6:

Center Directors are Unfamiliar with the Placement Process.

Agency's Response:

We do not disagree with this finding, and as stated above, HASA will begin a comprehensive housing training program on July 1, 2003 for Agency staff members who have a role in the supported housing referral and placement process.

Auditors' Finding #7:

Housing Unit Does Not Notify Field Centers of Status of Client Applications.

Agency's Response:

We do not disagree with this finding, and as stated above in response to Findings #2 and #5, HASA implemented a new computer inquiry system in June 2003 that provides field case management staff with access to the Supported Housing Unit database.

Auditors' Finding #8:

Inadequate System for Case File Maintenance at both the Centers and the Housing Unit.

Agency's Response:

We do not disagree with this finding. HASA has developed new procedures and a comprehensive training program will be begin on July 1, 2003. These measures will ensure that clients' case files are managed more efficiently by both the centers and the Supported Housing Unit.

Auditors' Finding #9:
W145N and Client Receipt Not Always Completed.

Agency's Response:

We do not disagree with this finding and HASA has trained staff to ensure that the Request for Emergency Assistance for an Active Public Assistance Case form (W145N) and the client receipt are completed when appropriate. At every technical eligibility training session, reinforcement about signatures on W145Ns and client receipts is emphasized.

Auditors' Recommendation #1:

HRA should more fully develop the HASA procedures manual so that the housing placement process, and the roles that the various HASA units play in the process, are clearly defined. At a minimum, the manual should identify the key stages in the placement process, the responsibility of all parties at those stages, the maintenance of key documents, and the controls to ensure that the process operated as intended.

Agency's Response:

We agree with this recommendation. As stated above, HASA is revising its policy and procedures manual as well as the Supported Housing Unit staff manual to address the concerns disclosed in the audit report. These manuals will detail staff responsibilities, and indicate the documents to be used in the new process. The revised documents, guidelines, and directories relating to supported housing will be placed on the Agency's FileNet System which is readily available to field staff from their desktop PC's. Finally, a comprehensive housing training program will begin on July 1, 2003, for all staff involved in placing our clients in supported housing.

Auditors' Recommendation #2:

HRA should ensure that HASA management develops monitoring tools to track housing placement process. The monitoring tools should be designed to identify areas where improvement is needed; management should then develop strategies to initiate corrective measures in those areas.

Agency's Response:

We agree with this recommendation. As stated above, HASA implemented a new computer system in June 2003 that provides field case management staff with access to the Supported Housing Unit database. This system also allows management to track the process and identify areas where improvement is needed.

Auditors' Recommendation #3:

HRA should ensure that CBCFA packages are processed in a more timely manner and that key events related to the processing are documented in the case files. These events should include, at a minimum, the dates that packages are forwarded to CBCFA coordinator, the dates packages are returned, and any other significant events that affect the timely processing of the packages.

Agency's Response:

We agree with the recommendation. During our own internal review in October 2002, HASA identified similar areas of concern with the Case By Case Financial Assessment (CBCFA) process to those disclosed in the audit report. By early December 2002, HASA had changed the entire process. One of these changes was to allow many more of the CBCFAs to be approved by the Center Directors. This has reduced the decision time as well as the time required for the actual benefit issuance. The revised process incorporates most of the recommendations made by the audit. This includes more timely processing, better review and control of the process at the center level, and more effective communication between case managers and their supervisory staff. This new process has resulted in many benefits being issued on the same day as the decision.

Auditors' Recommendation #4:

HRA should ensure that supervisors of the case managers and eligibility specialists as well as center directors adequately review the CBCFA packages to ensure that all required documentation is present and complete.

Agency's Response:

We agree with this recommendation and have already taken steps to implement it. As described in our response to Recommendation #3 above, by early December 2002, HASA had changed the entire CBCFA process. One of these changes was to allow many more of the CBCFAs to be approved by the Center Directors, resulting in more timely processing, better review and control of the process at the center level, and more effective communication between case managers and their supervisory staff.

Auditors' Recommendation #5:

HRA should ensure that supervisors and/or directors track the timeliness in processing CBCFA packages. For packages that are not processed in a timely manner, directors should identify the causes for the delays and develop strategies to address those causes.

Agency's Response:

We agree with this recommendation and have instituted tracking of the timeliness of the processing of these packages at all levels, as described above.

Auditors' Recommendation #6:

HRA should ensure that W145Ns are completed in a timely manner. The forms should be completed when clients bring in the required documentation for the financial assistance request, as HASA procedures require.

Agency's Response:

We agree with this recommendation and have taken steps to ensure the timely and complete processing of the CBCFA package. Effective October 2002, once the client provides the required documentation, the W145N is signed and included in the CBCFA package.

Auditors' Recommendation #7:

HRA should ensure that clients sign and date the W145N and are given a receipt for documents submitted, as HASA procedures require.

Agency's Response:

We agree with this recommendation and have taken steps to ensure that the forms W145N are completed properly and that clients are provided with a receipt. In September 2002, intensive training was provided to staff to highlight the importance of providing clients with a receipt. Since then, ongoing training has reinforced the importance of this requirement.

We wish to thank the Comptroller's Office for the assistance this report has given us in our continuing effort to improve our operations and provide our clients with the most efficient services. We trust that our response will be included in the final report.

Should you have any questions, please contact Hope Henderson, the Director of the Agency's Bureau of Audit Coordination at (212) 331-3522.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Lehman", with a long horizontal line extending to the right.

Dan Lehman

C: Commissioner Verna Eggleston
Patricia M. Smith