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BUREAU OF AUDIT

May 7, 2015

By Electronic Mail
Commissioner Gilbert Taylor
Department of Homeless Services
33 Beaver Street, 17th Floor
New York, NY 10004

Re: **Letter Audit Report on the Development and Implementation of the Client Assistance Re-housing Enterprise System Administered by the New York City Department of Homeless Services (Audit Number 7I14-062AL)**

Dear Commissioner Taylor:

We are sending this Letter Audit Report to provide you with results of our audit of the development and implementation of the Client Assistance Re-housing Enterprise System (CARES), an electronic case management system administered by the New York City Department of Homeless Services (DHS). The audit's objectives were to determine whether CARES fulfilled its contracted purpose of consolidating two legacy computer systems and automating shelter processes; whether CARES fulfilled its deliverables as stated in its functional system specifications; and whether the system has adequate functions to ensure the information process is reliable.[1]

Background

DHS is responsible for providing temporary emergency shelter and social services to eligible clients (single and family) who have no other housing options available in New York City. In 2009, DHS initiated multiple task orders[2] under an existing Citywide contract with Accenture LLP to consolidate two legacy systems[3] and enhance existing business functions into a new electronic case management system—DHS' CARES.

CARES is an integrated case management system intended to give DHS and its providers the ability to serve and track clients from initial intake to shelter placement, and through their return to the community. An intake worker uses CARES as the single source of client data for

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[1] In reviewing CARES to determine if the system has adequate functions to ensure the information process is reliable, we examined, among other things, whether the system has adequate controls to ensure that the data input into it contained complete information in each field. Additionally, we tested the system to determine whether it would allow the entry of invalid dates or inappropriate data, (e.g., duplicate dates or a date with letters instead of numbers). We did not, however, review DHS records maintained outside of CARES or DHS practices and procedures to determine the accuracy or sufficiency of the data that DHS staff has input into CARES.

[2] The task orders value was approximately $33 million, covering the period from June 2009 through October 31, 2012.

[3] The legacy systems consisted of DHS' Client Tracking System used for Adult Families and Families with Children and the Shelter Client Information Management System used for Single Adults.

processing shelter applications. Once a client arrives at an intake office, the client is interviewed by a caseworker who uses CARES to initiate the application process for temporary housing. Daily paper attendance records are maintained by shelter providers[4] and later updated in CARES. Once a client is placed in permanent housing and exits the shelter, DHS staff will update the client information in CARES. The system also interfaces with key partner agencies such as the Human Resources Administration, Administration for Children's Services, and the New York State Division of Parole to assist DHS in making shelter eligibility decisions.

CARES is intended to integrate shelter processes into one system and consolidate the two existing legacy systems while supporting the shelter information management process with various reporting options. CARES permits case workers to electronically enter information and scan in necessary documents, and supervisors and other authorized staff to generate standardized reports that extract information from CARES. DHS implemented CARES in December 2011. It is currently in the process of adding more reporting features to the system, which are expected online by July 2015.

Conclusion

Our audit determined that CARES generally fulfilled its contracted purpose of consolidating two legacy computer systems and automating shelter processes; that it fulfilled its deliverables as stated in its functional system specifications; and that it has adequate functions to ensure the information process is reliable. Additionally, we reviewed and analyzed CARES disaster recovery documentation and found that DHS has a contingency plan in place in case of an emergency and back-up policies and procedures to protect its data in the event of a disaster.

Audit Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

This audit's scope spanned the inception of CARES in 2009 to March 2015. To obtain an understanding of CARES functionality and controls, we interviewed various DHS officials, including those from the Housing Emergency Referral Operations Unit and Office of Information Technology and Financial Unit; conducted a system walk-through to gain an understanding of the administration of CARES; and reviewed and analyzed CARES and process flowcharts, which detail system design and functionality, and the workflow of the shelter intake process, to gain a better understanding of CARES.

To determine whether CARES fulfilled its contracted purpose of consolidating two legacy computer systems, we reviewed the task orders to ensure that the goals to consolidate two legacy systems as stated in the system justification for CARES were achieved. We reviewed CARES' 29

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[4] Providers refer to agents who deliver client service on behalf of DHS, such as case workers and shelter administrative staff.

pre-defined Management Reports to determine if the reports met the users' needs. We also reviewed CARES' design documentation and the User Acceptance Testing certification to ensure CARES fulfilled its deliverables as stated in its functional system specifications. CARES' users had agreed, prior to its implementation, that the system functions properly and that the users were satisfied with the system performance.

Furthermore, we reviewed sample cases and developed test scenarios to ensure that CARES integrated shelter processes into one system, and tested system functions to determine whether the system automated the shelter processes such as the intake process, vacancy control, and case management.
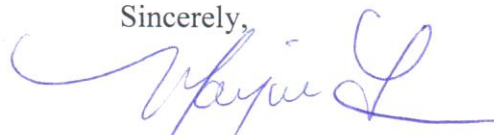
To determine whether the system has adequate functions to ensure that the information process is reliable, we performed tests to ascertain whether critical data elements needed for the shelter application process such as client address, date of birth, residency and names of any immediate family members (i.e., spouse or children) contained complete information; and tested the system to determine whether the data entry process will proceed with invalid dates or inappropriate data, including non-numerical characters in number fields and duplicate data.

Furthermore, we reviewed program change control policies and procedures to determine whether DHS has such policies in place when making a change to the system, and CARES' data conversion reports to ensure the information was migrated from the legacy systems into CARES. We also reviewed CARES' security policies and procedures to determine whether adequate security controls exist. We reviewed and analyzed CARES' security matrix to determine whether users' access rights were appropriate. Additionally, we reviewed and analyzed CARES' disaster recovery documentation to determine whether DHS has a contingency plan in place in case of an emergency, and reviewed DHS' back-up policy to determine whether DHS has a back-up procedure to protect its system.

The matters covered in this letter report were discussed with DHS officials during and at the conclusion of this audit. A preliminary draft letter report was sent to DHS officials on April 15, 2015 with a request of comments. On April 21, 2015, DHS officials decided to waive the exit conference and the right to receive a draft letter report. DHS' response was received on May 1, 2015. In its written response, DHS stated that, "DHS appreciates the thoroughness of the auditors work on the audit and is grateful for the positive report."

A full text of DHS' comments is attached as an addendum to this report.

Sincerely,

Marjorie Landa

c: Aaron Goodman, Deputy General Counsel, Department of Homeless Services
Kimberly Bruno, Senior Adult Program Counsel, Department of Homeless Services
Mindy Tarlow, Director, Mayor's Office of Operations
George Davis III, Deputy Director, Mayor's Office of Operations

NYC

**Department of
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Gilbert Taylor
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April 30, 2015

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

Dear Deputy Comptroller:

The Department of Homeless Services (DHS) is in receipt of the Comptroller's
Preliminary Draft Letter Audit Report on the Development and Implementation of
the Client Assistance Re-Housing Enterprise System (CARES).

Due to the positive conclusion of the report, DHS is waiving the exit conference.
DHS appreciates the time and effort the auditors took in conducting the audit and
would like to thank them for their work in preparing the audit.

As you know, the implementation of CARES has enabled DHS employees and
shelter staff to access extensive client information in a timely manner. The prior
databases used to track clients in the system provided only limited demographic and
case status information. Before CARES was implemented, if information was
needed from a client's case record, an employee would need to request a hard copy
of the case record to obtain the information. Currently, with CARES, information
such as case notes, incidents reports, and eligibility status can be viewed
immediately. This immediate access to information provides DHS employees and
shelter staff the ability to work more efficiently, which allows them to better serve
our shelter clients.

As previously noted above, DHS appreciates the thoroughness of the auditors work
on the audit and is grateful for your positive report. It was a pleasure to work with
the auditors during their review of the CARES system.

Sincerely,

Gilbert Taylor