



City of New York

OFFICE OF THE COMPTROLLER

Scott M. Stringer
COMPTROLLER



MANAGEMENT AUDIT

Marjorie Landa

Deputy Comptroller for Audit

Audit Report on the Oversight of the
Close to Home Program Non-Secure
Placement by the New York City
Administration for Children's Services

MD15-056A

June 2, 2016

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, NY 10007

SCOTT M. STRINGER
COMPTROLLER

June 2, 2016

To the Residents of the City of New York:

My office has audited the New York City Administration for Children's Services (ACS) to determine whether it had adequate controls in place to monitor the Close to Home (CTH) Non-Secure Placement (NSP) Program. We perform audits such as this to increase accountability and to ensure that applicable policies are followed.

The audit found that ACS has inadequate controls in place to effectively monitor the CTH NSP Program. There was limited evidence that ACS verifies that services reportedly provided by the contracted non-profit providers to the youth in ACS' care were actually provided, or that all required contacts with the youth and their parents or legal guardians took place. There was also inadequate evidence that ACS performed all required site visits. For those site visits that did take place, the audit found that ACS did not adequately assess the NSP sites' operations. In addition, ACS management did not adequately track the CTH NSP providers' implementation of corrective actions identified and requested by ACS to address deficiencies in their performance. Further, the audit found that ACS does not take the necessary steps to adequately assess CTH NSP providers' performance.

To address these issues, the audit recommends that ACS should periodically independently verify that required services are being provided to the youth; develop a mechanism to track performance of Placement and Permanency Specialist staff to ensure required monthly contacts and visits; develop a tool whereby supervisors can more readily track monitoring visits; ensure that site visits include a more comprehensive review that assesses providers' operations; ensure that corrective actions are adequately tracked; and establish a means of formally assessing and evaluating CTH NSP provider performance and contract compliance.

The results of the audit have been discussed with ACS 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 Oversight of the Close to Home Program Non-Secure Placement by the New York City Administration for Children's Services

MD15-056A

EXECUTIVE SUMMARY

The objective of this audit was to determine whether the New York City Administration for Children's Services (ACS) has adequate controls in place to monitor the Close to Home (CTH) Non-Secure Placement (NSP) Program. ACS is responsible for protecting the safety and promoting the well-being of New York City's children and strengthening families by providing child welfare, juvenile justice, child care, and early education services. In 2010, ACS took over many of the responsibilities of the New York City Department of Juvenile Justice, including principally services for children and families involved in the New York City's juvenile justice system. Through its Division of Youth and Family Justice (DYFJ), ACS manages, funds and oversees various services for youth including detention and placement, intensive community-based alternatives and support for families.

CTH legislation, passed in March 2012, allows youth found by the New York City (City) Family Court to have committed a delinquent act to be ordered into ACS' custody and placed into a residential placement program close to their families and communities.¹ ACS oversees two types of residential placement services for these adjudicated youth: NSP and Limited-Secure Placement (LSP). Youth who are considered lower risk are generally placed in the NSP program, the least restrictive setting, while higher risk youth are typically placed in the LSP program, where the facilities have more security features to ensure the safety of both the residents and the communities.

ACS contracts with non-profit providers to operate NSP group homes in or immediately adjacent to the five boroughs. Each residence is supposed to be designed to look and feel like a home environment. Youth in the NSP program receive individualized educational services through the New York City Department of Education. Youth also receive medical, mental health and substance abuse services as needed, and participate in recreational, cultural and group activities within and outside of the group home. As of July 1, 2014, nine CTH NSP providers were contracted with ACS to provide a total of 32 NSP sites.

¹ A delinquent act is an act that if performed by an adult would be deemed criminal.

During Fiscal Years 2014 and 2015, 334 and 226 delinquent youths, respectively, were transferred into the CTH program and placed in an NSP residence. The total cost paid to NSP vendors in Fiscal Years 2014 and 2015 was \$52.3 million and \$42.6 million, respectively, which comes to approximately \$169,480 per youth.²

Audit Findings and Conclusion

The audit found that ACS has inadequate controls in place to effectively monitor the CTH NSP Program. We found weaknesses in ACS' monitoring of the specific services provided to the youth while in residential placement and in the performance of the CTH NSP providers overall. The deficiencies identified in this report have diminished the effectiveness of ACS' efforts to ensure that the non-profit providers are delivering the required services to youth in CTH residential placement.

With regard to monitoring the cases of youths in the program, we found limited evidence that ACS verifies that services reportedly provided by the contracted non-profit providers to the youth in ACS' care were actually provided, or that all required contacts with the youth and their parents or legal guardians took place. In addition, there was inadequate evidence that ACS Placement and Permanency Specialist (PPS) staff discussed all reported incidents, such as AWOLs, assaults, and altercations, with the youths involved and verified that the CTH NSP providers documented their efforts to debrief youths involved in incidents.

With regard to monitoring the performance of NSP non-profit providers overall, we found inadequate evidence that ACS performed all required site visits, which include conducting periodic unannounced visits as mandated by the City's Procurement Policy Board (PPB) Rules. For those site visits that did take place, we found that ACS did not adequately assess the NSP sites' operations. We also found that ACS management did not adequately track the CTH NSP providers' implementation of corrective actions identified and requested by ACS to address deficiencies in their performance. In addition, we found that ACS does not take the necessary steps to adequately assess CTH NSP providers' performance and lacked adequate documentation to support the performance evaluations it recorded in the City's Vendor Information Exchange System (VENDEX).³

Because we found that ACS does not effectively assess the non-profit providers' compliance with their contracts, ACS has limited assurance that youths in residential placement receive the services for which the City is paying. Thus, ACS has not provided adequate assurance that City funds are being properly spent. Further without adequate oversight and assurance that required services are being provided, there is an increased risk that youth will not be rehabilitated, which could result in the youth committing future criminal acts when released from the program.

Audit Recommendations

Based on the audit, we make 14 recommendations, including:

² The 2014 figure includes payments to two CTH NSP providers whose contracts were terminated in September 2013.

³ VENDEX is a computerized contract database used by City agencies to obtain information necessary for them to make vendor responsibility determinations as part of the procurement process. Among other things, VENDEX contains information about vendors, their principals and affiliates, City performance evaluations and cautionary information about the vendors such as debarments and government investigations. As part of their contract administration, City agencies are required by the PPB rules to complete performance evaluations not less than once a year for each contracted vendor (Contract Performance Evaluations).

- ACS should ensure that the ACS PPS periodically independently verify that required services are being provided to their assigned youth.
- ACS should develop a mechanism whereby supervisors can more readily track the performance of ACS PPS staff to ensure that the staff: (1) conduct the required monthly youth contact/visits to assess the services being provided; and (2) discuss incidents with the youths involved and confirm that the CTH NSP providers are also appropriately discussing the incidents with the youth.
- ACS should develop a tool whereby supervisors can more readily track monitoring visits to ensure that the monitors perform the required number of monitoring visits each year, including unannounced visits.
- ACS should ensure that the site visits include a more comprehensive review that assesses providers' operations and that follow-up is conducted for any deficiencies identified.
- ACS should ensure that the corrective actions of CTH NSP providers on Heightened Monitoring Status and Corrective Action Status are adequately tracked to ensure timely compliance.
- ACS should establish a means of formally assessing and evaluating CTH NSP provider performance and contract compliance.
- ACS should maintain adequate documentation to support its annual VENDEX Contractor Performance Evaluations of CTH NSP providers.

Agency Response

In its response, ACS generally agreed with the audit's findings and recommendations.

AUDIT REPORT

Background

ACS is responsible for protecting the safety and promoting the well-being of New York City's children and strengthening families by providing child welfare, juvenile justice, child care, and early education services. In 2010, ACS took over many of the responsibilities of the New York City Department of Juvenile Justice, including principally services for children and families involved in New York City's juvenile justice system. Through its DYFJ, ACS manages, funds and oversees various services for youth including detention and placement, intensive community-based alternatives and support for families.

CTH legislation, passed in March 2012, allows youth found by the City Family Court to have committed a delinquent act to be ordered into ACS' custody and placed into a residential placement program close to their families and communities. ACS oversees two types of residential placement services for these adjudicated youth: NSP and LSP. Youth who are considered lower risk are generally placed in the NSP program, the least restrictive setting, while higher risk youth are typically placed in the LSP program, where the facilities have more security features to ensure the safety of both the residents and the communities.

ACS submitted an NSP plan on June 26, 2012, to obtain custody of all adjudicated youth placed by the City Family Court into NSP on or after September 1, 2012, to the New York State Office of Children and Family Services (OCFS) for its approval. OCFS approved that plan on July 5, 2012.

Under the plan, ACS contracts with non-profit providers to operate NSP group homes in or immediately adjacent to the five boroughs. Each residence is designed to look and feel like a home environment. Youth in the NSP program receive individualized educational services through the New York City Department of Education. Youth also receive medical, mental health and substance abuse services as needed, and participate in recreational, cultural and group activities within and outside of the group home. A number of CTH NSP providers offer specialized services and programs for youth with specific needs or challenges that require additional support and attention. These include services for youth with serious emotional disturbances, fire-setting behaviors and a history of sexual exploitation. As of July 1, 2014, nine CTH NSP providers were contracted with ACS to provide a total of 32 NSP sites. (A list of the CTH NSP providers can be found in the Appendix.)

Once the Family Court orders a CTH youth placement, ACS begins the process of evaluating the youth's needs. ACS gathers information about the youth, including speaking with the youth and his/her family, and matches the youth to the CTH NSP provider that it determines can best meet those needs. ACS then holds a meeting with the youth, family, and CTH NSP provider to discuss the placement decision and address any questions.

The length of stay in a residential program is based on the youth's needs, and depends on the youth's behavior and progress. The average stay is between six and seven months. An ACS PPS is assigned to the youth throughout placement to regularly assess his/her progress and connect the youth and the family to additional services as needed. Throughout placement and aftercare (post residential discharge), the PPS works with the CTH provider, family members, community-based programs and school to help the youth. PPS staff are responsible for helping youths and their families identify goals and objectives and for coordinating and overseeing the provision of services.

ACS tracks and records unusual incidents reported by CTH NSP providers in the *Group Orientated Analysis Leadership Strategies* (GOALS) computer system. Reportable incidents include where a youth is absent without leave (AWOL), a youth is involved in an assault or altercation, a youth suffers an injury, the discovery of contraband (weapons and illegal substances), or the hospitalization of a youth.⁴

After release from the residential program, the youth returns home and will be required to participate in an aftercare program in the community for approximately four to six months. This aftercare program is intended to provide aftercare support and supervision, with a focus on family engagement to help the youth and the family adjust to the transition.

The ACS Office of Planning, Policy and Performance's Division of Juvenile Justice is responsible for monitoring vendors' performance and group home conditions. ACS Juvenile Justice Monitors perform site visits of the providers' facilities. During Fiscal Years 2014 and 2015, 334 and 226 delinquent youths, respectively, were transferred into the CTH program and placed in an NSP residence. The total cost paid to NSP vendors in Fiscal Years 2014 and 2015 was \$52.3 million and \$42.6 million, respectively, which comes to approximately \$169,480 per youth.

Objective

This audit's objective was to determine whether ACS has adequate controls in place to monitor the CTH NSP Program. It was limited to ACS' monitoring of the contracted vendors and the agency's oversight of youth while in residential placement. A review of the aftercare program was not included as part of this audit.

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 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.

The primary audit scope was Fiscal Years 2014 and 2015 (July 1, 2013 through June 30, 2015). Please refer to the Detailed Scope and Methodology at the end of this report for specific procedures and tests that were conducted.

Discussion of Audit Results with ACS

The matters covered in the audit were discussed with ACS officials during and at the conclusion of this audit. A preliminary draft report was sent to ACS and discussed at an exit conference held on May 2, 2016. On May 6, 2016, we submitted a draft report to ACS with a request for comments. We received a written response from ACS officials on May 21, 2016. ACS generally agreed with the audit's findings and recommendations, stating that it "will use the recommendations as a

⁴ Absent Without Leave occurs when a youth (1) leaves the supervision of the facility or the presence of the person responsible for the supervision of that youth on a supervised off- grounds trip or a home visit without permission and has been missing for 24 hours, or (2) has not returned to the facility from an unsupervised off-grounds trip or home visit by the assigned date and time and has been missing for 24 hours.

roadmap to further improve safety, oversight and monitoring, evaluation, and outcomes for youth entrusted to our care.” However, ACS implied that the agency was already in compliance with several recommendations stating,

Due to the time period for this audit, which reviewed CTH operations only until June 30, 2015, we believe the findings and recommendations do not account for significant improvements in relation to our oversight and monitoring of the CTH NSP program. We share many of the concerns you have raised and have already implemented a number of key reforms.

Although our audit scope covered the period of July 1, 2013, through June 30, 2015, certain of our audit tests and the documentation we reviewed went beyond June 30, 2015, including our review of ACS’ policies and procedures and our review of the CNNX notes for our sampled youth. Among other things, our audit examined ACS’ current practices up through April 2016 (the end of our audit testing). However, ACS provided no additional evidence during the course of the audit to illustrate that improvements to its oversight and monitoring were made. In addition, it is not always clear from ACS’ response which recommendations it claims to have already implemented and at what point they were implemented. However, we do appreciate ACS’ efforts to improve the CTH program in many of the respects we recommended.

The full text of ACS’ response is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

The audit found that ACS has inadequate controls in place to effectively monitor the CTH NSP Program. We found weaknesses in ACS' monitoring of the specific services provided to the youth while in residential placement and in the performance of the CTH NSP providers overall. The deficiencies identified in this report have diminished the effectiveness of ACS' efforts to ensure that the non-profit providers are delivering the required services to youth in CTH residential placement.

With regard to monitoring the cases of youths in the program, we found limited evidence that ACS verifies that services reportedly provided by the contracted non-profit providers to the youth in ACS' care were actually provided, or that all required contacts with the youth and their parents or legal guardians took place. In addition, there was inadequate evidence that ACS PPS staff discussed all reported incidents, such as AWOLs, assaults, and altercations, with the youths involved and verified that the CTH NSP providers documented their efforts to debrief youths involved in incidents.

With regard to monitoring the performance of NSP non-profit providers overall, we found inadequate evidence that ACS consistently performed all required site visits, which include conducting periodic unannounced visits as mandated by the City's PPB Rules. For those site visits that did take place, we found that ACS did not adequately assess the NSP sites' operations. We also found that ACS management did not adequately track the CTH NSP providers' implementation of corrective actions identified and requested by ACS to address deficiencies in their performance. In addition, we found that ACS does not take the necessary steps to adequately assess CTH NSP providers' performance and lacked adequate documentation to support the performance evaluations it recorded in the City's VENDEX.

Because we found that ACS does not effectively assess the non-profit providers' compliance with their contracts, ACS has limited assurance that youths in residential placement receive the services for which the City is paying. Thus, ACS has not provided adequate assurance that City funds are being properly spent. Further, without adequate oversight and assurance that required services are being provided, there is an increased risk that youth will not be rehabilitated.

These issues are discussed in the following sections of this report.

Limited Verification That Required Services Were Provided

We found limited evidence that ACS independently verifies the services that youth receive and assesses the youths' progress. In addition, we found inadequate evidence that ACS PPS staff make the required personal contacts with the youths and with their parents or legal guardians.

The *ACS Residential Placement Case Coordination Procedures Manual-For Children's Services Placement and Permanency Specialists* states that "PPS staff will provide oversight from the time a youth enters care until the youth is successfully transitioned to after care in order to help promote effective permanency planning, quality case practice, successful reintegration into the home, and adherence to release conditions." Additionally, according to the *Close to Home Case Coordination Guidelines* (CTH Guidelines), ACS PPS staff are responsible for helping youths and their families identify goals and objectives and coordinate and oversee the provision of services.

However, we found that ACS' controls designed to assess whether NSP vendors ensure youths get required services are inadequate. According to ACS, its PPS staff are not required to review

the youth case files maintained by the CTH NSP providers nor are they required to contact providers to independently verify that services have been delivered. Instead, ACS relies on the CTH NSP providers themselves to ensure that a youth in the program receives all required services, that the youth are progressing, and to notify ACS of any issues or deficiencies that require the agency's attention. Indeed, our review of the information in the *Connections* computer system (CNNX) for nine sampled youths reflects this practice.⁵ We found no evidence that ACS PPS staff assessed and/or independently verified that the required services were provided. ACS PPS staff based their assessment of whether services were provided as required solely on information given by the NSP provider responsible for the respective youths.

ACS' oversight methodology, which relies entirely on information received from the providers whose work is being overseen, renders ACS PPS staff unlikely to discover if services have not been delivered as required unless they are notified by the providers themselves (which is improbable) or by the youths and their families. This increases the risk that youths and their families may not be receiving the services and support needed and that such failure goes unnoticed.

As part of its oversight requirement, ACS' PPS staff are required to have monthly face-to-face contact with the youths throughout the placement period; this contact should be recorded in CNNX. According to ACS officials, its PPS staff must respond to all case notes in CNNX and summarize their on-going contacts (via phone, email or in person) with NSP provider staff in the CNNX case notes as well. ACS PPS Directors oversee PPS staff to ensure that they fulfill these and all their other responsibilities.

However, we found that ACS PPS Directors' oversight is inadequate. According to ACS, the PPS Directors are responsible for the direction, administration, and coordination of the PPS, including managing their day-to-day operations and providing direct supervision. However, we found limited evidence that ACS PPS Directors monitor whether PPS staff make the required contacts with the youths and their families. Furthermore, ACS does not have a tracking method to assess whether the Directors perform the monthly supervisory reviews as required. Under this scenario, ACS has limited assurance that PPS Directors properly monitor staff to ensure that they fulfill their responsibility to regularly engage the youths and their families while the youths are in residential placement. In such an environment, the risk that youths may not be receiving the services and care intended is increased.

Our review of CNNX records related to the nine youths in our sample revealed limited evidence that ACS PPS staff consistently undertook the required contact with the youths and their parents or legal guardians during the placement periods. For the period reviewed, the nine youths in our sample were in residential placement for a total of 83 cumulative months. Our review of CNNX found no evidence of a supervisory review for 65 (78 percent) of those months—for four youths CNNX had no record of *any* supervisory monthly reviews conducted during the youths' residential placement period that we reviewed. Specifically, we only found evidence of the following:

- PPS staff called only one of the nine sampled youths within the first week of placement as required.
- PPS staff had introductory face-to-face meetings within the required two weeks for only six of the nine sampled youths.

⁵ Connections (CNNX) is a New York State computerized case management system that tracks the full life cycle of all child welfare cases. ACS uses CNNX as its primary system of record for CTH cases, and contains specific case details and documentation regarding the youth placements.

- PPS staff conducted the monthly face-to-face contacts with the sampled youths for 53 (64 percent) of the 83 months that they resided with the CTH NSP providers. PPS made the monthly contacts with their parents or legal guardians for only 12 (14 percent) of the 83 months.
- PPS staff conducted the initial visits with the parents or legal guardians for three of the nine sampled youths. For these three, PPS made only one parental visit within 60 days as required.

It is important that the ACS PPS staff perform the required contacts with the parents or legal guardians to assess the family's engagement and to identify any possible release barriers.

In addition to the lack of evidence of required contacts and supervisory oversight, we found little evidence that when contacts were made, there were discussions of reported incidents—such as AWOLs, assaults and altercations—with the youths involved. According to ACS officials, PPS staff must document in CNNX their discussion of every incident with the youths involved. The vendor's agency case planner also must document in CNNX the outcome of their efforts to debrief youths regarding incidents.

For the period reviewed, one of the nine sampled youths had no incidents. Of the 47 recorded incidents (consisting of 57 events) for the remaining eight youths, we found limited evidence in CNNX that the ACS PPS discussed 39 (83 percent) of the incidents with the youths involved.⁶ For four of these 39 incidents, although there was a note that the ACS PPS had a discussion about an incident, the note was insufficiently detailed for us to be able to know if it referred to the actual incident in question. In addition, we found limited evidence in CNNX of the CTH NSP providers' efforts to debrief the youths in 42 incidents (consisting of 50 events) and no evidence that such failure was noted by ACS PPS staff.

Recommendations

1. ACS should ensure that the ACS PPS periodically independently verify that required services are being provided to their assigned youth.

ACS Response: "In response to the recommendation regarding verification of services, ACS will begin tracking managerial reviews to ensure the PPD's [Placement and Permanency Directors'] timely completion of oversight this summer. We are also finalizing a business process which details PPS functions and responsibilities which will also be complete this summer.

To enhance oversight and independent verification, ACS will assess whether the provider services are being delivered as required by the ACS contracts. Beginning in the fall of 2016, an ACS workgroup of senior staff will meet monthly to review the Close to Home providers' compliance and timeliness with their contractual responsibilities. Each meeting will identify and address any areas in need of improvement."

2. ACS should develop a mechanism whereby supervisors can more readily track the performance of ACS PPS staff to ensure that the staff: (1) conduct the required monthly youth contact/visits to assess the services being provided; and (2) discuss incidents with the youths involved and confirm that the CTH NSP providers are also appropriately discussing the incidents with the youth.

⁶ Each incident may contain several events. For example, a youth could be involved in an incident that included the youth showing signs of physical aggression followed by damage to property and physical assault. Although each of these are distinct actions, they are recorded under one incident number.

ACS Response: “All Placement and Permanency Directors are required to review incidents, PPS entries, and case practice during biweekly meetings with PPS staff.

In order to more effectively address incidents in CTH, in December 2015 ACS hired a Director of Incident Review who leads a daily meeting to review each CTH incident and assigns required follow-up. Those responsible update the Director of Incident Review regarding all steps taken to ensure that the matter is closed out. At the beginning of each daily review, all unresolved issues are discussed and remain on the agenda until resolution.

To further strengthen incident oversight, since June 1, 2015, PPS have had access to the daily report that outlines all Close to Home incidents occurring in a 24-hour period. All PPS are required to read this daily report and follow-up on any all incidents that impact the safety and well-being of a youth assigned to them. All follow-up on incidents completed by the PPS are documented in CNNX.”

Auditor Comment: We are pleased that ACS is taking steps to more effectively address incidents involving CTH youth. Although ACS seems to indicate that PPS staff are following up on incidents and documenting this follow-up in CNNX, as mentioned in this report, we found limited evidence in CNNX that the ACS PPS discussed 83 percent of the incidents with eight sampled youth. Accordingly, we urge ACS to fully implement this recommendation.

3. ACS should ensure that all monitoring, verification, and assessment of the youth and the services they receive are recorded in CNNX.

ACS Response: For its response to this recommendation, ACS referred to its responses provided to Recommendations #1 and #2.

Auditor Comment: ACS’ response appears to indicate that this recommendation has already been implemented. However, as this audit identified, although it was a requirement for the PPS staff to record notes in CNNX of their monitoring activities and assessment of the youths, and for the PPS Directors to record managerial notes in CNNX documenting their review of these PPS notes, there was limited evidence that these steps were being performed. Accordingly, we urge ACS to fully implement this recommendation.

4. ACS should develop a tool to ensure that ACS PPS Directors conduct the monthly reviews of the PPS monitoring activities and record the results of these reviews in CNNX as required.

ACS Response: “As mentioned in #1 and #2, ACS is [sic] will begin tracking these managerial reviews to ensure that the Placement and Permanency Directors timely complete their oversight.”

Inadequate Controls Over Agency Monitoring of CTH NSP Providers

No Policies and Procedures Over Vendor Monitoring

ACS does not have any written policies or procedures for the oversight and monitoring of the CTH NSP providers and their programs. As of January 7, 2015, more than two years after ACS was assigned responsibility for the CTH program, ACS officials acknowledged and explained its lack of “formal policies/procedure manuals governing the OPPP [ACS’ Office of Planning, Policy and

Performance] unit as it relates to Close To Home” by stating that “the Close To Home program is still growing and developing, and the OPPP unit is still being built.”

However, ACS’ audit-related acknowledgement of and explanation for its failure to have written CTH program policies and procedures stands in stark contrast to earlier statements ACS made to the Comptroller’s Office. Specifically, in its Calendar Year 2014 annual Directive # 1 Financial Integrity Statement ACS informed the Comptroller’s Office that all of its programs are conducted in accordance with clearly defined management policies, and that these policies are properly communicated to the appropriate agency staff, and reflected in formal written operating procedures. That Financial Integrity Statement is required of ACS (and every City agency) as part of Comptroller’s Directive #1, which includes a checklist intended to help agency heads determine with reasonable assurance whether their agency’s internal controls are adequate and to identify any serious weaknesses that should be corrected.

According to Comptroller’s Directive #1, *Principles of Internal Controls*, “Internal Control must be an integral part of agency management in satisfying the agency’s overall responsibility for successfully achieving its assigned mission and assuring full accountability for resources.” It further states internal control activities help ensure that management’s directives, such as verifying vendor compliance, are carried out. Controls are the policies, procedures, techniques and mechanisms used to enforce management’s direction. They must be integral to an agency’s planning, implementation, review and accountability, and play an essential role in achieving the desired results.

Formal policies and procedures are vital to ensuring that agency staff roles have been clearly defined and that agency personnel understand their responsibilities for assessing whether CTH NSP providers are in compliance with their contract terms. Without written policies and procedures, ACS has limited assurance that its Office of Planning, Policy and Performance personnel know their responsibilities in carrying out all aspects of monitoring the program and the CTH NSP providers. Consequently, the risk that ACS’ goal to “provide custody and care of youth in secure and safe detention and placement facilities” will not be achieved is increased.

The deficiencies identified in the following sections of this report regarding ACS’ monitoring of CTH NSP providers may be attributed, at least in part, to management’s failure to develop and promulgate detailed written policies and procedures over vendor monitoring.

Recommendations

5. ACS should immediately develop detailed written policies and procedures governing the staff’s responsibilities—including but not limited to monitoring and evaluating vendor performance—in relation to the agency’s oversight of the CTH program and disseminate those policies and procedures to relevant personnel.

ACS Response: “On May 6, 2016, DYFJ issued the ‘OPPP Close to Home Oversight, Monitoring, and Technical Assistance Protocol,’ an extensive document that describes all monitoring activities in detail. The protocol highlights recent enhancements to monitoring, with a focus on three specific areas: data review and trend analysis, routine monitoring activities and a standardized process for step-up to formal monitoring status.”

6. ACS should ensure that accurate responses are included in its Directive #1 Financial Integrity Statement.

ACS Response: “Directive #1 Financial Integrity Statement’s Checklist will be revised to reflect partial compliance. The Financial Integrity Statement will be updated and submitted in spring 2016.”

ACS Staff Performed Inadequate NSP Site Visits

Our review of the ACS Juvenile Justice Monitors’ site visit summary reports⁷ for Calendar Year 2014 found no evidence that any unannounced site visits were performed for 21 (66 percent) of the 32 NSP sites in operation during the year. Overall, 30 of the 32 NSP sites were visited during the year; however, most visits were announced.⁸ Specifically, we found that 12 sites were visited two or more times, with unannounced visits performed for six sites; 18 sites were visited only once, for which the visit was unannounced for five sites; and two NSP sites (Children’s Village—Van Horn Cottage and Bayside Cottage) had no announced or unannounced visits during the year. However, unannounced visits are required by Section 4-01 of the PPB Rules, *Evaluation and Documentation of Vendor Performance*, which mandates that contractor performance evaluations include periodic unannounced site visits and interviews with clients and staff.

After we sent ACS officials a summary of the audit findings, and nearly a year after we shared a summary of the NSP site visits with ACS officials, ACS provided additional documents relevant to our audit, explaining that they were found in a former employee’s personal directory. These additional documents indicate that some additional site visits had been performed that were not included in the Juvenile Justice Monitors’ site visit summary reports we had originally been provided with, including visits of Children’s Village Van Horn Cottage. However, these recently produced documents did not identify the ACS personnel who had performed the site visits. Nevertheless, even with these additional site visit summary reports, there was still inadequate evidence that the required site visits were performed for all NSP sites.

ACS’ apparent failure to make the requisite number of site visits may have been the result of its lack of established procedures requiring such visits prior to July 2014. At that time, the Office of Planning, Policy and Performance was made responsible for vendor monitoring, following oversight of the CTH NSP programs moving among several ACS units.

In July 2014, ACS established an informal requirement that each NSP site on “regular monitoring” status would receive a minimum of two site visits—one announced and one unannounced—each calendar year.⁹ However, we found no documentation indicating that this requirement was communicated to staff. It was not until August 2015 that ACS formally documented the CTH NSP monitoring requirement, but only for June 2015 through December 2015.¹⁰ According to internal ACS memos to the Office of Planning, Policy and Performance monitoring staff, it appears that it is ACS’ intent to require monitors to conduct two site visits—one announced and one unannounced—to those NSP programs on regular monitoring within a six-month period, generally from January to June and from July to December—for a minimum of four site visits. However,

⁷ Site visit summary reports are prepared by the ACS Juvenile Justice Monitors and are used to document and summarize the results of the site visits of NSP facilities, including a walkthrough of the facility to identify any potential safety and security issues, and a review of site documentation, such as incident and fire drill logbooks.

⁸ The site visit summary reports for 14 of the 21 NSP facilities did not indicate whether the site visit was announced or unannounced so we considered them to be announced visits.

⁹ “Regular monitoring” status refers to the NSP sites not on “heightened monitoring”, which is applied by ACS to NSP providers found to have certain program deficiencies. Weaknesses in ACS’ program for heightened monitoring found by the audit are discussed in this report below.

¹⁰ ACS provided us with a memo, dated August 13, 2015, to the DYFJ Office of Planning, Policy and Performance monitoring staff informing them of the two monitoring-visits requirement (one announced and one unannounced) for each NSP site on regular monitoring and that they be conducted between June and December 2015. A similar memo was issued on January 13, 2016, mandating the two monitoring visits between January and June 2016.

since these memos listed these requirements for a specific time period, it is unclear what the requirement will be going forward. Further, the policy does not discuss monitoring requirements and visit frequency for NSP programs on heightened monitoring.

However, even with the August 2015 documentation of the monitoring requirement, ACS still does not have adequate controls to ensure that the required monitoring visits are conducted. According to ACS officials, they had “no formal database tracking the dates on which these [monitoring] visits take place.” Each monitor is expected to track their required visits independently and to document the results of each visit in a summary report. The previous Executive Director of Quality Assurance told us that she used these summary reports to ensure that the programs were visited, but provided us with no evidence of the method she employed to keep track of all the visits. Without a centralized way to track all monitoring visits, ACS has limited assurance that all CTH NSP providers received the required visits each year, or indeed any, including at least one unannounced visit.

We also found insufficient evidence that ACS prepares a schedule of planned monitoring visits. We initially requested a schedule of the planned NSP site visits for the ensuing few weeks on April 21, 2015. Although ACS notified us of a few upcoming sites visits, it was not until June 23, 2015, that we were provided with a schedule that covered June 2015 through December 2015. ACS’ inability for two months to provide us with a schedule that should have been readily available raises significant doubt as to whether the agency actually maintained a schedule. On July 29, 2015, ACS provided us with an “updated visit schedule” covering all of Calendar Year 2015 that reflected both completed and planned monitoring visits. However, after reviewing this schedule, we identified discrepancies with some of the recorded completed visits, including one for which there appeared to be no evidence that it had actually been conducted. We questioned ACS officials about this on July 31, 2015. On August 12, 2015, ACS officials provided us with a revised schedule of the Calendar Year 2015 NSP site visits, which did not include the visits in question.

We found that even when ACS performed monitoring visits, the visits did not cover all relevant program requirements. Rather, NSP site visits conducted by the Juvenile Justice Monitors are mainly focused on the environmental safety of the sites and on whether the required logbooks (such as incident log and fire drill log) are adequately maintained. The visits do not provide a comprehensive assessment of the CTH NSP providers’ operations including the provision of services, nor do they determine whether the CTH initiative is accomplishing its intended outcomes for the youths. Among other things, no assessment is made of whether (1) youth benefitted from provided programs, (2) youth were engaged in education or employment, and (3) the risk of recidivism was reduced. The lack of such assessments was also cited as a weakness in a report, dated September 28, 2015, written by a consultant that ACS hired to outline recommendations for a CTH quality assurance program.

Recommendations

7. ACS should develop a tool whereby supervisors can more readily track monitoring visits to ensure that the monitors perform the required number of monitoring visits each year, including unannounced visits.

ACS Response: “The DYFJ Office of Planning, Policy, and Performance implemented a ‘NSP/LSP Program Site Inspection Tracking Calendar’ in order to better track the monitoring visits. At the beginning of each calendar year, the OPPP monitor and the Director of Quality Assurance schedule all site inspections, with a minimum of one unannounced overnight site inspection and one announced programmatic review site inspection every quarter.”

8. ACS should set a standard policy for the number and type of NSP site visits required annually, including unannounced visits, night visits and visits to sites on heightened monitoring.

ACS Response: “For providers who are not on an elevated status, OP PP conducts at least two site visits a quarter. During these visits the monitors use the ‘Close to Home Residential Inspection Tool.’ The ‘Close to Home Residential Inspection Tool’ and ‘Close to Home Residential Log Book Review Tool’ lead the monitor through a thorough inspection of each site and provide documentation of the findings of each visit. The instruments cover a range of topics from fire safety to security to youth well-being in the facility.

For any residential provider on either Heightened Monitoring or Corrective Action status, OP PP staff visit at least once a month. Each OP PP monitor maintains electronic records of their visits, which OP PP management review. OP PP develops a project plan for any agency that is on HMS/CAS status and every week reviews and updates the plan with the provider. In addition to the scheduled visits and calls, OP PP holds a call with the providers on HMS status every two weeks and weekly for providers on CAS to review the progress and remediation tasks.”

Auditor Comment: We are pleased that ACS has set a standard number of required visits and, based on its response to recommendation #7, is now requiring overnight visits. However, it is unclear whether these new requirements have been formalized in a written policy. ACS should ensure that they are and that these requirements are communicated to staff.

9. ACS should ensure that the site visits include a more comprehensive review that assesses providers’ operations and that follow-up is conducted for any deficiencies identified.

ACS Response: “During all Programmatic Review Site Inspections, the OP PP monitor completes the ‘Close to Home Residential Inspection Tool.’ This tool has been standardized for use in all Close to Home facilities (i.e. Non-Secure and the new Limited-Secure Placement) based on DYFJ Close to Home Quality Assurance Standards and relevant ACS policies. The newly issued ‘OP PP CTH Oversight, Monitoring, and Technical Assistance Protocol’ formalizes the administration and use of the tool.

Auditor Comment: We are pleased that ACS has taken steps to improve its oversight, including issuing the “OP PP CTH Oversight, Monitoring, and Technical Assistance Protocol.” However, we note that this policy was issued by ACS in May 2016, subsequent to the audit scope period. We also did not receive a copy of the policy and it is unclear from ACS’ response whether the site visits will be more comprehensive and assess the providers’ operations. ACS should ensure that this new policy and the inspection tool include steps for a more comprehensive review.

Management’s Tracking of CTH NSP Providers on Heightened Monitoring Needs Improvement

We found that CTH NSP providers with program deficiencies that required them to be placed on heightened monitoring responded to 99 percent of the deliverables imposed by ACS. However, at the same time we found weaknesses in ACS management’s tracking of these NSP providers and particularly in their efforts to verify that actions taken and documentation submitted by the providers adequately fulfilled the requested deliverables.

A CTH NSP vendor is placed on “heightened monitoring” when ACS identifies deficiencies in the provider’s operations, staffing, and/or safety and security protocols. Heightened monitoring consists of two levels: “Heightened Monitoring Status” and “Corrective Action Status.”

Heightened Monitoring Status is imposed when a provider has negative patterns (e.g., a high number of incidents) and program deficiencies. Providers designated with this status are asked to provide certain deliverables within specified deadlines. For example, providers may be asked to develop detailed protocols for specific areas of operation or develop and submit a comprehensive training plan for new staff.

If a provider on Heightened Monitoring Status has not made adequate progress in meeting its deliverables by the target dates and continues to have negative patterns and program deficiencies, the provider’s status moves to the second level, Corrective Action Status. At that point, ACS mandates clear and decisive corrective actions and may close intake for that facility and possibly transfer youth to other CTH NSP sites. ACS’ Juvenile Justice Monitors are responsible for ensuring that providers on both levels of heightened monitoring meet their deliverables, and the Executive Director of Quality Assurance (the QA Executive Director) is responsible for overseeing the Juvenile Justice Monitors.

We found a number of weaknesses in the QA Executive Director’s oversight, however. Among other things, the QA Executive Director did not have an accurate list of providers on either Heightened Monitoring Status or Corrective Action Status. At the time ACS provided us with the list in April 2015, the QA Executive Director stated that, “[t]here were no [NSP] programs on CAS [Corrective Action Status] during the requested time period.” However, our review of *Contractor Performance Evaluations* in VENDEX revealed that one provider, Boys Town, had been identified in the Fiscal Year 2014 evaluation comments as on Corrective Action Status. We later confirmed that Boys Town had been placed on Corrective Action Status on January 9, 2014; thus that status should have been identified as such on the list provided. In addition, the list we were provided failed to indicate that all eight sites operated by SCO had been placed on Heightened Monitoring Status in 2013, as was reflected in its evaluation in VENDEX, and instead only indicated that one of its sites—SCO-Shepherd Avenue—was in Corrective Action Status as of May 2014.

Furthermore, as mentioned in the previous section, ACS’ monitoring procedures do not contain any specific protocols for monitoring vendors on either Heightened Monitoring Status or Corrective Action Status. Although officials stated that they provide more hands-on assistance to vendors on either Heightened Monitoring Status or Corrective Action Status and that they may conduct additional site inspections, these steps are done on an ad hoc basis. There are no formal requirements that these vendors receive more oversight.

During the period from April 2015 through July 2015, we identified two providers responsible for operating four CTH NSP sites that had been placed on either Heightened Monitoring Status or Corrective Action Status.¹¹ ACS provided us with the letters and accompanying schedules that it sent to these providers, notifying them of the deliverables that they were expected to provide to address the deficiencies identified. According to those documents, a total of 68 deliverables were assigned to these providers. These deliverables included sending the Office of Planning, Policy and Performance a video review protocol for inspecting security video footage for feedback and following up on a weekly basis on the status of needed repairs and maintenance. Our review of the materials that providers submitted to ACS found that all deliverables but one were addressed in some manner. However, it was not always clear whether the action taken or documentation

¹¹ The two vendors actively on heightened monitoring during April 2015 and July 2015 were Children’s Village and Good Shepherd Services. Children’s Village had three sites (Collins, Smith and Staten Island) and Good Shepherd Services had one site (Barbara Blum) on heightened monitoring.

provided by the providers was timely (when applicable) or whether ACS deemed the actions taken or documentation provided to have sufficiently met the deliverables.

In addition, the Office of Planning, Policy and Performance does not utilize a standardized tracking table to document provider deliverable compliance. We found that the Juvenile Justice Monitors used different versions of the table, with some lacking the fields necessary to gauge providers' compliance. Some of the tracking tables used by staff did not include fields to: (1) indicate the compliance date and whether the provider responded in a timely manner; (2) identify the action taken or documentation submitted by the provider in response to the deliverable; or (3) specify whether the action taken or documentation submitted was sufficient to address ACS' concerns. In addition, we found no documented evidence that the QA Executive Director, as the Juvenile Justice Monitors' supervisor, reviewed and approved the determinations made by them regarding the specific deliverables.

We note that providers are placed on either Heightened Monitoring Status or Corrective Action Status because they have been found to have deficiencies in operations, staffing or facility conditions. Therefore, youths placed with those vendors are at an increased risk of being subject to unsafe conditions. Without an adequate list of all CTH NSP providers on either Heightened Monitoring Status or Corrective Action Status and an adequate review of Juvenile Justice Monitors' determinations regarding deliverables, the risk that providers on either Heightened Monitoring Status or Corrective Action Status may not satisfactorily comply with all requested deliverables, and that such failure may go undetected, is increased. Consequently, it is important that ACS improve its oversight of these vendors to mitigate such risk.

Recommendations

10. ACS should ensure that it formally documents the procedures for monitoring CTH NSP programs on Heightened Monitoring Status and Corrective Action Status.

ACS Response: "The 'OPPP CTH Oversight, Monitoring, and Technical Assistance Protocol' fully details the formal monitoring processes. Formal monitoring status involves an increased level of support, targeted technical assistance in a series of practice domains, and increased contact with the Close to Home provider through meetings and monthly site inspections."

Auditor Comment: As previously stated, the "OPPP CTH Oversight, Monitoring, and Technical Assistance Protocol" policy was only issued by ACS in May 2016 and was not in effect during the audit scope period.

11. ACS should ensure that the corrective actions of CTH NSP providers on Heightened Monitoring Status and Corrective Action Status are adequately tracked to ensure timely compliance.

ACS Response: For its response to this recommendation, ACS referred to its responses provided to Recommendations #8 and #10.

12. ACS should ensure that the adequacy of the deliverables produced by the providers is determined by the Juvenile Justice Monitors and reviewed by the QA Executive Director to help ensure review quality and consistency.

ACS Response: "DYFJ and other leaders from across ACS are strengthening the existing QAS. In order to create more measurable standards for the providers to follow, ACS will issue a new set of standards by fall 2016."

In addition, DYFJ added two additional senior level positions to ensure that providers are meeting their deliverables. As noted, ACS is hiring an Assistant Commissioner of Quality Assurance as well as an Executive Director. The Assistant Commissioner role was added to enhance our internal expertise regarding monitoring practice and the Executive Director will focus on contract management to ensure providers for the entire division are in compliance with standards. ACS expects these new staff to be on board by summer 2016.”

Inadequate Assessment of NSP Provider Performance

ACS does not have an adequate tool for assessing NSP provider performance overall. When we asked ACS officials whether any tool was put into place to help evaluate NSP program performance, ACS responded that it had not yet done so because its focus has been on developing the program structure. Officials stated that having done that, ACS is now focused on “the development of a comprehensive quality assurance system for residential DYFJ operations,” among other things. While ACS had previously developed an annual data collection and program evaluation review consisting of a Scorecard Evaluation (the Scorecard)¹² pursuant to its Juvenile Justice Non-Secure Placements Quality Assurance Standards 2012, we learned from ACS officials that it has not been implemented because the Scorecard, which was piloted in Calendar Year 2014, did not align with national standards and outcome measures for juvenile justice programs.

During the period under review, ACS paid vendors \$94.9 million to provide services to youths as specified in their contracts. ACS has a responsibility to ensure that these services were provided in a satisfactory manner. However, ACS has not developed and implemented a tool or system to identify the factors considered in making that assessment, which raises great concerns. While ACS completed and submitted the required Fiscal Years 2013 and 2014 VENDEX *Contract Performance Evaluations* for the NSP contracts, there was inadequate documentation to support the ratings. Furthermore, the VENDEX evaluations forms are generic and designed to apply to multiple types of contracts. As a result, they do not include the specific topics and evaluation criteria that an agency would use to evaluate a vendor’s performance relative to specific contract requirements. Accordingly, these forms do not contain specific evaluation measures relevant to an evaluation of an NSP provider.

In response to our request for documentation to support the VENDEX ratings, ACS officials stated they were based on the general questions listed on the standardized VENDEX evaluation form and how providers had performed. For example, according to ACS officials, key areas considered under the Timeliness and Performance Quality categories include: (1) vendors’ follow-up response to critical incidents and site visit findings; (2) incident reporting and documentation; (3) facilities’ condition; (4) residential care (e.g., ongoing appropriate bed capacity and adequate food); (5) youth safety (e.g., AWOLs, altercations and assaults); (6) staffing; and (7) adequacy of record keeping and reporting (e.g., accuracy of incident reporting, medication administration documentation, and fire drills). However, although requested, ACS provided us with no evidence (e.g., checklists, summary forms, memos) that these factors were actually considered, and the weight given to each, for the specific vendor evaluations we reviewed. The Scorecard was intended to function as such a formal assessment tool.

¹² The Scorecard is a comprehensive performance measurement and quality improvement system designed to evaluate the quality of practice and services provided by residential programs to the youth in their care and to function as a tool for quality improvement.

Officials stated that in the coming year (2016), ACS intends to partner with Performance-based Standards (PbS) for Youth Correction and Detention Facilities to implement a data collection and performance measurement system for CTH.¹³

By failing to establish a standard format by which to evaluate vendors or require ACS evaluators to document the basis for their evaluations, ACS has limited assurance that the CTH NSP providers have been evaluated in a fair and consistent manner. In such an environment, the risk that poorly performing vendors will be rewarded by having their contracts extended or renewed is increased.

Recommendations

13. ACS should establish a means of formally assessing and evaluating CTH NSP provider performance and contract compliance.
14. ACS should maintain adequate documentation to support its annual VENDEX *Contractor Performance Evaluations* of CTH NSP providers.

ACS Response: With regard to recommendations 13 and 14, ACS stated “DYFJ is enhancing its mechanism for VENDEX evaluation, currently developing a methodology and protocol for FY16 Vendex Contractor Performance Evaluation. This enhanced methodology will quantify all available reporting mechanisms, including but not limited to information drawn from routine monitoring activities, CNNX reports and desk audits, and incident data. The VENDEX methodology will also take into account placement on Corrective Action Status for an extended period of time and intake closure (where applicable). Formal methodology will be drafted to capture these expectations by fall 2016 and methodology for FY17 and beyond will formally integrate data drawn from PbS. PbS is Performance-based Standards (“PbS”), an established program that works with nearly 200 programs in over 30 states to measure outcomes in juvenile justice residential settings. ACS will be requiring all residential CTH providers to implement PbS starting in the summer of 2016.”

¹³ Performance-based Standards launched by the US Department of Justice, Office of Justice Programs, Office of Juvenile Justice and Delinquency Prevention in 1995, provides agencies and facilities with tools and technical assistance to identify, monitor and improve conditions and treatment services using national standards and outcome measures.

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 audit scope was Fiscal Years 2014 and 2015 (July 1, 2013 through June 30, 2015).

To obtain an understanding of the policies, procedures and regulations governing ACS' and CTH NSP providers' responsibilities regarding the CTH Program, we reviewed and used as criteria:

- *ACS' Juvenile Justice Non-Secure Placements Quality Assurance Standards*
- ACS internal memo, dated August 13, 2015, "Monitoring visits to non-secure placement residential sites" (covering NSP site visits between June and December 2015)
- ACS internal memo, dated January 13, 2016, "Monitoring visits to non-secure placement residential sites" (covering NSP site visits between January and June 2016)
- *ACS' Close to Home Case Coordination Guidelines (CTH Guidelines)*
- *ACS' Residential Placement Case Coordination Procedures Manual for Children's Services Placement and Permanency Specialists*
- *ACS' Policy and Procedure #2015/01, Required Log Books and Paper Files for Juvenile Justice Placement Facilities*
- *ACS' Policy and Procedure #2013/04, AWOLs and Attempted AWOLs from Juvenile Justice Placement Facilities and During Transport*
- *Office of Policy, Planning and Performance site visit monitoring checklists, FY 2014 NSP Residential Site Instrument and Non-Secure Placement Provider Log Books Review Guide*

To obtain an initial understanding of ACS' organizational structure as it relates to the CTH program, we reviewed ACS' DYFJ organization charts for Central Administration and CTH (both as of August 2014). We also reviewed each unit's description and individual job responsibilities, as provided by ACS officials.

To obtain an understanding of the various roles and responsibilities of ACS personnel regarding the CTH program, including the monitoring of the CTH NSP providers and CTH youth while in NSP, we conducted walkthroughs and interviewed the following DYFJ personnel:

- Associate Commissioner of Juvenile Justice Programs and Services,
- Associate Commissioner of the Office of Planning, Policy and Performance,
- Assistant Commissioner of Juvenile Justice Planning and Policy,
- Executive Director of Juvenile Justice Quality Assurance,
- Juvenile Justice Quality Assurance Monitors (a.k.a. Program Monitors),
- Executive Director of Programs and Planning,

- Director of Intake,
- Intake and Assessment Specialists,
- Executive Director of Placement,
- Deputy Executive Director of Placement,
- Directors of Placement and Permanency, and
- Permanency and Placement Specialists.

To obtain an understanding of CNNX and the Juvenile Justice Information computer systems as they relate to CTH, we had an overview meeting and demonstration of the systems with the Deputy Executive Director of Placement and the DYFJ IT/MIS Project Manager.¹⁴ In addition, we reviewed the information recorded in CNNX for one youth case file, as a test case for demonstration purposes, to obtain a further understanding of the information included in the system, including case progress notes recorded by the CTH NSP providers and ACS PPS, which are used to document, among other things, the conference call minutes, youth contact and youth provided services. In addition, we met with the DYFJ IT/MIS Project Manager and the Director of ACS' Movement Control and Communications Unit (MCCU) for an overview meeting and demonstration of the *Group Orientated Analysis Leadership Strategies* computer system (GOALS) to obtain an understanding of the information included in the system.¹⁵

We requested a list of completed NSP site visits to determine whether ACS centrally tracks the site visits made to NSP facilities, including the dates and results of the visits, and whether the visits were announced or unannounced. We also requested copies of the site visit summary reports documenting the NSP site visits made during Calendar Year 2014 to determine the nature of the site visits and whether the required site visits, including unannounced ones, were performed for all NSP sites during the year.

In addition, in April 2015 we requested a list of upcoming planned NSP site visits to determine whether ACS centrally tracks the planned visits, as well as for us to use to select a sample of NSP visits to accompany ACS Office of Planning, Policy and Performance Juvenile Justice Monitors during the visits. Further, we shadowed ACS Office of Planning, Policy and Performance Juvenile Justice Monitors while conducting site visits to three NSP sites to obtain a better understanding of the purpose of the site visits and the steps performed by the monitors. We judgmentally selected the following three NSP sites because, based on the timing of our requests to accompany the monitors, these were the next scheduled NSP sites being visited: Episcopal Social Services (formerly Sheltering Arms)-White Plains Road location, Martin De Porres-Elmhurst location and Children's Village-Smith Cottage. To verify that all steps taken and that all issues identified during the sites visits were accurately documented by the monitors, we requested and reviewed copies of the site visit summary reports and completed checklists for these three visits.

To determine whether ACS is centrally tracking CTH NSP providers and sites that are on heightened monitoring (Heightened Monitoring Status or Corrective Action Status), we requested a list of CTH NSP providers that were on heightened monitoring during Fiscal Year 2013 through April 2015, including the start and end dates, if applicable. In addition, to determine whether ACS is adequately tracking and confirming vendor adherence to ACS' requested deliverables (corrective actions), we requested evidence of ACS' tracking of deliverables for two CTH NSP providers that were actively on heightened monitoring, and the documentation provided by the

¹⁴ The Juvenile Justice Information System (JJIS) is an OCFS computer system used by ACS to track the movement and status of the youth while in the juvenile justice system.

¹⁵ GOALS is used by ACS as its system of record to record and track all reported incidents affecting youth while in ACS custody, including those youth in CTH NSP.

vendor addressing the deliverables. We judgmentally selected three Children's Village NSP sites—Collins, Smith and Staten Island Cottages, and Good Shepherd Services-Barbara Blum location.

We requested and received from ACS a listing of youth generated by OCFS that were part of the CTH program from July 2013 through July 2015. To determine the accuracy and completeness of the list, we compared the included youth with the tracking schedule used by the ACS Intake and Assessment Unit, and requested from ACS explanations and supporting documentation for any discrepancies.

We requested a download of all incident data recorded in GOALS for the period of September 2012 through July 2015. We also requested copies of the Monthly Incident Reports from September 2012 through June 30, 2015, which summarize key incidents, such as AWOL incidents, assaults and altercations. In addition, we met with the Director and Deputy Director of DPPM to get a better understanding of the GOALS data we received, including how the data relates to the Monthly Incident Reports and clarification on how the data is extracted from GOALS and compiled in the reports.

We were unable to test the completeness and accuracy of the GOALS data because the incidents are recorded directly into the system based on calls received from the ACS-contracted vendors. The incidents are tracked using non-sequential incident numbers that are automatically assigned by GOALS using the date and military time the incidents are recorded, in the format YYYYMMDDHHMMSS (year, month, day, hour, minute, second). To provide reasonable assurance that the Monthly Incident Reports included all recorded incidents provided to us, we performed limited testing on the GOALS data. We extracted and determined the total number of youth that went AWOL for more than 24 hours for all CTH NSP providers for the judgmentally selected months of May 2014 and May 2015, and compared that total with the corresponding Monthly Incident Reports.

Using the Monthly Incident Reports, we performed a trend analysis of the total number of youth that went AWOL for more than 24 hours for each month of Fiscal Year 2014 and 2015. We also extracted and identified all recorded incidents for our sampled youth to be used during our review of CNNX notes to determine whether the incidents were discussed with the youth by the ACS PPS and CTH NSP providers.

To determine whether ACS is adequately monitoring and assessing the services provided to the youth, we reviewed the CNNX case notes for nine sampled youth through December 2015, when applicable. We judgmentally selected one youth case file from Fiscal Year 2014, which was used for CNNX demonstration purposes, and randomly selected an additional eight youth case files—four from the 334 youth placed with ACS in Fiscal Year 2014 and four from the 226 youth placed with ACS in Fiscal Year 2015. As part of our review, we determined whether the ACS PPS:

- performed the initial contact with each youth within the first week of their placement,
- had a face-to-face introductory meeting with each youth within the first two weeks of their placement,
- had monthly face-to-face contacts with the youth throughout the placement period,
- assessed and independently verified that the required services were provided to the youth by the CTH NSP providers, and

- discussed incidents that occurred while in placement with each youth and their involvement, as well as verified that the vendor debriefed and discussed the youth's involvement in these incidents.

In addition, we reviewed the CNNX case notes to determine whether the ACS PPS Directors performed the required monthly Supervisory/Managerial review of case status ensuring that the PPS are adequately overseeing their youths' cases.

APPENDIX

List of CTH NSP Providers as of July 1, 2014

	Non-Secure Placement Residence	Address	Borough	Date Facility Opened	Program Capacity
1	Boys Town - St. John's*	240 St. Johns Place, Brooklyn, NY 11217	Brooklyn	9/1/2012	6
2	Boys Town - 6th Ave*	289 6th Avenue, Brooklyn, NY 11215	Brooklyn	9/1/2012	6
3	Boys Town - Astoria 1*	32-16 36th St,1st Floor, Long Island City, NY 11106	Queens	6/7/2013	6
4	Boys Town - Astoria 2*	32-16 36th St, 2nd Floor, Long Island City, NY 11106	Queens	6/7/2013	6
5	Boys Town – Bensonhurst 1*	1244 65th Street, Brooklyn, NY 11219	Brooklyn	11/13/2013	6
6	Boys Town – Bensonhurst 2*	1244 65th Street, Brooklyn, NY 11219	Brooklyn	11/13/2013	6
7	Children's Village - Bradish Cottage	One Echo Hills, Dobbs Ferry, NY 10522	Dobbs Ferry	9/1/2012	9
8	Children's Village – Bayside	211-33 45th Drive, Bayside, NY 11361	Queens	12/10/2012	7
9	Children's Village - Collins Cottage	One Echo Hills, Dobbs Ferry, NY 10522	Dobbs Ferry	9/1/2012	9
10	Children's Village - Kendall Cottage	One Echo Hills, Dobbs Ferry, NY 10523	Dobbs Ferry	9/1/2012	9
11	Children's Village - Smith Cottage	One Echo Hills, Dobbs Ferry, NY 10522	Dobbs Ferry	9/1/2012	9
12	Children's Village - Louis Building	One Echo Hills, Dobbs Ferry, NY 10522	Dobbs Ferry	12/1/2012	8
13	Children's Village - Van Horn Cottage	One Echo Hills, Dobbs Ferry, NY 10522	Dobbs Ferry	9/1/2012	6
14	Episcopal Social Services - 162nd St.	301 E. 162nd Street, Bronx, NY 10451	Bronx	8/1/2012	12
15	Episcopal Social Services - Marolla Pl.	3675 Marolla Place, Bronx NY 10466	Bronx	8/1/2012	12
16	Episcopal Social Services - White Plains Rd.	3615 White Plains Road, Bronx NY 10467	Bronx	12/13/2012	12
17	Good Shepherd Services - Barbara Blum	262 Ninth Street, Brooklyn, NY 11215	Brooklyn	10/25/2012	12
18	Good Shepherd Services - Shirley Chisholm/NJ	479 New Jersey Ave, Brooklyn, NY 11208	Brooklyn	9/1/2012	12
19	JCCA- Westchester Campus	1075 Broadway, Pleasantville, NY 10570	Pleasantville	9/1/2012	6
20	Leake and Watts – Manida	636 Manida Street, Bronx, NY 10474	Bronx	10/1/2012	12

	Non-Secure Placement Residence	Address	Borough	Date Facility Opened	Program Capacity
21	Martin De Porres – Ozone Park	101-30 92 Street, Ozone Park, NY 11416	Queens	9/1/2012	6
22	Martin De Porres - Queens Village	89-28 207 Street, Queens Village, NY 11427	Queens	8/1/2013	6
23	Martin De Porres – Elmhurst	41-56 Judge Street, Elmhurst, NY 11373	Queens	9/1/2012	6
24	SCO Family of Services - Sunset Park	339 49th Street, Brooklyn, NY 11220	Brooklyn	9/19/2012	6
25	SCO Family of Services - Shepherd Ave*	280 Shepherd Avenue, Brooklyn, NY 11208	Brooklyn	9/1/2012	6
26	SCO Family of Services - 189th St.	90-39 189th Street, Hollis, NY 11423	Queens	9/1/2012	6
27	SCO Family of Services - B. 38th St.	336 Beach 38th Street, Far Rockaway, NY 11691	Queens	9/25/2012	6
28	SCO Family of Services - 128th St.	133-25 128th Street, South Ozone Park, NY 11420	Queens	9/1/2012	6
29	SCO Family of Services - DD E. 229th St. 1	1851 Needham Avenue, Bronx, NY 10466	Bronx	9/1/2012	6
30	SCO Family of Services - DD E. 229th St. 2	1851 Needham Avenue, Bronx, NY 10466	Bronx	9/1/2012	6
31	St. John's Residence for Boys Campus	150 Beach 110th Street, Rockaway Park, NY 11694	Queens	9/1/2012	12
32	St. John's Residence for Boys Bayside	34-30 214th Place, Bayside, NY 11361	Queens	6/15/2014	12

*These facilities have been closed; they no longer offer services for the CTH NSP program.



May 20, 2016

Office of the Comptroller
1 Centre Street
New York, NY, 10007
Attn: Marjorie Landa, Deputy Comptroller for Audit

Gladys Carrión, Esq.
Commissioner

150 William Street
18th Floor
New York, NY 10038

212-341-0900 tel.
212-341-0916 fax.

Dear Ms. Landa:

Thank you for the opportunity to review and comment on the Office of the Comptroller's Audit Report on the Oversight of the Close to Home Program Non-Secure Placement by the New York City Administration for Children's Services (ACS). ACS has carefully considered the audit findings and recommendations and has outlined our responses below.

During the last decade, New York City has worked with New York State to reform the juvenile justice system, which has resulted in improved public safety and better outcomes for youth and families. Between 2008 and 2015, arrests of juveniles in New York City have fallen 53% (from 5,245 to 2,892), admissions to detention decreased 50% (from 5,489 to 2,727) and the number of youth in placement fell 75% (from 1,048 to 260).

As a result of the many New York City juvenile justice reform efforts, Governor Cuomo signed the landmark Close to Home legislation in 2012. Under Close to Home, young people adjudicated as juvenile delinquents in New York City Family Court who are determined by a Family Court judge to be in need of residential rehabilitation are placed in ACS's custody. (Youth who commit the most serious offenses continue to be placed in secure placement facilities which are operated by the State Office of Children and Youth Services (OCFS) outside of NYC).

Prior to Close to Home, young people adjudicated as juvenile delinquents were typically placed in facilities hundreds of miles away, presenting geographic barriers to family visitation and staying connected to their home communities. Although many received academic credits through local upstate school districts, transferring credits to local NYC schools proved challenging. Close to Home enables ACS to match youth to small, resource-rich residential programs located in or near the five boroughs, affording young people the opportunity to accumulate academic credits towards a high school diploma or promotion into or from middle school. Close to Home also provides youth and their families with access to community-based resources that support safe re-integration upon release.

Despite encountering challenges in developing the Close to Home program, ACS is doing what no other jurisdiction has done before: creating a juvenile placement system from scratch and ensuring that it provides youth and families support in their neighborhoods as well as resources to turn their lives around and become productive citizens.

We appreciate the Office of the Comptroller's insight, and will use the recommendations as a roadmap to further improve safety, oversight and

monitoring, evaluation, and outcomes for youth entrusted to our care. Due to the time period for this audit, which reviewed CTH operations only until June 30, 2015, we believe the findings and recommendations do not account for significant improvements in relation to our oversight and monitoring of the CTH NSP program. We share many of the concerns you have raised and have already implemented a number of key reforms, which are outlined below.

ACS' RESPONSE TO THE OFFICE OF THE COMPTROLLER'S RECOMMENDATIONS

1. ACS should ensure that the ACS PPS periodically independently verify that required services are being provided to their assigned youth.

The Close to Home Placement and Permanency Specialists (PPS) are responsible for youth case management and oversight. PPS are required to have monthly face-to-face contacts with youth. While a youth is in residential placement, the PPS coordinates a series of Permanency Planning/Support Meetings at critical milestones during the placement with the youth, their family/release resource, service providers and any other necessary stakeholders. The PPS coordinates and attends at least three such meetings while the youth is in residential care and at least two such meetings while on aftercare. If the PPS feels that the youth needs additional planning and support, the PPS can convene additional meetings. The PPS documents all information gathered from these meetings in CONNECTIONS (CNNX), New York State's system of case management record.

PPS must also review all residential provider notes in CNNX to ensure that services have been delivered as reported. Placement and Permanency Directors (PPD) review the notes of the PPS to ensure that they are complete. The PPD writes a managerial note documenting their review of the PPS notes.

In response to the recommendation regarding verification of services, ACS will begin tracking managerial reviews to ensure the PPD's timely completion of oversight this summer. We are also finalizing a business process which details PPS functions and responsibilities which will also be complete this summer.

To enhance oversight and independent verification, ACS will assess whether the provider services are being delivered as required by the ACS contracts. Beginning in the fall of 2016, an ACS workgroup of senior staff will meet monthly to review the Close to Home providers' compliance and timeliness with their contractual responsibilities. Each meeting will identify and address any areas in need of improvement.

2. ACS should develop a mechanism whereby supervisors can more readily track the performance of ACS PPS staff to ensure that the staff: (1) conduct the required monthly youth contact/visits to assess the services being provided; and (2) discuss incidents.

All Placement and Permanency Directors are required to review incidents, PPS entries, and case practice during biweekly meetings with PPS staff.

In order to more effectively address incidents in CTH, in December 2015 ACS hired a Director of Incident Review who leads a daily meeting to review each CTH incident and assigns required follow-up. Those responsible update the Director of Incident Review regarding all steps taken to ensure that the matter is closed out. At the beginning of each daily review, all unresolved issues are discussed and remain on the agenda until resolution.

To further strengthen incident oversight, since June 1, 2015, PPS have had access to the daily report that outlines all Close to Home incidents occurring in a 24-hour period. All PPS are required to read this daily report and follow-up on any all incidents that impact the safety and well-being of a youth assigned to them. All follow-up on incidents completed by the PPS are documented in CNNX.

3. ACS should ensure that all monitoring, verification, and assessment of the youth and the services they receive are recorded in CNNX.

Please see the responses to #1 and #2 above.

4. ACS should develop a tool to ensure that ACS PPS Directors conduct the monthly reviews of the PPS monitoring activities and record the results of these reviews in CNNX as required.

As mentioned in #1 and #2, ACS is will begin tracking these managerial reviews to ensure that the Placement and Permanency Directors timely complete their oversight.

5. ACS should immediately develop detailed written policies and procedures governing the staff's responsibilities-including but not limited to monitoring and evaluating vendor performance-in relation to the agency's oversight of the CTH program and disseminate those policies and procedures to relevant personnel.

The DYFJ Office of Planning, Policy, and Performance (OPPP) oversees program development, monitoring, quality assurance, the corrective action process, and targeted technical assistance for DYFJ's juvenile justice programs, including Close to Home. On May 6, 2016, DYFJ issued the "OPPP Close to Home Oversight, Monitoring, and Technical Assistance Protocol," an extensive document that describes all monitoring activities in detail. The protocol highlights recent enhancements to monitoring, with a focus on three specific areas: data review and trend analysis, routine monitoring activities and a standardized process for step-up to formal monitoring status.

6. ACS should ensure that accurate responses are included in its Directive #1 Financial Integrity Statement.

Directive #1 Financial Integrity Statement's Checklist will be revised to reflect partial compliance. The Financial Integrity Statement will be updated and submitted in spring 2016.

7. ACS should develop a tool whereby supervisors can more readily track monitoring visits to ensure that the monitors perform the required number of monitoring visits each year, including unannounced visits.

The DYFJ Office of Planning, Policy, and Performance implemented a "NSP/LSP Program Site Inspection Tracking Calendar" in order to better track the monitoring visits. At the beginning of each calendar year, the OPPP monitor and the Director of Quality Assurance schedule all site inspections, with a minimum of one unannounced overnight site inspection and one announced programmatic review site inspection every quarter.

8. ACS should set a standard policy for the number and type of NSP site visits required annually, including unannounced visits, night visits and visits to sites on heightened monitoring.

For providers who are not on an elevated status, OPPP conducts at least two site visits a quarter. During these visits the monitors use the "Close to Home Residential Inspection Tool." The "Close to

Home Residential Inspection Tool” and “Close to Home Residential Log Book Review Tool” lead the monitor through a thorough inspection of each site and provide documentation of the findings of each visit. The instruments cover a range of topics from fire safety to security to youth well-being in the facility.

For any residential provider on either Heightened Monitoring or Corrective Action status, OPPP staff visit at least once a month. Each OPPP monitor maintains electronic records of their visits, which OPPP management review. OPPP develops a project plan for any agency that is on HMS/CAS status and every week reviews and updates the plan with the provider. In addition to the scheduled visits and calls, OPPP holds a call with the providers on HMS status every two weeks and weekly for providers on CAS to review the progress and remediation tasks.

9. ACS should ensure that the site visits include a more comprehensive review that assesses providers' operations and that follow-up is conducted for any deficiencies identified.

During all Programmatic Review Site Inspections, the OPPP monitor completes the “Close to Home Residential Inspection Tool.” This tool has been standardized for use in all Close to Home facilities (i.e. Non-Secure and the new Limited-Secure Placement) based on DYFJ Close to Home Quality Assurance Standards and relevant ACS policies. The newly issued “OPPP CTH Oversight, Monitoring, and Technical Assistance Protocol” formalizes the administration and use of the tool.

10. ACS should ensure that it formally documents the procedures for monitoring CTH NSP programs on Heightened Monitoring Status and Corrective Action Status.

The “OPPP CTH Oversight, Monitoring, and Technical Assistance Protocol” fully details the formal monitoring processes. Formal monitoring status involves an increased level of support, targeted technical assistance in a series of practice domains, and increased contact with the Close to Home provider through meetings and monthly site inspections.

OPPP uses two levels formal monitoring status levels: **Heightened Monitoring Status (HMS)** and **Corrective Action Status (CAS)**. If routine oversight activities and informal technical assistance are unsuccessful, and OPPP has identified persistent negative trends with no indication of positive progress, a Close to Home provider or individual program will be considered for HMS. Elevation from HMS to CAS indicates a Close to Home provider or program has failed to implement adequate measures for program stability.

Elevation to a formal monitoring status may occur under the following circumstances:

- Routine oversight activities reveal persistent negative trends over a **three (3) month** period with no indication of positive progress
- An egregious and/or negligent event or incident that seriously jeopardizes youth, staff, or public safety, or uncovers organizational failure to act

In the event a Close to Home provider or individual program meets these criteria, the OPPP monitor, under supervision of the Director of Quality Assurance and Executive Leadership, will prepare a report highlighting persistent negative data trends and/or any relevant egregious/negligent events or incidents and submit recommendation for elevated status to Executive Leadership. In addition, the OPPP monitor, Director of Quality Assurance and/or Executive Leadership will schedule an internal meeting to discuss the report and gather information related to all practice domains of concern, attended by representatives of DYFJ OPPP, DYFJ Field Operations, and DYFJ Close to Home/PPS.

11. ACS should ensure that the corrective actions of CTH NSP providers on Heightened Monitoring Status and Corrective Action Status are adequately tracked to ensure timely compliance.

Please see the responses to #8 and #10 above.

12. ACS should ensure that the adequacy of the deliverables produced by the providers is determined by the Juvenile Justice Monitors and reviewed by the QA Executive Director to help ensure review quality and consistency.

DYFJ and other leaders from across ACS are strengthening the existing QAS. In order to create more measurable standards for the providers to follow, ACS will issue a new set of standards by fall 2016.

In addition, DYFJ added two additional senior level positions to ensure that providers are meeting their deliverables. As noted, ACS is hiring an Assistant Commissioner of Quality Assurance as well as an Executive Director. The Assistant Commissioner role was added to enhance our internal expertise regarding monitoring practice and the Executive Director will focus on contract management to ensure providers for the entire division are in compliance with standards. ACS expects these new staff to be on board by summer 2016.

13. ACS should establish a means of formally assessing and evaluating CTH NSP provider performance and contract compliance.

DYFJ is enhancing its mechanism for VENDEX evaluation, currently developing a methodology and protocol for FY16 Vendex Contractor Performance Evaluation. This enhanced methodology will quantify all available reporting mechanisms, including but not limited to information drawn from routine monitoring activities, CNNX reports and desk audits, and incident data. The VENDEX methodology will also take into account placement on Corrective Action Status for an extended period of time and intake closure (where applicable). Formal methodology will be drafted to capture these expectations by fall 2016 and methodology for FY17 and beyond will formally integrate data drawn from PbS. PbS is Performance-based Standards ("PbS"), an established program that works with nearly 200 programs in over 30 states to measure outcomes in juvenile justice residential settings. ACS will be requiring all residential CTH providers to implement PbS starting in the summer of 2016.

14. ACS should maintain adequate documentation to support its annual VENDEX Contractor Performance Evaluations of CTH NSP providers.

Please see the response to #13.

Thank you for the opportunity to respond to the draft report. We appreciate the Comptroller's support in our work for the children and families of New York City.

Sincerely,



Commissioner Gladys Carrión