



City of New York

OFFICE OF THE COMPTROLLER

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MANAGEMENT AUDIT

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Deputy Comptroller for Audit

Audit Report on the Human Resources
Administration's Monitoring and
Oversight of Vendors Who Provide
Housing to Clients of the HIV/AIDS
Services Administration

MD14-107A

January 7, 2016

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
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January 7, 2016

To the Residents of the City of New York:

My office has audited the New York City Human Resources Administration (HRA) to determine whether it had adequate controls in place to ensure that vendors are providing services to HIV/AIDS Services Administration (HASA) clients in accordance with their agreements. We audit City operations such as this to increase accountability and ensure that applicable policies are followed.

The audit found that HRA has inadequate controls to ensure that its vendors provide services to HASA clients in accordance with contract requirements. The housing inspection database HRA developed to track housing inspections is unreliable and there was no evidence that housing inspections were consistently conducted in a timely manner or that inspection results were promptly formally shared with vendors. The audit also found that HRA does not ensure that key contract terms are all followed and did not ensure that assessments of customer satisfaction were performed as required by Procurement Policy Board Rules. In addition, the audit identified a number of instances in which HRA continued to pay vendors for clients after they were reported as deceased. Finally, the audit identified weaknesses in HRA's oversight pertaining to fiscal accountability for its vendors.

The audit made 17 recommendations, including that HRA should ensure that data processing issues are corrected; inspections of contracted units are attempted within established time frames; inspection results are formally shared with vendors timely; specific reports are appropriately used to identify deceased clients; clients are provided with specific contact information on how to submit complaints; and fiscal audits of HASA vendors are completed.

The results of the audit have been discussed with HRA officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

If you have any questions concerning this report, please e-mail my Audit Bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott M. Stringer".

Scott M. Stringer

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THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER MANAGEMENT AUDIT

Audit Report on the Human Resources Administration's Monitoring and Oversight of Vendors who Provide Housing to Clients of the HIV/AIDS Services Administration

MD14-107A

EXECUTIVE SUMMARY

The objective of this audit was to determine whether the Human Resources Administration (HRA) has adequate controls in place to ensure that vendors are providing services to HIV/AIDS Service Administration (HASA) clients in accordance with their agreements.

HRA's HASA provides assistance to individuals with AIDS or clinical symptomatic HIV illness in applying for public benefits and services and case management. HASA also provides supportive housing for HASA clients and their immediate family members who are homeless or at risk for homelessness. HASA provides two types of supportive housing: non-emergency (permanent) housing and emergency transitional housing. According to information provided by HASA, between July 1, 2012, and April 16, 2014, HRA had 170 active contracts with 61 vendors that required them to provide approximately 5,600 units of permanent and emergency housing. HRA during this period also had 43 agreements that they identified as Memorandums of Understanding (MOUs) with 32 vendors that required them to provide an additional 1,459 units of housing.

HASA monitors its housing vendors in four ways: 1) HASA Housing Specialists conduct housing inspections of vendors' facilities and units; 2) HASA's Quality Assurance (QA) staff perform program evaluations by reviewing sample case records and inspecting sample units; 3) HASA's Finance unit monitors vendors' timely submission of required reports (e.g., budget and monthly reports); and 4) HASA oversees expenditures through its Finance unit conducting monthly reviews of invoices submitted by the vendors (desk audits). In addition, HRA's Bureau of Internal Vendor Audits started assisting HASA by performing fiscal audits of vendors (fiscal accountability) as of July 2013.

Audit Findings and Conclusion

The audit found that HRA has inadequate controls to ensure that its vendors provide services to HASA clients in accordance with applicable contract requirements. The housing inspection database HRA developed to track housing inspections is unreliable and management has not developed an alternate method by which to track inspections. In addition, we found no evidence

that housing inspections were consistently conducted in a timely manner or that inspection results were promptly formally shared with vendors. Further, we found that HASA does not ensure that inspections are conducted in a consistent manner among its inspectors.

We also found that HRA does not ensure that key contract terms are followed and does not evaluate contract terms for current applicability or have a formal mechanism to ensure that contracts that are renewed reflect the agency's current programmatic priorities. In addition, we identified a number of instances in which HRA continued to pay vendors for clients after they were reported as deceased. We also found that HRA did not ensure that assessments of customer satisfaction were performed as required by PPB Rules. Finally, we also found weaknesses in HRA's oversight designed to ensure fiscal accountability by the vendors, including its failure to complete any fiscal audits of HASA vendors.

Audit Recommendations

Based on the audit we make 17 recommendations, including:

- HRA should ensure that any data processing issues responsible for errors and inconsistencies in the management reports generated by the database are corrected.
- HASA should ensure that an attempt is made to inspect all contracted units within established timeframes and that it maintains a record of those attempts.
- HASA should ensure that inspection results are formally shared with vendors timely and that it maintains evidence of such notifications.
- HASA should provide training and guidance as needed to staff to ensure that they have a good understanding of the inspection process and that inspections are conducted in a consistent manner.
- HRA should ensure that HASA's QA program evaluation includes all key contract provisions, including those that are unique to the different categories of housing and services provided to clients.
- HASA should ensure that reports are appropriately used to identify deceased clients so that payments to the vendors for the clients' housing can be stopped and/or other clients can be moved into those units in a timely manner.
- HRA should include specific contact information on how complaints can be submitted in the "Client Bill of Rights" that is distributed to clients.
- HRA should make efforts to complete the fiscal audits of HASA vendors to determine whether expenses are being billed in accordance with the contracts and to identify whether there are any areas of concern that may need additional controls.

Agency Response

In its response, HRA generally agreed with all of the audit's findings and agreed with 15 of the audit's 17 recommendations. HRA disagreed with the recommendations that it ensure that reports are appropriately used to identify deceased clients and that it recoup the overpayments made to the vendors for the deceased clients referenced in this report, maintaining that no corrective action is needed. The full text of HRA's response is included as an addendum to this report.

INTRODUCTION

Background

HRA provides economic support and social services to families and individuals through the administration of major benefit programs, such as the Supplemental Nutritional Assistance Program (food stamps) and Medicaid. Since 1985, HRA's HASA has assisted individuals with AIDS or clinical symptomatic HIV illness to live healthier, more independent lives. HASA services include assistance to individuals with AIDS or clinical symptomatic HIV illness in applying for public benefits and services and case management. HASA also provides supportive housing for HASA clients and their immediate family members who are homeless or at risk of homelessness. HASA provides two types of housing: non-emergency (permanent) housing and emergency transitional housing. According to information provided by HASA, between July 1, 2012, and April 16, 2014, HRA had 170 active contracts with 61 vendors that required them to provide approximately 5,600 units of permanent and emergency housing.

During this period, HRA also had 43 agreements they identified as MOUs with 32 vendors that required them to provide an additional 1,459 units of housing. MOUs, unlike contracts, are not registered with the Comptroller's Office.¹ According to HRA, the MOUs have been primarily utilized by HRA to supply emergency housing only. They stated that they have converted 5 of the 43 MOUs that also had a service component into contracts.

Permanent supportive housing provided to single adults and families includes permanent congregate residences and scatter site units. The congregate housing options offer a variety of fully furnished housing configurations along with on-site social services such as medical and mental health services, substance abuse treatment services, counseling, and referral services. For single adults, apartment models range from Single Room Occupancy (SRO) units with private or shared bathroom facilities to studio or efficiency apartments with kitchenettes. Two bedroom apartments are available for families with children. In addition, the Scatter Site housing program offers permanent housing for single adults and families in studios and one, two, or three bedroom apartments, depending on family composition. These fully furnished apartments are located in buildings scattered throughout the five boroughs and are leased in the vendor's name.

Emergency transitional housing options include transitional congregate units, commercial SROs, and family emergency units. Transitional congregate units are provided to HASA-eligible homeless single adults for short-term stays not to exceed 180 days. They are fully furnished private rooms with private or shared bathrooms, lounges, a common dining area, and recreational facilities and maintain on-site social service staff who provide services and assist clients in moving from emergency to permanent housing. Commercial SROs are provided to couples and family emergency units, which are two or three bedroom apartments, are provided to families. However, at these locations on-site services are not provided, but rather these services are provided off-site through linkage agreements between the housing vendor and community-based organizations.

¹ Chapter 13 of the New York City Charter requires that all services paid from the City treasury be procured in accordance with the Charter and Procurement Policy Board (PPB) Rules. The Charter and PPB Rules also require contracts procured for the provision of goods, services or construction that are paid by City funds be registered by the New York City Comptroller. The Comptroller has 30 calendar days from the date that it receives the contract to register or object to the contract. The process is designed to ensure that sufficient funds exist to make payments for that contract, that all appropriate certifications and documentation has been obtained and submitted, and that the contractor is not involved in corrupt activity.

HASA monitors its housing vendors in four ways: 1) HASA Housing Specialists conduct housing inspections of vendors' facilities and units; 2) HASA's Quality Assurance (QA) staff perform program evaluations by reviewing sample case records and inspecting sample units; 3) HASA's Finance unit monitors vendors' timely submission of required reports (e.g., budget and monthly reports); and 4) HASA oversees expenditures through its Finance unit conducting monthly reviews of invoices submitted by the vendors (desk audits). In addition, HRA's Bureau of Internal Vendor Audits started assisting HASA by performing fiscal audits of vendors (fiscal accountability) as of July 2013.

Objective

To determine whether HRA has adequate controls in place to ensure that vendors are providing services to HASA clients in accordance with their agreements.

Scope and Methodology Statement

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 objective.

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.

The primary scope of the audit was July 1, 2012 to July 27, 2015. For tests relating to housing inspections, we expanded the review period to include information starting in 2008, which is when HRA created and began to rely on a housing inspection database.

Discussion of Audit Results with HRA

The matters covered in this report were discussed with HRA/HASA officials during and at the conclusion of this audit. A preliminary draft report was sent to HRA officials and discussed at an exit conference held on November 23, 2015. On December 1, 2015 we submitted a draft report to HRA with a request for comments. We received a written response from HRA officials on December 15, 2015.

In its response, HRA generally agreed with all of the audit's findings and agreed with 15 of the audit's 17 recommendations. HRA disagreed with the recommendations that it ensure that specific reports are appropriately used to identify deceased clients and that it recoup the overpayments made to the vendors for the deceased clients referenced in this report, maintaining that no corrective action is needed.

The full text of HRA's response is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

The audit found that HRA has inadequate controls to ensure that its vendors provide services to HASA clients in accordance with applicable contract requirements. Of primary concern is our finding that the housing inspection database HRA developed to track housing inspections is unreliable due to data integrity issues we identified through the audit. Management has not developed an alternate method by which to track inspections. In addition, we found insufficient evidence that housing inspections were consistently conducted in a timely manner or that inspection results were promptly formally shared with vendors. Further, we found that HASA does not ensure that inspections are conducted in a consistent manner among its inspectors.

With regard to overall contract management, we found that HRA does not ensure that key contract terms are all followed, including verification of staff training for all providers, evidence of community board meetings, and evidence of recreational staff and activities. In addition, we found that HRA does not evaluate contract terms for current applicability or have a formal mechanism to ensure that contracts that are renewed reflect the agency's current programmatic priorities. As a result, we found contracts containing provisions such as the ones mentioned above being renewed but these specific provisions were no longer deemed relevant and were not enforced. With regard to client occupancy, we found that HRA does not have adequate controls to ensure that it does not pay vendors to house clients that are no longer occupying its units. From our limited sample in this audit, we identified a number of instances in which HRA continued to pay vendors for clients after they were reported as deceased. Specifically, for a three-month period we identified 23 of 43 deceased clients for whom HASA continued to make payments to vendors totaling \$8,594. Finally, we found that HRA did not ensure that an assessment of customer satisfaction was performed as required by PPB Rules.

We also found weaknesses in HRA's oversight designed to ensure vendors' fiscal accountability. HRA has not completed any fiscal audits of HASA vendors since HASA initiated a fiscal audit process in July 2013, nor has it established any performance targets for such audits (e.g., timeframes within which the audits should be conducted, or the number of audits that should be completed annually). Additionally, we found that HRA's desk reviews of vendors' monthly invoices are inadequate because they do not include any reviews of original supporting documentation to verify their legitimacy.

As a result of the deficiencies stated above, management's ability to ensure that HASA staff monitors vendor performance and to determine the degree to which vendors are in compliance with the terms of their contracts is significantly hindered. The consequences of these oversight and control weaknesses could be to decrease the effectiveness of HASA's services and could result in payments to vendors who are not adequately performing services. Greater controls over inspections and enhanced contract monitoring would decrease the likelihood that potentially hazardous conditions might exist and not be corrected. These issues are discussed in greater detail in the following sections of the report.

HASA's Housing Inspection Database Has Data Integrity Issues

We found that the database HASA maintains to record housing inspection information has integrity issues that render it unreliable. Consequently, as described below, HRA management's

ability to ensure that staff monitors vendor performance and determines that vendors provide adequate service is significantly hindered.

HASA procedures for inspecting emergency facilities rely on the database for tracking inspections and inform users that “the database affords the ability to record and review inspections.” These inspections help to ensure adequate conditions are maintained in residences provided to HASA clients. They also are the basis for HASA’s rating of the vendors’ facilities.

Operationally, HASA relies on the database to generate various reports, including the *Permanent Housing Vendor Inspection Status Report (Inspection Status Report)*, the *Inspection Summary Report*, and the *Initial Inspection Outcome Report*. The *Inspection Status Report* is intended to show the status of the most recent inspections of a particular vendor’s units. It lists the address, unit, inspection date, deficiency count (that is, the number of irregularities identified during inspections), and the name of the housing specialist who conducted the inspection. The *Inspection Summary Report* is designed to show the inspection results for a particular date and lists the address, floor, unit, inspection outcome, and deficiency count entered on a specific date. Information entered on another date will generate a new *Inspection Summary Report*. Finally, the *Initial Inspection Outcome Report* is designed to show the specific deficiencies observed during the inspections performed on a particular date and provides space for a vendor to indicate the corrective actions to address them.

Based on our review of the information recorded in the database, as well as discussions with HRA personnel, we found that HRA has not implemented sufficient input and data processing controls to insure the integrity of the data contained for this system. New York City Comptroller’s Directive 18, *Guidelines for the Management, Protection and Control of Agency Information and Information Processing Systems*, Section 8.2, “Application Software Controls,” states that the purpose of these application controls is to ensure that transactions entered into an information processing environment are authorized, recorded and processed completely and accurately, and that the integrity of the data file is preserved. Types of application controls include those designed to ensure that data is accurate, complete and timely (input controls) and those designed to ensure complete and accurate transaction processing (data processing controls).

With regard to input controls, the HASA database has a feature whereby supervisors must approve and sign off on the inspection data entered by the housing specialists in order to have it accepted by the system. However, we did not find evidence that supervisors performed adequate reviews of the information before approving it and as a result, seemingly incorrect data was entered into the database. For the 17 vendors we sampled, five of the inspection dates recorded in the database did not reflect the inspection dates recorded in the housing specialists’ notes. For example, housing specialists’ notes recorded that inspections of Iris House were conducted from March 2014 through June 2014, on 21 separate days. However, only two inspection dates were recorded in the *Inspection Status Report*: March 20, 2014, and June 30, 2014. We also identified a number of instances in which housing specialists recorded each kitchen and bathroom in a housing facility as a separate unit. For example, an *Inspection Outcome Report* for one vendor with 75 contracted units indicated that 102 units were inspected; the difference appears to have been due to the inclusion of common kitchens and bathrooms in the count. For 11 of the sampled vendors, we also found instances in which invalid unit numbers were listed and where the incorrect housing specialists were identified as having conducted the inspections.

With regard to data processing controls, we found errors and inconsistencies in the reports generated by the system. Specifically, common information contained in various management reports did not agree as it should have for 11 of the sampled vendors. For example, the total number of units inspected and the specific units inspected was not consistent among the various

reports. We also identified two instances in which the same report, printed on different dates, contained different inspection results. In one instance, the *Inspection Status Report* for inspections conducted between December 18, 2012, and October 7, 2014, that was generated on November 24, 2014, listed certain units as “not inspected” but the same report generated on December 23, 2014 listed the same units as “inspected” or “no access.” Similarly, an *Inspection Status Report* for inspections conducted between December 22, 2010, and October 14, 2014, generated on December 2, 2014 listed certain units as “not inspected” while a copy of the same report generated on December 23, 2014 listed the same units as “inspected” or “no access.” An official from HASA’s Management Information System (MIS) unit attributed the discrepancies listed above to “logic errors” in the system. In addition, HASA’s MIS unit pointed out that information can be overridden and when that occurs, it contributes to discrepancies in inspection reports for the same inspections over time. MIS officials claimed that these “logic errors” have now been corrected.

When we requested evidence of changes made to correct the “logic errors,” the MIS officials stated that it is not the unit’s practice to maintain copies of old coding or documentation from the system showing a change was made. The officials stated that old coding is not kept once the errors have been corrected. However, failure to maintain documentation of system changes violates Directive 18, which in Section 8.5 states that “every data entry or change, all modifications of system software or application software, and changes in the authorized use of a system’s physical resources should result in the recordation of the event so that management or auditors can trace any change back to its source.” It also states that audit trails can provide a means to help establish system security, including enabling after-the-fact investigations of how, when, and why problems occurred. In addition, the failure to maintain system change documentation demonstrates serious weakness in HRA’s change management process. In the absence of evidence of what, if any, changes were actually made to the system, we are unable to substantiate HRA’s claim that the discrepancies we identified were indeed due to the correction of logic errors and not to a subsequent alteration of the data. Further, the inconsistencies in the data we identified calls into question the reliability of all of the data in the system.

According to HASA officials, housing inspections are periodically tracked using the *Inspection Status Reports* generated from the housing inspection database. Based on the above, however, we have very limited assurance that the information in the database accurately reflects the inspections performed by HASA staff and the outcomes of those inspections.

Recommendations

1. HRA should ensure that an adequate supervisory review of the information entered into the housing inspection database is performed to help ensure the inspection information is accurate and entered in a timely manner.

HRA Response: HRA agreed stating, “Supervisors review information entered into the housing inspection database to ensure it is performed timely and is accurate. Previously there was no mechanism in the database to permit supervisory sign-off. This has been corrected.”

2. HRA should ensure that any data processing issues responsible for errors and inconsistencies in the management reports generated by the database are corrected.

HRA Response: “Reporting errors in the database have been corrected. HASA management will begin monitoring the reports monthly to ensure that reports generated are accurate.”

3. In accordance with Comptroller's Directive 18, HRA should ensure that an audit trail exists for all data alterations and should maintain documentation of all modifications made to the housing inspection database.

HRA Response: "Going forward we are able to provide documentation to demonstrate changes."

No Evidence That Housing Inspections Were Consistently Conducted in a Timely Manner

There was no evidence that housing inspections were consistently conducted by HASA staff in a timely manner. Assuming the information in the inspection database was reliable, that information indicates significant deficiencies regarding inspection timeliness.

Our review of the inspection summary reports generated from the system showed that between 2008 and 2014, 13 (54 percent) of the 24 permanent housing programs (14 congregates and 10 scatter sites) in our sample were reportedly not inspected on a yearly basis. The data indicated that the time lapse between the last two consecutive inspections for these 13 programs ranged from one to six years. One vendor who has contracted with HASA for over 21 years reportedly had no inspections between 2008 (the inception of the housing inspection database) and 2014. In addition, only 4 (31 percent) of the 13 sampled emergency housing vendors were reportedly inspected quarterly as required.

HASA's inspection summary reports also indicate that a number of the inspections that were performed were incomplete; one or more of the inspections for 12 (5 congregates and 7 scatter sites) of the 24 permanent congregate housing vendors sampled (for the time period between 2008 and December 2014) did not show attempts to inspect all of the contracted units. The percentage of units for which there was no reported attempt to inspect ranged from 17 percent to 95 percent per vendor over a time span of approximately seven years.

Management identified the inspection report generated from the inspection database as its primary monitoring tool and does not have an alternate system to track inspections. However, as discussed above, the inspection database has a number of data integrity issues which calls the accuracy of this report into question.

HASA's *Supported Housing Program Desk Guide* states that all supported housing leased and managed by vendors must be inspected to "look for health and safety deficiencies that are inherent to determining the suitability of the apartment." According to HASA officials, HASA's goal is that at least two-thirds of all permanent housing vendor (congregate and scatter site) units are to be inspected at least once a year. HASA's *Procedure for Inspecting HASA Emergency Facilities* states that housing inspections are to be conducted quarterly for emergency housing vendors. However, the procedure does not specify the percentage of units to be included in those inspections.

We shared the results of our review with HASA officials, who provided no evidence refuting the results recorded in the database. In the absence of reliable evidence, HASA management does not have any assurance that housing inspections are consistently being performed in a timely manner which increases the risk that health and safety deficiencies at these facilities will not be identified and corrected.

After the exit conference for this audit, HASA provided documents indicating that additional inspections were performed for three vendors. However, the information provided for two vendors

was for inspections conducted after November 2014, which was subsequent to our audit review period. For the third vendor, we deemed the materials provided to be inadequate evidence that they represented additional inspections conducted by staff. For example, we were not provided evidence that vendors were sent inspection reports and letters notifying them of inspection results, in accordance with HASA procedures. In addition, HASA made no claim that these additional inspections had been conducted when we first shared this finding with officials in August 2015. Consequently, we did not view these documents as sufficient evidence to refute our finding.

Recommendation

4. HASA should ensure that an attempt is made to inspect all contracted units within established timeframes and that it maintains a record of those attempts.

HRA Response: “Going forward HASA will inspect every permanent supportive housing vendor every other year, i.e., 50% will be reviewed in a given year and the remaining 50% will be reviewed the following year. This means that every vendor (100%) is reviewed every two years.”

Insufficient Evidence that Inspection Results Are Formally Shared with Vendors Promptly

We found that there was insufficient evidence that inspection results were formally shared with vendors in a timely manner. According to information in the database, the reports for 9 of the 17 sampled vendors were not generated until 118 days or more after the inspection date; 5 vendors were inspected in 2012 and 2013 but according to HASA’s database, the letters were not dated until November 18, 2014. In fact, the database appears to indicate that the majority were not generated until after we requested the inspection documentation on November 14, 2014. HASA officials did not provide any evidence refuting the information in the database nor did they provide an explanation for why these inspection results were not shared with the vendors closer in time to the dates of the inspections. The only evidence that HASA maintained to indicate that the letters were sent to the vendors is in the inspection database; we did not find any hard copies of these letters.

Deficiencies observed during housing inspections are reported on *Initial Inspection Outcome Reports* that are supposed to be sent to the vendors along with a letter that is generated from the system. The vendors are expected to respond with Corrective Action Plans (CAPs) that set forth the corrections they have already made and those they are planning to make. A due date for each CAP is then automatically generated by the system based on the date of the initial inspection.

Although a vendor representative is supposed to accompany the housing specialists on the inspections, there is no control in place to help ensure that the results of the inspections are formally documented and shared with the vendors in a timely manner. As a result, there is a risk that senior vendor staff may not be aware of deficiencies cited during housing inspections, which can likewise decrease the likelihood that corrective action will be taken. In addition, absent a corrective action plan and monitoring by HASA, there is limited assurance that timely follow-up will be conducted to ensure the deficiencies were corrected.

Recommendation

5. HASA should ensure that inspection results are formally shared with vendors timely and that it maintains evidence of such notifications.

HRA Response: “Database issues sometimes prevented the timely sharing of formal reports with vendors. ...Necessary database corrections have been made to indicate that inspection reports have been sent to vendors ...”

Inspections Are Not Conducted in a Consistent Manner

HASA does not conduct housing inspections in a consistent manner. This inconsistency increases the risk that inspections are not adequately conducted and that conditions needing correction may not be identified.

HASA has created two checklists for housing specialists to use when conducting inspections, one for emergency housing vendors and one for permanent housing vendors. According to officials, the checklists function as a guideline for the housing specialists.

We asked HRA to provide a list of key items that need to be checked during housing inspections. In response, HRA provided copies of the permanent and emergency housing inspection checklists and so we understand from this response that HASA considers all items on the checklists to be key. The checklist for permanent housing inspections runs 14 pages and includes 308 questions and the checklist for emergency housing inspections runs 18 pages and includes 448 questions. While not all sections may be applicable, the checklists nevertheless have redundancies. For example, the emergency housing inspections checklist has 5 questions pertaining to mattress quality in the same section, 5 questions pertaining to kitchen floors, 5 questions pertaining to closets, and 14 questions pertaining to vermin.

Since HASA has failed to identify or reinforce which items have priority in inspections, there is an increased risk that critical areas will be overlooked at the expense of less vital ones. For example, during our observations we found that some housing specialists did not consistently check whether the smoke/carbon monoxide detectors in the clients’ rooms were working. Some only checked the detectors in some rooms, while others did not check the detectors in any of the rooms. In addition, when checking bathrooms, some housing specialists rarely checked whether there was hot and cold running water.

Because inspections are not consistently conducted, there is an increased risk that deficient inspections may occur and that health and safety hazards will not be identified in a timely manner, if at all.

Recommendations

6. HASA should modify the checklist guides to remove redundancies and make it a more accessible tool to assist staff as they conduct inspections.

HRA Response: “HASA is currently reviewing the checklist for necessary modifications.”

7. HASA management should identify the key items that should be included in all inspections and ensure that staff cover those items.

HRA Response: “HASA is currently reviewing the checklist for [sic] and will ensure that necessary modifications are made.”

8. HASA should provide training and guidance as needed to staff to ensure that they have a good understanding of the inspection process and that inspections are conducted in a consistent manner.

HRA Response: “All HASA emergency and non-emergency housing inspectors will receive updated training on the inspection process annually. Additional training will take place after the checklist is updated.”

Deficiencies in HRA’s Overall Contract Management

HRA Did Not Monitor All Its Contract Compliance Provisions

HASA does not monitor housing vendors’ key contract provisions. This weakness increases the risk that a vendor’s failure to deliver critical program services will go undetected and uncorrected. In addition, HRA does not have a formal mechanism to periodically review and update the scope of services in its contracts before renewing them. By not updating agreements to reflect current priorities, HASA has limited assurance that vendors are aware of key services that they are to provide and undercuts its ability to hold vendors accountable if they are not.

HASA’s QA unit conducts program evaluations to ensure that vendors comply with the terms of their contracts.² Procurement Policy Board (PPB) Rules state agencies shall monitor the vendor’s performance against standards and indicators on an ongoing basis. According to PPB Rules Section 4-01 (a), performance evaluations shall conform to the requirements of the contract.

However, we found that the QA unit does not monitor key contract provisions that are unique to the different categories of housing. Instead, HASA’s QA program evaluation is a boilerplate document that it applies to all vendors, and is not tailored to address the specific contract provisions applicable to different types of housing. For example, the program evaluation is missing required checks for certain key program elements for transitional housing vendors including a review of staff training for all providers, evidence of community board meetings, and evidence of recreational staff and activities. Similarly, it fails to require checks for certain key requirements for permanent housing vendors including a review of required staffing to ensure that onsite personnel provide substance and alcohol abuse, mental health, nutrition, and education assessment services; and a review of the vendors’ roster and required staffing to ensure that qualified personnel (health/nutritional service practitioners, staff trained in first aid and staff who can monitor client medication intake) are employed by the vendor.

Moreover, our review of 17 sampled contracts indicates that there are not uniform requirements among the contracts for the same type of housing. For example, the contracts for the permanent congregate housing vendors we sampled have different contract stipulations, as shown in Table I.

² HASA’s QA unit program evaluations are not conducted for emergency housing providers with MOUs because the providers are only required to provide housing and not services.

Table I

**Contract Requirements for a Sample of
Seven Permanent Congregate Housing Vendors**

Permanent Congregate Housing Vendor	CONTRACT REQUIREMENTS				
	Staff with First Aid Knowledge	Annual Client Satisfaction Surveys	Security at Housing Location	Substance and Alcohol Abuse Counselor Onsite	Discussion of Grievance Process with Client
Narrangansett			X	X	
Uzima	X		X	X	X
CUCS		X			
Dona Rosita II	X	X	X		
Jasmine Court	X	X	X		
Henry Street			X		X
Ogden Residence	X	X	X	X	

A major factor contributing to these differences in requirements for vendors who provide the same types of housing is that HRA does not have a formal mechanism to periodically review the terms and deliverables of agreements that it intends to renew to ensure that they reflect the agency's current programmatic priorities. According to HRA, the seven sampled vendor contracts were entered into at different times spanning at least 18 years and, as a result, each incorporates a scope of services that reflects then-current approaches to HIV services. HASA officials stated that some contract terms are no longer key and certain "contract areas are evaluated as need arises." HRA officials did not provide an explanation as to why the program evaluation does not review certain provisions nor did they explain why terms that are no longer key are not eliminated through contract modifications and are retained in contracts when they are renewed. However, the inconsistency between contracts for the provision of identical services makes monitoring contract performance more difficult and could reduce the effectiveness of vendor performance.

HASA Paid Vendors for Clients No Longer Residing in Units

We found a number of instances in which HASA continued to pay vendors for deceased clients which evidences serious weaknesses in its financial controls. According to the contracts HASA has entered into, housing vendors are required to maintain a 95 percent occupancy rate and are required to notify HASA when vacancies occur.³ According to HRA staff, one of the ways they identify deceased clients is by reviewing WINRO203 reports generated from the State Welfare Management System. These WINRO203 reports indicate the names and social security numbers of clients who have died and according to HRA officials are generated weekly. If a client is identified as deceased, the agency obtains confirmation before taking steps to stop payments to the vendor. HRA allows for a 30-day grace period so that possessions can be removed and the

³ MOUs do not contain these same requirements.

unit can be cleaned. If the client has a family that also resides in the unit, HRA allows for a 90-day grace period to give the family time to relocate.

However, we found evidence that HASA continues payments for deceased clients. We obtained and reviewed WINRO203 reports for all 12 HASA centers (central point of intake for existing or new clients located throughout the five boroughs) for the months of January, February and March of 2014 and found 43 clients who were identified as deceased on these reports. Of these 43 clients reported as deceased, HASA continued to make payments for 23 beyond the applicable grace periods. We found that these erroneous overpayments were made for an additional one to three months beyond the applicable grace period, with the exception of one client for whom payments were made for nine months beyond the grace period.

We informed HASA of our preliminary findings of payments for tenants after they die. HASA reviewed our information and reported that it plans to recoup erroneous payments for 15 of the now deceased clients. We calculated the payments made after the grace periods for these 15 clients to be \$8,594.

For the remaining eight clients (which includes the nine month overpayment example cited above), HASA stated that it does not plan to request recoupment of the \$25,353 in overpayments from the housing vendors because these payments were “ongoing contractual payments not linked to individual clients.” HASA officials informed us that they did not believe there is a basis for recouping these funds because they understood the contracts to require vendors to maintain the maximum number of contracted units. HASA officials stated that they believe it to be in the best interest of the City to pay for these units after a client dies to ensure continued access to the apartments since there is no significant housing stock. Assuming this to be the case, we do not question the decision not to recoup the funds. However, we do question the practice of paying for units that are unoccupied after tenants die instead of moving other clients into those units. This would save the cost the agency is already paying other vendors for housing these other clients.

Client Satisfaction Surveys Are Not Conducted

HASA does not ensure that it assesses clients’ satisfaction as required by PPB Rules. Specifically, Section 4-01(e)(2) of the PPB Rules require agencies to assess client satisfaction by conducting interviews with clients or sending survey questionnaires to clients selected on a statistically random basis. However, HASA’s program evaluation does not include a review of the annual client satisfaction surveys that all transitional housing vendors and some permanent congregate housing vendors are contractually required to conduct, nor does HASA conduct its own client satisfaction surveys.

HRA officials stated that the agency has numerous mechanisms for determining client satisfaction. For instance, clients may inform their case managers or send a letter to HRA. However, we found weaknesses in the way that HASA notifies clients of their right to file a complaint and in the way that HASA tracks complaints it receives. According to the HASA’s “Client Bill of Rights,” a pamphlet given to clients during their intake stage, clients can initiate complaints against HASA personnel. However, the “Client Bill of Rights” does not provide any information on how to file a complaint and does not provide a telephone number for a complaint hotline or an address to mail complaints.

Prior to October 2014, the agency tracked only those complaints that it received via 311 or from the main HRA office. These complaints were electronically logged in an Excel spreadsheet and a record of the complaint was kept in the client’s file. That log records only three complaints

received for the period of July through September 2014. HRA officials stated that as of October 2014, clients' complaints are being tracked using *Intranet Quorum (IQ) Enterprise Contact Management and Workflow for Government*, a browser-based application. However on April 28, 2015, we requested a list of the complaints that HASA received since IQ was established; HASA was unable to provide the list until July 24, 2015, almost three months later. Officials did not provide an explanation of why it took so long to produce the list. The list provided by HRA only included complaints received as of May 4, 2015; we requested a list of the complaints received after May 5, 2015. The lengthy delay in providing us with the original list of complaints raises questions about when the list was actually prepared and how effectively HRA monitors and tracks complaints it receives. In addition, complaint dispositions are not tracked in IQ which makes it difficult to determine the final outcome of these complaints. Moreover, because HASA does not conduct client satisfaction surveys as required, there is an increased risk that issues needing correction will not be identified and addressed.

Recommendations

9. HRA should ensure that HASA's QA program evaluation includes all key contract provisions, including those that are unique to the different categories of housing and services provided to clients.

HRA Response: HRA agreed stating, "... our Quality Assurance unit's evaluation process has been modified to include all key contract provisions, including those that are unique to the various categories of housing and services provided to clients."

10. HRA should establish a formal mechanism whereby the terms and deliverables for contracts being considered for renewal are reviewed and modified as needed to ensure that those contracts reflect the agency's current programmatic priorities.

HRA Response: HRA agreed stating, "Currently, HRA only modifies contracts when they are due for renewal." As a corrective action, HRA stated "As contracts are renewed all deliverables will be reviewed to determine if they are in keeping with program priorities."

11. HASA should ensure that the WINRO203 reports are appropriately used to identify deceased clients so that payments to the vendors for the clients' housing can be stopped and/or other clients can be moved into those units in a timely manner.

HRA Response: HRA disagreed with this recommendation stating that this is "Currently in practice ... No corrective action necessary."

Auditor Comment: HRA does not indicate when this practice was initiated. However, the recommended practice was not the case for the time period we reviewed. As stated previously, HASA continued to make payments for 23 deceased clients beyond the applicable grace periods.

12. HASA should recoup the overpayments made to the vendors for the deceased clients referenced in this report.

HRA Response: HRA disagreed with this recommendation stating, "HASA has reviewed all identified cases where payments to housing providers were linked to the names of the deceased clients. As these are contracted units, we found no case where recoupment is warranted. HRA makes payments to the vendors for housing units, not for or in the names of specific clients."

Auditor Comment: During the course of the audit, HASA officials informed us that they planned to recoup erroneous payments for 15 of the 23 deceased clients we identified.

From its response, it now appears that HRA is not going to recoup any funds. In addition, HASA repeats the argument it made during the audit that the payments for the remaining eight deceased clients were “ongoing contractual payments not linked to individual clients.” We continue to question the practice of paying for units that are unoccupied after tenants die instead of moving other clients into those units. Furthermore, according to the list of payments we received from HASA, payments were still being made in the names of these deceased clients. Accordingly, we reiterate this recommendation.

13. HASA should require all vendors to conduct client satisfaction surveys. HASA should review these surveys and follow up to determine whether the vendors are addressing clients’ concerns as well as to identify vendors that repeatedly receive poor ratings from clients.

HRA Response: “Quality Assurance tool is being updated to ensure inclusion of and compliance with key contract provisions, such as customer satisfaction surveys.”

14. HRA should include specific contact information on how complaints can be submitted in the “Client Bill of Rights” that is distributed to clients.

HRA Response: “The Client Bill of Rights is currently under review. Information on how to file a complaint will be included in the new draft.”

15. HRA should better utilize IQ in tracking HASA-related complaints so that it can more effectively determine trends and patterns that need to be addressed.

HRA Response: “HRA will review our practices to see where additional tracking can be added to further spot trends.”

Weaknesses in Assessing Vendors’ Fiscal Accountability

Desk Reviews

There are weaknesses in HRA’s assessment of its vendors’ fiscal accountability. HASA conducts desk reviews of monthly invoices submitted by vendors. However, HASA does not review any original supporting documentation during its desk reviews of vendors’ monthly invoices to verify their validity, which weakens the effectiveness of these reviews.

With regard to the monthly invoice review, as of July 1, 2014, HASA has adopted a practice of compressed billing for all vendors and will continue this practice in the future.⁴ According to a HASA official, desk audits are ongoing, but HASA has decided not to request supporting documentation for invoices unless expenses exceed budgeted amounts or there are red flags. In such instances, only scanned copies of invoices and canceled checks are requested from the vendors for review. HASA does not go to the vendors’ sites to review original documentation.

Fiscal Audits

HRA instituted a procedure starting in July 2013 whereby its Bureau of Internal and Vendor Audits (BIVA) assists HASA by conducting fiscal audits of its vendors to determine the accuracy and propriety of expenses billed to HRA and to determine whether expenses are billed in accordance

⁴ Compressed billing is where vendors submit monthly claims to HASA, including Personnel Service claims with the payroll register, Other Than Personnel Services claims using billing memorandums instead of invoices, and a monthly worksheet detailing each line item being claimed. The vendors keep full documentation of expenses and are not required to submit invoices to HASA. If issues are found during the desk audit review, HASA will request invoices/canceled checks from the vendor. Originals are not sent, the vendor scans and uploads the documents.

with contracts. However, HRA has not completed any fiscal audits of HASA vendors since the procedure was implemented.

HASA officials stated that its intention is to have BIVA audit every HASA vendor. However, as of September 8, 2015, no fiscal audits have been completed for HASA vendors. As of July 27, 2015, three audits had supposedly commenced but had been waiting for entrance conferences to be scheduled since June 3, 2014. In addition, three more audits had been undertaken but as of July 27, 2015, the reports of each audit's findings were still in draft stage, and HASA was waiting for additional information or meetings with the auditees to issue the final reports. At the exit conference, HRA officials stated that they are making efforts to complete these audits and provided an updated schedule indicating that four audits were estimated to be completed in December 2015, while the final reports for two other audits have been issued to HASA. However, we were not provided with copies of these reports.

HRA has not established any performance targets in relation to the fiscal audits of HASA vendors. Because HRA does not have timeframes within which the audits of contracted vendors should be conducted, criteria for the frequency of the audits, or how many audits should be completed annually, there is an increased risk that issues with vendors may not be identified and addressed in a timely manner. There were 61 vendors with 170 active contracts during Fiscal Years 2013 and 2014. At the current rate, it appears unlikely that all the vendors will be audited in a timely manner. Of additional concern is the fact that, according to a BIVA official, HASA has had difficulties in establishing the reasonableness of certain vendor expenditures. HASA's difficulty establishing the reasonableness of expenditures is especially troubling since HASA has been reviewing and approving payments to vendors since the inception of the HASA program.

Overall Conclusion

Accordingly, other than during the fiscal audits which will likely not occur any time soon for most vendors, HASA has no plan to periodically review original payment-related documentation. By not reviewing original supporting documentation to verify the legitimacy of expenditures, there is an increased risk that vendors may seek reimbursement for illegitimate or unjustified expenses and that such instances will not be detected, resulting in fewer resources being available to provide services to the client population.

Recommendations

16. HRA should make efforts to complete the fiscal audits of HASA vendors to determine whether expenses are being billed in accordance with the contracts and to identify whether there are any areas of concern that may need additional controls.

HRA Response: HRA agreed stating, "In progress. HRA is additionally exploring adding additional resources to this process, either in the form of more staff for BIVA or the use of external auditors."

17. HASA should consider periodically spot checking a certain percentage of vendors' original supporting documentation (for Personnel Services/Other Than Personnel Services) for their submitted invoices to ensure expenses are legitimate and applicable to the contract.

HRA Response: "Without prior notice, HASA will be requesting full documentation for an individual month invoice from each vendor at least twice per year" and "HASA will spot check vendors original documentation for an individual month. HASA Finance personnel will visit the provider at their office or request a provider to come to our offices with one month's original documentation to review. ..."

DETAILED 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 objective. 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.

The primary scope of the audit was July 1, 2012, to July 27, 2015. For tests relating to housing inspections, we expanded the review period to include information starting in 2008 with the inception of the housing inspection database.

To obtain a general overview of the services provided by HASA and the different types of housing, we reviewed the *Supported Housing Programs Desk Guide* (revised as of March 2014) and the *Client Bill of Rights and Responsibilities*. To obtain an understanding of the housing process and how HASA monitors its vendors, we conducted walkthrough meetings with HASA officials and HRA's Bureau of Internal and Vendor Audit. We met with the director of HRA's Accounts Payable unit and the Assistant Deputy Commissioner and the Deputy Commissioner of HRA's Finance unit to understand the payment process to housing vendors. To obtain an understanding of HRA's procurement of housing vendors, we met with the Agency's Chief Contracting Officer (ACCO).

We requested a listing of all housing vendors with active agreements (July 1, 2012, through April 2014) providing housing to HASA clients. We received a list of 170 contracts that were active during the period July 2012 through April 2014. In addition, during Fiscal Year 2013, HRA had 43 MOUs with vendors to provide emergency housing to HASA clients. To determine whether the agreement lists received from HRA were complete and accurate we compared the information received to the payments made to vendors providing housing to HASA clients recorded in NYC's Financial Management System (FMS).

To review HRA's monitoring and oversight of vendors, we sorted the 170 HASA contracts by housing type, vendor and the number of housing units. We judgmentally selected vendors with both a high and a low number of units to maximize coverage and so that vendors with multiple agreements were not selected more than once. Consequently, we judgmentally selected 16 contracts and randomly selected one out of the 43 MOUs.⁵ The sample of 17 agreements included 13 permanent housing vendors (8 congregates and 5 scatter sites) and four emergency housing vendors (the MOU was for emergency housing).

To understand the function and capabilities of the computer systems used in monitoring housing vendors and recording, processing, tracking and reporting information pertaining to housing vendors, we met with HASA's MIS personnel. We conducted a walkthrough meeting with HASA's MIS to obtain an understanding of HASA Web, an internal case management system. Further, we met with MIS on different other occasions for a walkthrough of the housing inspections database, verification of HASA housing inspections data, and clarification of issues identified during the course of the audit. In addition, we reviewed and used as criteria New York City Comptroller's Directive 18, *Guidelines for the Management, Protection and Control of Agency Information and Information Processing Systems*.

⁵ The MOU selected was later renewed as a contract.

Housing Inspections

To obtain a better understanding of the housing inspection procedure, we reviewed HASA's internal inspection procedure for both permanent and emergency housing. To understand the duties of HASA housing specialists, we interviewed two team coordinators and two housing specialists. To obtain an understanding of how housing specialists conduct their inspections, we reviewed the inspection checklists provided by HASA. In addition, we judgmentally selected five of the nine housing specialists to accompany during their inspections conducted during the period January 23—March 18, 2015, to see how safety and health deficiencies were noted.

To determine how inspections were documented in the inspection database, we reviewed the *Inspection Outcome* reports and other supporting documentation for the 17 vendors in our sample as of November 18, 2014. To determine the timeliness of housing inspections, we obtained and reviewed the *Inspection Status* reports from HASA's inspection database for the 17 vendors in our sample as of November 2014. To determine whether vendors received prompt formal notice of deficiencies found, we requested and reviewed the latest inspection reports and associated files maintained for these vendors. Based on deficiencies identified regarding these 17 vendors, we expanded our sample by another eight randomly selected permanent housing programs (5 congregates and 3 scatter sites) to review the timeliness of inspections and formal notice of deficiencies to vendors, as reported in HASA's housing inspections database. In addition, we met with MIS personnel and discussed inspection data on a case-by-case basis.

Program Evaluations

To understand how HASA evaluates and monitors vendors we reviewed the files of the most recent QA program evaluations conducted of the 16 sampled vendors. Because program evaluations are not conducted for emergency housing vendors, there was no file review for the MOU. We compared the agreement requirements to HASA's evaluation checklist to determine whether HASA is monitoring all the requirements. We matched the agreement requirements to the vendors' personnel roster to determine whether the housing vendors have the personnel as required by their agreements. We also accompanied two QA program evaluation auditors to obtain an understanding of how an initial and a follow-up program evaluation is conducted. We also performed a Vendor Information Exchange System (VENDEX) search/review of the 16 vendors to determine their ratings. In addition, we reviewed all open Housing Preservation and Development and Department of Buildings violations issued to the premises of the 16 sampled vendors to determine whether the violations are hazardous to the occupants of the buildings. During the file review, we met with HASA officials to clarify certain issues.

To understand how HASA documents and addresses complaints received from its clients, we met with an Assistant to the Deputy Commissioner and HASA's Director of Fair Hearings & Eligibility Operations and we requested and reviewed the log of complaints received since October 2014, the date when HRA started to use a database to track complaints.

Fiscal Monitoring

In order to determine the adequacy of HRA's monitoring of the housing vendors' fiscal accountability, we reviewed the invoice packages for the month of June 2014 (or the last invoice package submitted) for the 17 selected vendors. We met with HASA officials to discuss its procedure for ensuring that the 95 percent occupancy rate is maintained by the housing vendors. We also obtained and reviewed the list of fiscal audits of the housing providers being conducted by BIVA starting July 2013.

To determine whether HRA takes steps to ensure that payments are not made for deceased clients, we obtained a list of clients for whom housing payments were made during Fiscal Year 2014. In addition, we met with officials of the Fair Hearings and Eligibility Operations unit to discuss the steps taken to identify deceased clients. We further requested for review the WINRO203 reports for the months of January, February, and March 2014 and compared the clients identified as deceased on these reports with the list of payments for housing services provided to determine whether any payments were made for deceased clients. We followed up with HRA to determine whether any recoupments were made in instances where payments were made.

Report Monitoring

To determine whether HRA adequately monitors the submission of monthly reports by housing vendors, we reviewed the timeliness ratings for the 17 sampled housing vendors to determine whether they submitted reports on time.

**Human Resources
Administration**Department of
Social Services**Office of Audit
& Quality Assurance**Steven Banks
Commissioner

December 15, 2015

Saratu Grace Gharney
Chief Program
Accountability OfficerMaria Ciniglio
Deputy Commissioner150 Greenwich Street
New York, NY 10007

929 221 7126

Marjorie Landa
Deputy Comptroller for Audits
City of New York
Office of the Comptroller
1 Centre Street, Room 1100
New York, NY 10007RE: Audit Report on the Human
Resources Administration's
Monitoring and Oversight of
Vendors who Provide Housing to
Clients of the HIV/AIDS Services
Administration
Audit No. MD14-107A

Dear Ms. Landa:

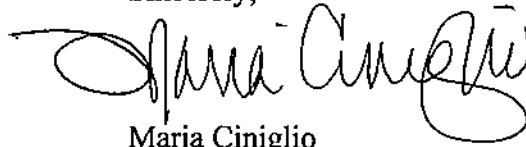
We have reviewed the referenced report, and our response, which includes a Corrective Action Plan (CAP), is attached.

Our mission is to serve New York City's most vulnerable residents, in the most compassionate, efficient and effective manner, while adhering to all applicable rules, regulations and laws by which we are bound. It is therefore with sincere appreciation that we regard the efforts that you have put into this review, as it will assist us in this goal, and have resolved to implement improvements in the monitoring of our vendors who provide housing for our HIV/AIDS clients.

As the CAP shows, we have already implemented several corrective actions and expect to complete the others within the next few months. Please note that in response to your recommendation #16, that HRA complete the fiscal audits of HASA vendors, we have attached the final reports of four of these audits to document that they have been completed. The vendors for whom audits have been finalized are: Catholic Charities, Harlem Congregations for Community Improvement, Inc., the YMCA of Greater New York, Jamaica, and Ryer Avenue Housing Development Fund Corporation and Ryer Associates Limited Partnership.

We are confident that our response/CAP demonstrates our commitment to improve our operations, going forward. Should you have any questions, please contact Hope Henderson, Director, Bureau of Audit Coordination at 929 221-7063.

Sincerely,

A handwritten signature in black ink, appearing to read "Maria Ciniglio". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Maria Ciniglio

C: Commissioner Steven Banks
Saratu Gharney
Daniel Tietz

Attachments

Corrective Action Plan – Introduction/Summary

In partnership with the New York City Comptroller's Office, the New York City Human Resources Administration (HRA) has conducted a thorough review of HRA's HIV/AIDS Services Administration (HASA) policies and procedures concerning management of its housing vendors, resulting in this report. Beginning in early 2014, in close collaboration with advocates, providers and City Council members, among others, HRA implemented a host of reforms in HASA. Many of these reforms are captured in the attached Corrective Action Plan (CAP). The CAP shows that HRA has already implemented significant reforms to address many of the concerns noted in the Comptroller's audit, the period for which largely predates the current Administration. During the course of the audit, the Comptroller made additional recommendations that HRA is in the process of implementing.

We anticipate that the steps outlined in the CAP below will effectively address the issues identified by the Comptroller's audit. It should also be noted that each such step has been developed with the full support and cooperation of HRA and HASA leadership.

Among the reforms that HRA has implemented or initiated since early 2014 are:

- Adding caseworker and supervisory staff consistent with the requirements of Local Law 49. The Administration invested millions of dollars to promptly bring HASA into compliance, for the first time, with staff-to-client ratios as mandated by LL 49.
- Creating a HASA Work Group that includes HRA and HASA leadership in regular meetings with advocates and providers to obtain valuable input on HASA policies and procedures. This has resulted in dozens of program and service changes and improvements.
- Conducting a procurement to secure a new master contractor for HASA's emergency housing. To be named this week, this non-profit master contractor will secure, manage and inspect HASA's emergency units via contracts with housing providers. HASA's housing unit will manage and oversee the master contractor's performance.
- Adding changes to our MIS systems to enhance contractor performance management and oversight.
- Ensuring that as contracts are renewed, all contract deliverables will be reviewed to determine if they are in keeping with current HASA program priorities.
- Recognizing the need for additional financial audit and quality management reviews, HRA is:
 - Moving oversight of HASA's contract monitoring function to HRA's Office of Program Accountability effective January 1, 2016.
 - Reviewing every HASA permanent supportive housing vendor no less often than biennially (every two years) using an updated quality assurance tool that will

ensure compliance with key contract provisions, such as customer satisfaction surveys.

- Requesting full documentation for an individual month invoice from each vendor at least biannually, without prior notice.
- Effective January 1, 2016, spot-checking vendors' original documentation for an individual month. HASA Finance personnel will visit the provider's office or request the provider to come to HASA offices with one month of original documentation to review.
- Adding resources to the financial audit process, either in the form of more staff for HRA's Bureau of Internal and Vendor Audits or the use of external auditors.
- Revising the HRA Client Bill of Rights and Responsibilities, including those that are specific to HASA clients, with information on how to file a complaint. The updated bill of rights and responsibilities are in final draft form and will soon be issued.

HUMAN RESOURCES ADMINISTRATION
OFFICE OF AUDIT & QUALITY ASSURANCE
BUREAU OF AUDIT COORDINATION
CORRECTIVE ACTION PLAN

Audit Name: NYC Comptroller – Audit of HRA’s Monitoring and Oversight of Vendors who Provide Housing to HASA clients.
Audit Number: MDD14-107A Date:

Auditor’s Recommendations	Agency Response and Auditor’s Comment	Responsible Unit	Agency Corrective Action	Target Date
<p>1. Ensure that an adequate supervisory review of the information entered into the housing inspection database is performed to help ensure the inspection information is accurate and entered in a timely manner.</p>	<p>Supervisors review information entered into the housing inspection database to ensure it is performed timely and is accurate. Previously there was no mechanism in the database to permit supervisory sign-off. This has been corrected.</p>	<p>HASA/OPA</p>	<p>Staff to be trained on the new procedure. Additionally, HASA’s contract monitoring function will be moved under HRA’s Office of Program Accountability effective 1/1/2016.</p>	<p>January 2016</p>
<p>2. Ensure that any data processing issues responsible for errors and inconsistencies in the management reports generated by the database are corrected.</p>	<p>Reporting errors in the database have been corrected.</p>	<p>HASA/OPA</p>	<p>HASA management will begin monitoring the reports monthly to ensure that reports generated are accurate.</p>	<p>December 2015</p>
<p>3. In accordance with Comptroller’s Directive 18, ensure that an audit trail exists for all data alterations and maintain documentation of all modifications made to the housing inspection database.</p>	<p>HASA MIS is able to produce a system screenshot which indicates that modifications took place on June 26, 2015</p>	<p>HASA/MIS</p>	<p>Going forward we are able to provide documentation to demonstrate Changes.</p>	<p>December 2015</p>

HUMAN RESOURCES ADMINISTRATION
OFFICE OF AUDIT & QUALITY ASSURANCE
BUREAU OF AUDIT COORDINATION
CORRECTIVE ACTION PLAN

Audit Name: NYC Comptroller – Audit of HRA’s Monitoring and Oversight of Vendors who Provide Housing to HASA clients.
Audit Number: MD14-107A Date:

Auditor’s Recommendations	Agency Response and Auditor’s Comment	Responsible Unit	Agency Corrective Action	Target Date
<p>4. Ensure that an attempt is made to inspect all contracted units within established timeframes and that a contemporaneous record of each such attempt is maintained.</p>	<p>HASA currently conducts a quality assurance audit of every vendor annually. Additionally, HASA housing inspectors make regular inspections of a subset of permanent supportive housing vendors.</p>	<p>HASA/OPA</p>	<p>Going forward HASA will inspect every permanent supportive housing vendor every other year, i.e., 50% will be reviewed in a given year and the remaining 50% will be reviewed the following year. This means that every vendor (100%) is reviewed every two years.</p>	<p>Ongoing</p>
<p>5. Ensure that inspection results are formally and timely shared with vendors and that HASA maintains evidence of such notifications.</p>	<p>Every attempt is made to ensure that housing inspection results (outcomes) are shared with vendors on a timely basis and clearly documented in the housing inspection database. Database issues sometimes prevented the timely sharing of formal reports with vendors.</p>	<p>HASA/MIS/OPA</p>	<p>Necessary database corrections have been made to indicate that inspection reports have been sent to vendors, and corrective action plans will be due within 15 days of the inspection report (permanent supportive housing only). HASA/OPA will monitor the CAPs for timely completion.</p>	<p>Ongoing</p>
<p>6. HASA should modify the checklist guides to remove redundancies and make it a more accessible tool to assist staff as they conduct inspections.</p>	<p>Updates are in progress.</p>	<p>HASAMIS</p>	<p>HASA is currently reviewing the checklist for necessary modifications.</p>	<p>February 2016</p>

HUMAN RESOURCES ADMINISTRATION
OFFICE OF AUDIT & QUALITY ASSURANCE
BUREAU OF AUDIT COORDINATION
CORRECTIVE ACTION PLAN

Audit Name: NYC Comptroller – Audit of HRA’s Monitoring and Oversight of Vendors who Provide Housing to HASA clients.
Audit Number: MD14-107A Date:

Auditor’s Recommendations	Agency Response and Auditor’s Comment	Responsible Unit	Agency Corrective Action	Target Date
<p>7. HASA management should identify the key items that should be included in all inspections and ensure that staff cover those items.</p>	<p>Updates are in progress.</p>	<p>HASA</p>	<p>HASA is currently reviewing the checklist for and will ensure that necessary modifications are made</p>	<p>February 2016</p>
<p>8. Provide training and guidance as needed to staff to ensure that they have a good understanding of the inspection process and that inspections are conducted in a consistent manner.</p>	<p>HRA will soon have a “Master Contractor” (secured via RFP) whose responsibilities will include ensuring that commercial emergency housing units are inspected in a timely fashion and that proper records are maintained. We expect the contract to be in place by March 2016.</p>	<p>HASA</p>	<p>HASA will conduct spot check inspections of emergency housing as oversight of the Master Contractor. All HASA emergency and non-emergency housing inspectors will receive updated training on the inspection process annually. Additional training will take place after the checklist is updated</p>	<p>March 2016</p>
<p>9. Ensure that HASA’s QA program evaluation includes all key contract provisions, including those that are unique to the categories of housing and services provided to clients.</p>	<p>While most major contract provisions of our contracts have always been monitored to ensure that clients receive quality services, our Quality Assistance unit’s evaluation process has been modified to include all key contract provisions, including those that are unique to the various categories of housing and services provided to clients.</p>	<p>HASA OLA ACCO</p>	<p>HASA Quality Assurance Unit checklist is being updated to ensure inclusion of and compliance with key contract provisions, such as customer satisfaction surveys.</p>	<p>February 2016</p>

HUMAN RESOURCES ADMINISTRATION
OFFICE OF AUDIT & QUALITY ASSURANCE
BUREAU OF AUDIT COORDINATION
CORRECTIVE ACTION PLAN

Audit Name: NYC Comptroller – Audit of HRA's Monitoring and Oversight of Vendors who Provide Housing to HASA clients.
Audit Number: MD14-107A Date:

Auditor's Recommendations	Agency Response and Auditor's Comment	Responsible Unit	Agency Corrective Action	Target Date
<p>10. Establish a formal mechanism whereby the terms and deliverables for contracts being considered for renewal are reviewed and modified as needed to ensure that those contracts reflect the agency's current programmatic priorities.</p>	<p>Currently, HRA only modifies contracts when they are due for renewal.</p>	<p>HASA/OPA</p>	<p>As contracts are renewed all deliverables will be reviewed to determine if they are in keeping with program priorities. Additionally, HASA's contract monitoring function will be moved under HRA's Office of Program Accountability effective 1/1/2016.</p>	<p>December 2016</p>
<p>11. Ensure that the WINRO203 reports are appropriately used to identify deceased clients so that payments to the vendors for the clients' housing can be stopped and/or other clients can be timely moved to those units.</p>	<p>Currently in practice. All HASA centers send WINRO203 reports weekly to HASA Administration for cross referencing with WMS to ensure that the CA cases of deceased clients are closed or pending to close. Appropriate corrective actions are assigned until compliance is achieved. Eligibility staff at HASA administration also review the WINRO203 reports weekly. HRA makes payments to the vendors for housing units, not for or in the names of specific clients.</p>	<p>HASA</p>	<p>No corrective action necessary. HASA will continue its practice of regularly checking WINRO203 reports to identify deceased clients in a timely manner.</p>	<p>December 2015</p>

HUMAN RESOURCES ADMINISTRATION
OFFICE OF AUDIT & QUALITY ASSURANCE
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Audit Name: NYC Comptroller – Audit of HRA’s Monitoring and Oversight of Vendors who Provide Housing to HASA clients.
Audit Number: MD14-107A Date:

Auditor’s Recommendations	Agency Response and Auditor’s Comment	Responsible Unit	Agency Corrective Action	Target Date
<p>12. HASA should recoup the overpayments made to the vendors for the deceased clients referenced in this report.</p>	<p>HASA has reviewed all identified cases where payments to housing providers were linked to the names of deceased clients. As these are contracted units, we have found no case where recoupment is warranted. HRA makes payments to the vendors for housing units, not for or in the names of specific clients.</p>	<p>HASA</p>	<p>No corrective action necessary.</p>	<p>N/A</p>
<p>13. HASA should require all vendors to conduct client satisfaction surveys, review these surveys and follow-up with vendors to determine if they are addressing clients’ concerns, as well as to identify vendors that repeatedly receive poor ratings from clients.</p>	<p>In progress.</p>	<p>HASA/OPA</p>	<p>Quality Assurance tool is being updated to ensure inclusion of and compliance with key contract provisions, such as customer satisfaction surveys. Additionally, HASA’s contract monitoring function will be moved under HRA’s Office of Program Accountability effective 1/1/2016.</p>	<p>January 2016</p>
<p>14. Include specific contact information on how complaints can be submitted in the “Client Bill of Rights” that is distributed to clients.</p>	<p>In progress.</p>	<p>HASA OLA OCM</p>	<p>The Client Bill of Rights is currently under review. Information on how to file a complaint will be included in the new draft.</p>	<p>March 2016</p>

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Audit Number: MD14-107A Date:

Auditor’s Recommendations	Agency Response and Auditor’s Comment	Responsible Unit	Agency Corrective Action	Target Date
<p>15. Better utilize IQ tracking HASA-related complaints to more effectively determine trends and patterns that need to be addressed.</p> <p>16. HRA should make efforts to complete the fiscal audits of HASA vendors to determine whether expenses are being billed in accordance with the contracts and to identify whether there are any areas of concern that may need additional controls.</p>	<p>Currently in practice. HRA currently uses the IQ system to spot trends. Follow-up action is taken as necessary.</p> <p>In progress. HRA is additionally exploring adding additional resources to this process, either in the form of more staff for BIVA or the use of external auditors.</p>	<p>HASA</p> <p>HASA/OPA</p>	<p>HRA will review our practices to see where additional tracking can be added to further spot trends.</p> <p>Four audits have been completed and sent to providers; three audits are being finalized. HASA and BIVA will meet December 9th to work through details. HASA and BIVA are arranging exit conferences for two audits for the week of December 14th. HASA, BIVA and HPD will meet soon regarding one of the audits. BIVA is currently auditing one provider and has set-up an entrance conference for another provider commencing week of December 21, 2015. HASA is waiting on BIVA to commence audits of three other providers. HASA anticipates finalizing at least three of the audits by January.</p>	<p>January 2016</p> <p>March 2016</p>

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Date:

Auditor’s Recommendations	Agency Response and Auditor’s Comment	Responsible Unit	Agency Corrective Action	Target Date
<p>17. HASA should consider periodically spot checking a fixed percentage of vendors’ original supporting documentation (for Personnel Services/Other Than Personnel Services) for their submitted invoices to ensure expenses are legitimate and applicable to the contract.</p>	<p>On or around November 23, 2015, HASA requested all housing vendors to provide full documentation of expenditures for the month of November 2015.</p>	<p>HASA</p>	<p>Without prior notice, HASA will be requesting full documentation for an individual month invoice from each vendor at least twice per year. Additionally, HASA will spot check vendors original documentation for an individual month. HASA Finance personnel will visit the provider at their office or request a provider to come to our offices with one month’s original documentation to review. HASA Finance will commence this procedure in January 2016 without prior notice to the providers. Initially, HASA will review current providers who have not yet been audited by BIVA. Additionally, HASA’s contract monitoring function will be moved under HRA’s Office of Program Accountability effective 1/1/2016.</p>	<p>January 2016</p>