

# City of New York

---

## OFFICE OF THE COMPTROLLER

Scott M. Stringer  
COMPTROLLER



## MANAGEMENT AUDIT

**Marjorie Landa**

Deputy Comptroller for Audit

Audit Report on the New York City  
Housing Authority's Repairs of Day  
Care Centers Located in NYCHA  
Buildings

MG20-056A

**August 13, 2021**

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
SCOTT M. STRINGER

August 13, 2021

To the Residents of the City of New York:

My office has audited the New York City Housing Authority (NYCHA) to determine whether NYCHA management has adequate controls over the handling of repairs performed at childcare centers located in NYCHA buildings. We perform audits such as these to help ensure that City services are provided in safe and appropriate environments.

The audit found that NYCHA management does not have adequate controls over repairs performed at the childcare centers in its buildings. Among other things, NYCHA (1) does not ensure that it documents the responsibilities of each party for making repairs; (2) does not have uniform procedures in place to ensure that the childcare centers are notified that NYCHA will not be performing repairs because it has determined that they are not its responsibility; and (3) is not able to readily track the status and resolution of repairs that require the creation of multiple work orders.

To address the issues raised by this audit, we make eight recommendations, including that NYCHA should: (1) enter into written leases that clearly set forth repair responsibilities with all of the childcare centers that operate out of NYCHA buildings; (2) establish a formal procedure for informing childcare center officials when repair requests fall outside of NYCHA's responsibility; (3) document its communications with the childcare centers when NYCHA closes out such repair requests; (4) develop a formal process to independently verify that work orders were closed out properly and that work was completed as reported; and (5) create a mechanism for it to efficiently track repair requests placed by childcare centers from receipt to final disposition.

The results of the audit have been discussed with NYCHA officials throughout the audit, and their comments have been considered in preparing this report.

If you have any questions concerning this report, please e-mail my Audit Bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,

Scott M. Stringer

# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
Audit Findings and Conclusion .....	1
Audit Recommendations.....	2
Agency Response .....	2
<b>AUDIT REPORT .....</b>	<b>3</b>
Background .....	3
Objective.....	3
Scope and Methodology Statement.....	3
Discussion of Audit Results with NYCHA .....	4
<b>FINDINGS AND RECOMMENDATIONS.....</b>	<b>5</b>
Inadequate Usage of Agreements Regarding Responsibility for Conducting Repairs .....	5
Recommendations .....	6
NYCHA Lacks Process to Formally Notify Centers When Repair Requests Fall Outside NYCHA’s Responsibility .....	7
Recommendations .....	8
Work Orders Inappropriately Closed Out before Being Certified as Completed .....	8
Recommendations .....	9
NYCHA Cannot Effectively Track Resolution of Repairs Requiring Multiple Work Orders.....	11
Recommendation .....	12
<b>DETAILED SCOPE AND METHODOLOGY .....</b>	<b>13</b>
<b>ADDENDUM .....</b>	<b>16</b>

# THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER MANAGEMENT AUDIT

## Audit Report on the New York City Housing Authority's Repairs of Day Care Centers Located in NYCHA Buildings

**MG20-056A**

---

### EXECUTIVE SUMMARY

The New York City (City) Housing Authority's (NYCHA's) mission is to provide safe, affordable housing and facilitating access to social and community services in an effort to increase opportunities for low- and moderate-income New Yorkers. NYCHA residents have access within its developments to a network of over 400 community centers, senior centers, health care centers, and day/childcare centers. This audit focused on the day care and childcare centers (childcare centers or centers) located in NYCHA buildings.

Each childcare center is operated by a not-for-profit corporation which is responsible for overseeing the operations of the centers. In turn, childcare centers have contracts with city agencies that serve as their primary funding source. Prior to July 1, 2019, the Administration for Children's Services (ACS) was the primary funding source for the majority of the childcare centers. As of July 1, 2019, that role was assumed by the Department of Education (DOE).

Pursuant to NYCHA policy, it enters into leases with the not-for-profit corporations that sponsor the individual childcare centers for the centers' use of NYCHA's space. The leases should define the rights and responsibilities of each party, including who is responsible for making repairs. In connection with the repairs that NYCHA is responsible for making, the childcare centers are required to submit repair requests to NYCHA's customer contact center, where NYCHA staff document all requests received in Maximo, NYCHA's asset management computer system.

According to documentation obtained from NYCHA, 104 childcare centers were located within NYCHA facilities as of September 2019. As of November 2020, NYCHA remains responsible for the overall repair of the buildings housing 90 of these childcare centers.

### Audit Findings and Conclusion

The audit found that NYCHA management does not have adequate controls over repairs performed at the childcare centers in its buildings. Among other things, NYCHA: 1) does not ensure that it documents the responsibilities of each party for making repairs; 2) does not have a

uniform procedure in place to notify the childcare centers of repair requests made to it that it determines are not the responsibility of the agency; and 3) is not able to readily track the status and resolution of repairs that require the creation of multiple work orders.

Overall, the combination of NYCHA's failure to consistently clarify the parties' respective responsibilities for making repairs, and of NYCHA's lack of a formal process for notifying the operators when it is not making a requested repair because it deems the repair to be a center's responsibility, increases the likelihood that repairs will not be made or will not be made timely. Accordingly, the weaknesses identified by this audit, if not corrected, increase the risk that the children being cared for in childcare centers located in NYCHA buildings will not be provided with a safe and healthy environment.

## **Audit Recommendations**

To address the issues raised by this audit, we make eight recommendations, including the following:

- NYCHA should enter into written leases with all of the childcare centers that operate out of NYCHA buildings and clearly set forth the responsibilities of each party, including responsibilities for repairs.
- NYCHA should establish a formal procedure for promptly informing childcare center officials of a determination that a repair request falls outside of NYCHA's responsibility.
- NYCHA should document its communications with the childcare centers that a repair request was closed by NYCHA without a repair being made because the repair is the responsibility of the childcare center and not NYCHA.
- NYCHA should develop a formal process to independently verify that work orders were closed out properly and that work was completed as reported.
- NYCHA should create a mechanism for it to efficiently track repair requests placed by childcare centers from the receipt of a repair request to its final disposition so that the agency can efficiently and effectively determine the number of complaints open at any one time and the total time it takes to resolve such complaints.

## **Agency Response**

In its response, NYCHA generally agreed with the audit's eight recommendations.

# AUDIT REPORT

## Background

NYCHA, the largest public housing authority in North America, was created in 1935 to provide decent, affordable housing for low- and moderate-income New Yorkers. NYCHA's mission is to provide safe, affordable housing and facilitating access to social and community services in an effort to increase opportunities for low- and moderate-income New Yorkers. NYCHA currently has approximately 300 housing developments with more than 150,000 apartments in the five boroughs and is home to one in fifteen New Yorkers. Its residents have access within the developments to a network of over 400 community centers, senior centers, health care centers, and day care and childcare centers. This audit focused on the day care and childcare centers located in NYCHA buildings.

Each childcare center is operated by a not-for-profit corporation which is responsible for overseeing the operations of the centers. In turn, childcare centers have contracts with City agencies that serve as their primary funding sources. Each center's funding is based on the type of program it runs (e.g., Head Start, Early Learn, UPK and 3-K) and the center's ability to meet eligibility requirements. Prior to July 1, 2019, ACS was the primary funding source for the majority of the centers.<sup>1</sup> As of July 1, 2019, ACS's role was assumed by DOE; however, as of the date of this audit, some centers have not been completely transitioned to DOE.

NYCHA's policy is to enter into leases with the center's sponsoring not-for-profit corporation for the use of space located in NYCHA facilities for the operation of licensed childcare centers. The leases should define the rights and responsibilities of each party, including regarding repairs. In connection with repairs that NYCHA is responsible for making, the childcare centers are required to submit repair requests to NYCHA's customer contact center, where staff document requests received into Maximo, NYCHA's asset management computer system.

According to documentation obtained from NYCHA, 104 centers were located within NYCHA facilities as of September 2019. Subsequently, seven centers have closed, and the buildings housing another seven centers have been transferred to the Rental Assistance Demonstration (RAD) program, which means that NYCHA is no longer responsible for the repair of those buildings.<sup>2</sup> Consequently, as of November 2020, NYCHA was responsible for the overall repair of buildings housing 90 centers.

## Objective

To determine whether NYCHA management has adequate controls over the handling of repairs performed at childcare centers located in NYCHA buildings.

## Scope and Methodology Statement

The audit scope is July 1, 2017 through March 30, 2020.

---

<sup>1</sup> DOE, the New York City Department for the Aging, the Human Resources Administration, and the Department of Youth and Community Development were the primary sources for a few of the centers.

<sup>2</sup> The RAD program, which was enacted by Congress in 2012 and is administered by the Department of Housing and Urban Development enables Public Housing Authorities to protect the long-term affordability of public housing units that are in need of rehabilitation and financial support.

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.

## **Discussion of Audit Results with NYCHA**

The matters covered in this report were discussed with NYCHA officials during and at the conclusion of this audit. A preliminary draft report was sent to NYCHA and discussed at an exit conference held on June 4, 2021. On June 8, we submitted a draft report to NYCHA with a request for written comments. We received a written response from NYCHA on June 22, 2021.

In its response, NYCHA generally agreed with the audit's eight recommendations. The full text of NYCHA's response is included as an addendum to this report.

## FINDINGS AND RECOMMENDATIONS

The audit found that NYCHA management does not have adequate controls over repairs performed at the childcare centers in its buildings. Specifically, NYCHA does not ensure that it documents the responsibilities of each party for making repairs. In addition, based on a review of a sample of work orders, we found that NYCHA does not have a uniform procedure in place to notify the childcare centers of repair requests that it did not address because they are not the responsibility of the agency. Further, based on our review of a different sample, we found that: work orders that NYCHA did respond to were closed out before being signed off by both NYCHA staff and childcare center officials to confirm that the work was satisfactorily completed, and that NYCHA is not able to readily track the status and resolution of repairs that require the creation of multiple work orders.

Overall, NYCHA's failure to consistently clarify what repairs the childcare centers are themselves responsible for in combination with its not having a formal process for notifying the childcare center operators when it deems a specific request to be a center's responsibility, increases the likelihood that repairs will not be made or will not be made timely. Accordingly, the weaknesses identified by this audit, if not corrected, increase the risk that the children being cared for in childcare centers located in NYCHA buildings will not be provided with a safe and healthy environment.

The details of our findings are discussed in the following sections of this report.

### Inadequate Usage of Agreements Regarding Responsibility for Conducting Repairs

NYCHA does not consistently document its repair responsibilities and those that are the responsibility of the childcare centers under their lease agreements.

In September 2019, we requested copies of the leases for all of the 104 centers located in NYCHA buildings at that time. Of the 104 centers, 24 (23 percent) had no record of ever having a written occupancy agreement. Of the remaining 80 centers, only 53 had current agreements and 27 had leases that had expired.<sup>3</sup>

Regarding the agency's repairs responsibilities, NYCHA initially stated that it had a landlord-tenant relationship with the centers and that repairs depended on the terms of the lease and were "lease specific." However, as indicated above, only half the centers had current leases with NYCHA and there was no record of 24 centers ever having had a lease at all.

When questioned further, NYCHA officials stated that "[w]here no unexpired agreement is in place, NYCHA refers to current law to confirm such responsibility." However, when asked for further clarification on how NYCHA determines the respective obligations of NYCHA and the childcare centers, NYCHA officials provided differing explanations. On more than one occasion, NYCHA officials stated that repair efforts for centers were primarily based on past practices and mutual understanding rather than on a strict reading of individual lease obligations. In addition, NYCHA officials stated that "NYCHA's position is that generally, and with rare exceptions,

---

<sup>3</sup> As of November 2020, NYCHA was responsible for the overall repairs of buildings housing 90 centers (7 of the 104 centers had closed and another 7 had been transferred to RAD). As of May 5, 2021, 20 (22 percent) of the centers had no leases. Of the remaining 70 centers, 39 had current leases, and 31 had leases that expired.



NYCHA’s responsibilities are limited to structural repairs.” NYCHA also responded that “our position to date has been that, going forward, NYCHA accepts responsibility for structural items only. [Emphasis in original.]”

We conducted observations at six childcare centers—four of which had current leases, two of which had expired leases—and identified 17 types of conditions that existed across the six centers, including damaged ceilings; leaky faucets; and peeling paint.<sup>4</sup> We observed peeling paint at five of the six childcare centers we visited. However, based on the terms of the leases, we determined that NYCHA was responsible for correcting the conditions at only one of the five centers; the centers were responsible in two instances; and we could not determine who was responsible for fixing the problems at the remaining two centers. Based on our interviews with officials from the six childcare centers, it appears that the center directors were also confused as to who was responsible for repairs. One center director was not even aware that the center had a lease when in fact it did. Our interviews also revealed that the determination by NYCHA for which party was responsible for which repair varied between the centers, depending on the superintendent at the NYCHA development.

NYCHA officials stated that the City agencies that sponsor the centers have little incentive to ensure that there are leases and clear lines of responsibility and so efforts to ensure that leases were in effect for all the centers have been stymied. In support of its claims, NYCHA provided us with a copy of a May 2018 email that referred to joint discussions planned with ACS and the Mayor’s Office of Operations “to discuss a capital repair/leasing strategy to make the spaces [occupied by ACS-funded childcare centers] compliant.” These discussions were intended to result “in leases for all ACS funded sites.” Nevertheless, a little over a year after that, only 53 of the 104 childcare centers that were in operation at the time had up-to-date lease agreements.

Because of the absence of written leases with some childcare centers, NYCHA’s stated practice of performing repairs based on prior conduct rather than what is expressly stated in a lease is problematic. Where a childcare center does not know that NYCHA officials believe it to be responsible for repairs, it likely will not make those repairs and waste time repeatedly contacting NYCHA for repairs that may not be NYCHA’s responsibility. NYCHA may also be expending a portion of its limited resources to complete repairs that are the responsibility of the centers, reducing the agency’s ability to perform needed repairs that do fall under NYCHA’s responsibility.

## Recommendations

1. NYCHA should continue enlisting the efforts of the Mayor’s Office of Operations to ensure that it obtains written leases with all childcare centers that operate out of NYCHA buildings and clearly set forth the responsibilities of each party, including responsibilities for repairs.

**NYCHA Response:** NYCHA agreed with the recommendation, stating that it “agrees that there should be current written leases with all providers, including childcare centers, that operate out of NYCHA community spaces.

[N]YCHA is currently engaging with 29 providers to renew expired leases and to enter into 20 new leases for sites that did not have leases prior to COVID. . . . NYCHA continues to work with the City, to ensure that these funds are in place so

---

<sup>4</sup> Due to conditions and concerns regarding the COVID-19 virus in March 2020, the audit team was unable to perform inspections in additional daycare centers.

that providers are able to enter into leases for these sites, as well as for all childcare centers with City-funded providers.”

**Auditor Comment:** We are pleased that NYCHA has agreed to implement the recommendation and is working to ensure that it obtains written leases with all childcare centers that operate out of NYCHA buildings. In doing so, NYCHA should also ensure that its agreements clearly set forth the responsibilities of each party, including responsibilities for repairs.

2. NYCHA should ensure that its leases with childcare centers are current.

**NYCHA Response:** NYCHA agreed with the recommendation, stating that “NYCHA is currently engaging with 29 providers to renew expired leases and to enter into 20 new leases for sites that did not have leases prior to COVID. NYCHA has already contacted each of the 49 expired-or-no-lease tenants, making them aware that NYCHA will propose new lease terms.

In addition, as of June 18, 2021, NYCHA has issued terms sheets to all 49 tenants proposing new lease terms.”

3. NYCHA should ensure that its staff clearly understand their responsibilities under the terms of the leases with each of the childcare facilities that operate out of NYCHA buildings.

**NYCHA Response:** NYCHA agreed with the recommendation, stating that “NYCHA’s Property Management, in concert with Compliance Department will draft a development staff guidance regarding communication and disposition of daycare centers work orders (‘Development Staff Guidance’). The Development Staff Guidance will outline staff responsibilities under the terms of the leases (where available) with each childcare facility that operates out of NYCHA buildings. The planned implementation date is 4th Quarter of 2021.”

## **NYCHA Lacks Process to Formally Notify Centers When Repair Requests Fall Outside NYCHA’s Responsibility**

NYCHA does not have a procedure by which it formally notifies childcare centers of repair requests that it contends are not the agency’s responsibility. According to NYCHA’s policy, work orders created to address repair requests that involve work that is not the agency’s responsibility will be closed. NYCHA officials stated that if the scope of work needed and the party responsible is not clear from the wording of the initial request, the staff at the development may visit the site to determine who is responsible for the repair.

If it is determined that a childcare center is responsible for the work, NYCHA will close out the associated work orders in accordance with its procedures. However, according to NYCHA, its practice is to informally notify the childcare center officials, either by visiting the site or by a phone call, that the childcare center is responsible for performing the needed repair. NYCHA maintains no evidence of communication with childcare centers regarding the status of work orders that were closed without a repair being made.

Officials from three of the six childcare centers we visited informed us that they have had work orders closed without the centers having ever received any notification from NYCHA as to why they were closed. They stated that they only become aware of the closed work requests by calling NYCHA’s customer contact center to ascertain the status of the repair requests.

In instances where centers make requests and NYCHA claims that it is not its responsibility to make the repair, the lack of access to the status of the repair request may delay the centers from promptly taking necessary action. As a result, center staff can possibly be left waiting for the results of NYCHA's determination, and in the meantime, needed repairs can be delayed, potentially increasing the risk of harm to the center staff and the children they care for.

NYCHA officials stated that moving forward, NYCHA will instruct Property Management to improve their communications with childcare centers by implementing certain guidelines, including communicating directly with childcare center staff and providing updates on the progress of the work requested and instructing Property Management to record any communication with center staff on the work log of the Maximo work order.

## Recommendations

4. NYCHA should establish a formal procedure for promptly informing childcare center officials of a determination that a repair request falls outside of NYCHA's responsibility.

**NYCHA Response:** NYCHA agreed with the recommendation, stating that "NYCHA will issue the Development Staff Guidance, which will also include instructions for staff to notify the childcare center officials, when it is determined that a repair falls out of the scope of NYCHA's responsibility. The planned implementation date is 4th Quarter of 2021."

5. NYCHA should document its communications with the childcare centers that a repair request was closed by NYCHA without a repair being made because the repair is the responsibility of the childcare center and not NYCHA.

**NYCHA Response:** NYCHA agreed with the recommendation, stating that "NYCHA will include in the aforementioned Development Staff Guidance that staff shall document all communications with childcare facilities Management. Specifically, it will include guidance regarding work that has been closed out without a repair being made because the repair falls under the responsibility of the childcare center and is not the responsibility of NYCHA. The planned implementation date is 4th Quarter of 2021."

## Work Orders Inappropriately Closed Out before Being Certified as Completed

We found that sampled work orders were inappropriately closed out before being signed off by NYCHA staff and the center officials as required to signify that the work associated with those orders was completed satisfactorily.

According to NYCHA officials, upon completion of work, NYCHA staff are required to sign off on the work orders, indicating completion of repairs, and inspectors are required to sign off as evidence that the work has been reviewed. In addition, center staff are required to sign off as verification that the work was completed and that it was done so in a satisfactory manner.<sup>5</sup> However, we found instances of incomplete or missing work order documents.

---

<sup>5</sup> Within the work order, there is a signature line for the NYCHA staff member completing the work, as well as for the center staff member verifying completion of the work.

We randomly selected 36 work orders for which work start and finish dates were recorded in Maximo and reviewed the printed copies of the orders that were obtained from the developments. Of these, the work called for in the work orders was completed for 17 work orders.<sup>6</sup> Our review of the 17 work orders revealed that 16 (94 percent) of them were missing the sections of the work orders where NYCHA staff were required to sign, thus we were unable to determine whether those work orders were signed off by NYCHA staff upon completion, as required. In addition, 14 of the 17 (82 percent) work orders were not signed by officials at the centers and 2 of the 17 work orders lacked sufficient documentation for us to ascertain whether they were signed. Center signatures are required to confirm their satisfaction with the completion of the work.

Of the 17 work orders in question, NYCHA agreed that nine work orders lacked staff signatures—all nine were closed in Maximo. Of the remaining eight work orders, NYCHA provided evidence that they were initially closed on Handheld devices and eventually in Maximo. The eight work orders contained evidence of a signature, however the staff signed in the position designated for an inspector's signature. Our review of NYCHA records confirmed that each of the eight were the maintenance workers and carpenters who performed the repairs and were not inspectors. This is misleading since it gives the impression that the work was inspected when that was not the case.

Failure to ensure that work orders receive the required signoffs before they are closed hinders NYCHA's ability to independently verify that repairs were actually made, and to assess the centers' satisfaction with repairs performed.

## Recommendations

6. NYCHA should develop a formal process to independently verify that work orders were closed out properly, that work was completed as reported, and that the work has been reviewed. This includes ensuring that staff who perform the work sign off on the work orders in the designated locations.

**NYCHA Response:** NYCHA generally agreed with this recommendation but argued that it already has a formal process. NYCHA stated:

"NYCHA's Quality Assurance Department already has a formal process to independently verify that work orders were closed out properly, that work was completed as reported, and that the work has been reviewed. This process is in place for all repairs throughout NYCHA, but is completely random in selecting the completed repairs to be inspected. The random selection of work orders to be inspected was implemented to maintain complete objectivity and independence on the work orders reviewed.

NYCHA's Property Management Development Supervisors and Borough Skilled Trades Supervisors, also perform random quality assurance inspections of work performed by staff (Property Management Development and Skilled Trades) and

---

<sup>6</sup> The information for the remaining 19 work orders showed that five were partially completed (part of a series of work orders related to a complaint), four were unfounded (work was not required), three had work that was completed on arrival/previously corrected, three had no work conducted (no explanation provided), two were inspections, and two were closed due to no access to building/unit.

vendors. (It should be noted that the persons performing the quality assurance are not working under an inspector title; but rather their respective supervisory titles.)

Currently, Borough Skilled Trades Supervisors are able to sign off on the quality assurance inspection on the handheld device, upon completing the quality assurance inspection of the work completed by the Skilled Trades staff, which work order has also been signed-off and closed out on the handheld device.

However, Property Management Development Supervisors sign off on the paper version of the work order, upon completion of the quality assurance inspection for work completed by NYCHA Property Development staff (which work order has been signed-off and closed out on the handheld device) and vendors (which work order has been signed-off and closed out on a paper version of the work order).

Therefore, NYCHA's Property Management and Information Technology Departments will expand the capability for the Property Management Development Supervisor to sign-off on the handheld device, upon completion of the quality assurance inspection for work completed in the childcare centers by NYCHA Property Management Development staff and vendors. The planned implementation date is the 1st Quarter of 2022."

**Auditor Comment:** In its response, NYCHA did not address the portion of the recommendation that relates to ensuring that staff who perform the work sign off on the work orders in the designated locations. To ensure that work orders are certified as completed by the staff who performed the work, we urge NYCHA to implement this portion of the recommendation as well.

Regarding the formal process that NYCHA describes in its response, the agency does not indicate when it put that process into effect. However, we note that we did not find such a process in place during our audit scope period. As indicated in the report, our review of 17 sampled work orders revealed that nine of them lacked staff signatures and the remaining eight were closed on handheld devices, which had no designated areas for the staff who performed the work to signoff, thus the staff misleadingly signed off as inspectors, rather than as maintenance workers or carpenters. Nevertheless, we are pleased that NYCHA has agreed to implement a sign off process for supervisors to sign off on inspections via handheld devices.

7. NYCHA should ensure that sections of the work orders relating to the centers' satisfaction with repairs performed are completed, so that NYCHA can use the data to analyze the centers' responses regarding their satisfaction with the work performed and highlight specific areas that might require action.

**NYCHA Response:** NYCHA agreed with the recommendation and stated, "NYCHA had a pilot for developments in Queens and Staten Island that ensured work orders cannot be closed without staff signature or satisfaction survey being filled out on handheld devices, for work completed in apartments. NYCHA will implement an information technology change to expand this capability to childcare center work ensuring work orders for centers cannot be closed without childcare center staff signature or satisfaction survey being filled out. The planned implementation date for this information technology change is the 1st Quarter of 2022."

## **NYCHA Cannot Effectively Track Resolution of Repairs Requiring Multiple Work Orders**

For repairs at centers that require the creation of multiple work orders, NYCHA does not have the ability to readily track the status and resolution of those repairs. As part of its responsibility to keep its facilities in a good state of repair, NYCHA has an obligation to ensure that it responds to requests for repairs and complete needed repairs in a timely manner. In instances where there are multiple work orders involved, NYCHA does not have the ability to readily track the status and resolution of repairs initiated based on requests made by the centers.

Maximo only tracks the closure of individual work orders. However, the successful resolution of a repair may involve multiple work orders which all relate to the initial complaint identifying the need for a repair. Consequently, the closing of a single work order does not necessarily indicate that the complaint from a childcare center itself has been resolved. Rather, closing a work order is an administrative function that can have several different meanings. For instance, if the initial work order does not resolve the issue and additional resources are needed, NYCHA staff will close out that work order (referred to as a parent work order) and then open a new work order (referred to as a child work order) to address the issues for which additional resources are needed. In such a case, it could mean that a problem was diagnosed and referred to another unit to fix. Before the problem is ultimately fixed, however, multiple child work orders could be created. Alternatively, a work order could also be closed because a NYCHA staff person came to the childcare center in response to a work order and was unable to gain access to the center.

We reviewed the work order population that was extracted by NYCHA from Maximo and identified 8,182 work orders that NYCHA initiated from July 3, 2017 through March 20, 2020 at locations where childcare centers existed. From this population we extracted 6,673 work orders that were in “close” status and selected a sample of 100 work orders for further analysis. We identified 22 work orders that were closed out without any work being done because either no work was required or work could not be conducted for various reasons (e.g., incorrect address, unsafe condition, lack of access). These 22 work orders were related to 22 distinct repair requests (complaints).

Of the remaining 78 work orders, one was recorded in Maximo as partly completed and 77 were recorded as completed. These 77 work orders were related to corrective repair requests, which included: sink and toilet maintenance, leaks, heat, electricity, door repairs, plumbing, painting, plastering, and mildew. From the information recorded in Maximo, we were able to see that 15 (19 percent) of these work orders were either parent or child work orders, meaning that multiple work orders were needed to address the initial repair requests. Consequently, the closing of these work orders is not necessarily an indication that the repair requests relating to these orders were resolved.

Under the current limitations inherent in Maximo, NYCHA management cannot readily track the length of time it took to resolve repairs where multiple work orders were created to resolve a complaint. In order to track the time it took to make a repair or to determine how many repair work orders have been open at any one time, NYCHA staff must manually track individual complaints and look at the trail of associated work orders, which is labor intensive and difficult to do on a scale that would readily provide NYCHA with critical information.

NYCHA officials maintained that “as long as the repair work orders are not created as standalone/separate parent work order, the system has the provision to track the repairs done with multiple work orders.” However, NYCHA also agreed that there were times when this process had not been followed and the initial work order has been closed and a new unrelated work order has been created to address the repair. In those instances, NYCHA would not have an ability to track the multiple work orders that were associated with a project.

Being aware of how long it takes to resolve repair requests at the childcare centers and the amount of time it takes to completely resolve different types of repair issues would enable NYCHA management to make informed decisions with regard to conducting requested repairs, to better evaluate the effectiveness of procedures and personnel, and to identify where to deploy resources.

## Recommendation

8. NYCHA should create a mechanism for it to efficiently track repair requests placed by childcare centers from the receipt of a repair request to its final disposition so that the agency can efficiently and effectively determine the number of complaints open at any one time and the total time it takes to resolve such complaints.

**NYCHA Response:** NYCHA agreed with the recommendation and stated, “[A]s part of Work Order Reform initiative, NYCHA’s Information Technology Department is in the process of implementing Job Centric View, which includes the following:

1. Job Centric View will be available for all corrective maintenance work orders generated from MyNYCHA, Customer Contact Center (CCC), Maximo and Handheld/iWM (Informer Work Management).
2. In Job Centric View, NYCHA staff will be able to review all related (child) work orders within the repair (the job) in Maximo.
3. In Job Centric View, parent work order will have the Job Age measure representing the time taken to complete the parent work order and all subsequent repairs.

These changes are tentatively scheduled to go live in the 4th Quarter of 2021.”

## 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 enough, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. 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 scope of this audit covers the period from July 1, 2017 through March 30, 2020.

To gain an understanding of the childcare centers' repairs responsibilities, funding sources, governance, regulatory compliance, and lease requirements, we conducted interviews and walkthroughs with directors and relevant staff charged with the day-to-day operations at six centers.<sup>7</sup> We selected these six childcare centers by first sorting the population of 104 centers and categorizing them by centers with leases, centers without leases, and centers with expired leases. We then randomly selected four centers from the list of 53 centers with leases and one center from each of the other two categories.<sup>8</sup> We reviewed the lease agreements to determine who was responsible for repairs. Subsequently, we interviewed the executive directors from two of the six centers visited.<sup>9</sup>

To obtain an understanding of NYCHA's repair process and to assess the adequacy of its internal controls as they relate to our audit objective, we conducted interviews with NYCHA's Deputy Director of Operations and development property managers. We also reviewed NYCHA's policies and procedures, as well as information obtained from other city agency websites. Data reviewed includes:

- NYCHA's Standard Procedural Manual: Managing Maintenance Work Orders;
- NYCHA's agreements (leases), lease modifications, alteration agreements, and temporary revocable licenses with the centers;
- NYCHA's Maximo Navigation 101, Facilitator Guide;
- NYCHA's Standard Procedural Manual: Physical Improvement & Alterations by Sponsoring Agencies and Outside Entities to NYCHA Property- Leased and Non-Leased;
- NYCHA's Standard Procedural Manual: Users Responsibilities Policy;
- NYCHA's Standard Procedural Manual: Access Control Policy;
- NYC Housing Maintenance Code, Title 27 - Chapter 2, Article 14 - Lead Poisoning Prevention and Control, Section 27-2056.3 Owners' responsibility to remediate; and

---

<sup>7</sup> Brooklyn Kindergarten Society (BKS) Day Care Center; Brooklyn Williams Plaza, Labor Industry for Education Center; Manhattan Harlem River, Mary Walton Day Care Center; Manhattan King Towers, East Calvary Day Care center; Queens South Jamaica II, Afro American Parents Day Care Center; and Queens Baisley Park, Clifford Glover Day Care Center.

<sup>8</sup> NYCHA's records initially indicated that 24 centers had no leases, and that 27 centers had expired leases. We selected our centers to visit from that list. Subsequently, when we visited the centers, the director gave us a copy of a lease; however, it was expired.

<sup>9</sup> We selected the executive directors whose organizations sponsored more than one center and where we had questions that were still outstanding. Brooklyn Kindergarten Society (BKS) and Labor & Industry for Education (LIFE) sponsor more than one center.



Section 27-2056.5 Presumption;

- NYC Housing Preservation & Development – Housing Quality/Safety – Lead Based Paint; and
- NYC Department of Health and Mental Hygiene (DOHMH) –Lead Poisoning: Information for Building Owners.

To assess the accuracy and reliability of the data maintained in NYCHA's computer system, Maximo, we obtained a list of 15,874 work orders from NYCHA, from the period of July 2017 through March 20, 2020, consisting of data affiliated with various types of centers such as community, senior, day care, and childcare centers. To determine work orders specific to the 104 centers provided by NYCHA, we compared the centers' addresses to the work order population addresses and removed 6,308 non-affiliated addresses. Subsequently, we sorted the remaining population of 9,566 work orders by location string and removed all non-affiliated centers<sup>10</sup>, resulting in a total of 8,182 work orders. We reviewed the 8,182 work orders to determine whether all fields were populated.

To test the accuracy of NYCHA's assignment of resolution codes, we sorted the population of 8,182 work orders and selected all 809 work orders without actual start and finish dates. We randomly selected 25 of the 809 work orders to verify the accuracy of NYCHA's assignment of resolution codes to determine whether labor and material costs were assigned in instances where work was not required to be performed, and whether centers were notified of NYCHA's non-work performance requirement.

To determine whether repairs were reportedly completed by NYCHA for work orders listed in "close" status, and to assess the timeliness of repairs completion, we sorted the population of 8,182 work orders and removed all work orders in non-close status, resulting in a population of 6,673 work orders.<sup>11</sup> To test for the above, we randomly selected 25 work orders from each of the following three categories (for a total of 75 work orders):

- 2,207 work orders with actual start and finish dates on the same or following day;
- 3,290 work orders with actual start and finish dates of 2 to 10 days; and
- 1,176 work orders with actual start and finish dates of more than 10 days.

To determine whether repairs were reportedly completed on the same and/or next day for work orders in "close" status, we sorted the population of 8,182 work orders<sup>12</sup> and removed all work orders that were not processed on the same and/or the next day, resulting in a population of 6,520 work orders. From the population of 6,520, we randomly selected 25 work orders and tested whether work was reported as completed. We randomly selected an additional 36 work orders and tested whether work was reported as completed, whether work orders were reviewed, signed by NYCHA staff that reportedly completed the work, confirmed as completed by the centers, and the centers were satisfied with the repairs.

To determine whether NYCHA formally notified centers of repair requests that did not fall under the agency's scope, we requested from NYCHA evidence of its communication with center

---

<sup>10</sup> Non-affiliated centers include senior centers, community centers, and centers that were already closed, but whose data was still in Maximo.

<sup>11</sup> Includes the time from the dates the repairs were reported by the centers to NYCHA's completion of the repairs.

<sup>12</sup> This population was based on the date NYCHA started the repair and not the date from which the repair was called in by the centers. Thus, the time lapse from the call in date to the date that the work started was not considered.

officials and followed up with the six centers we visited to ascertain the degree of communication with NYCHA.

The results of the above tests, while not statistically projected to their respective populations, provided a reasonable basis for us to assess whether NYCHA management has adequate controls to ensure that the repairs at daycare centers in its buildings are completed to provide a safe and healthy environment for children.

June 22, 2021

**By Electronic Mail**

Ms. Marjorie Landa  
Deputy Comptroller for Audit  
NYC Office of the Comptroller  
One Centre Street, Room 1100  
New York, NY 10007

Dear Ms. Landa:

This letter is in response to your June 8<sup>th</sup> letter which provided the draft Audit Report on the New York City Housing Authority's Repairs of Day Care Centers Located in NYCHA Buildings -- # MG20-056A.

NYCHA is committed to providing safe, clean, and connected communities for everyone who lives in public housing. NYCHA understands that childcare centers are especially beneficial in low-income neighborhoods, where the centers are used as a pipeline for government support services. Finding a quality childcare center where children are supported, engaged, encouraged and exposed to a positive attitude can help set the groundwork for later intellectual strides. Investments in these programs help cultivate a future workforce, secure long-term economic competitiveness, and develop our nation's future leaders.

NYCHA's policy is to have written agreements with occupants for all of community spaces. NYCHA needs leases with occupants of its spaces like any other landlord, and formal written agreements for all community centers is part of NYCHA's Transformation Plan. Both NYCHA and providers in NYCHA community spaces benefit from written agreements that clearly delineate tenant and landlord responsibilities.

Regarding the childcare centers subject to this audit, of NYCHA's 91 childcare center sites, NYCHA is engaging with the 29 childcare providers with expired leases to renew those leases, and to enter in to 20 new leases with providers with no leases on record. As of June 18, 2021, NYCHA has issued terms sheets to all 49 tenants proposing new lease terms.

It is important, however, to recognize the challenges that confront NYCHA in these types of negotiations. Social service providers, whether they be childcare, afterschool programs, or senior centers, provide critical services for NYCHA residents—and this became even more obvious during the pandemic. Most of these providers are not-for-profits that are funded through City

contracts, which many times do not include funding for rent and site maintenance (comprising, but not limited to, necessary repairs). A provider's ability or willingness to enter into a lease with NYCHA, is dependent upon the availability of these funds. Without these funds, it is difficult for NYCHA to have willing partners to enter into leases for NYCHA's space. NYCHA continues to work with the City, to ensure that these funds are in place so that providers are able to enter into leases and assume the responsibilities and the cost associated with their occupancy, including maintenance, repairs and utilities for these sites, as well as for all childcare centers with City-funded providers.

We have included the NYCHA response on the following pages, which provides our responses to each recommendation.

**Audit Recommendation No. 1**

NYCHA should continue enlisting the efforts of the Mayor's Office of Operations to ensure that it obtains written leases with all childcare centers that operate out of NYCHA buildings and clearly set forth the responsibilities of each party, including responsibilities for repairs.

**NYCHA Response:**

NYCHA agrees that there should be current written leases with all providers, including childcare centers, that operate out of NYCHA community spaces. Importantly, 53 childcare providers subject to this audit had current leases at the time this audit began and before the onset of COVID.

As previously indicated, NYCHA is currently engaging with 29 providers to renew expired leases and to enter into 20 new leases for sites that did not have leases prior to COVID. It is important, however, to recognize the challenges that confront NYCHA in these types of negotiations. Social service providers, whether they be childcare, afterschool programs, or senior centers, provide critical services for NYCHA residents—and this became even more obvious during the pandemic. Most of these providers are not-for-profits that are funded through City contracts, which many times do not include funding for rent and site maintenance. A provider's ability or willingness to enter into a lease with NYCHA, is dependent upon the availability of these funds. Without these funds, it is difficult for NYCHA to have willing partners to enter into leases for NYCHA's space. NYCHA continues to work with the City, to ensure that these funds are in place so that providers are able to enter into leases for these sites, as well as for all childcare centers with City-funded providers.

**Audit Recommendation No. 2**

NYCHA should ensure that its leases with childcare centers are current.

**NYCHA Response:**

As mentioned in the Exit Conference, as of June 4, 2021, NYCHA has a total of 91 childcare center sites, which break out as follows:

- 42 – Current leases

- 20 – No lease on file
- 29 – Expired leases

As mentioned in our response to Audit Recommendation No. 1, NYCHA is currently engaging with 29 providers to renew expired leases and to enter into 20 new leases for sites that did not have leases prior to COVID. NYCHA has already contacted each of the 49 expired-or-no-lease tenants, making them aware that NYCHA will propose new lease terms.

In addition, as of June 18, 2021, NYCHA has issued terms sheets to all 49 tenants proposing new lease terms.

**Audit Recommendation No. 3**

NYCHA should ensure that its staff clearly understand their responsibilities under the terms of the leases with each of the childcare facilities that operate out of NYCHA buildings.

**NYCHA Response:**

NYCHA agrees with the above audit recommendation. NYCHA's Property Management, in concert with Compliance Department will draft a development staff guidance regarding communication and disposition of daycare centers work orders ("Development Staff Guidance"). The Development Staff Guidance will outline staff responsibilities under the terms of the leases (where available) with each childcare facility that operates out of NYCHA buildings. The planned implementation date is 4<sup>th</sup> Quarter of 2021.

**Audit Recommendation No. 4**

NYCHA should establish a formal procedure for promptly informing childcare center officials of a determination that a repair request falls outside of NYCHA's responsibility.

**NYCHA Response:**

NYCHA agrees with the above audit recommendation. As mentioned in our response to Audit Recommendation No. 3, NYCHA will issue the Development Staff Guidance, which will also include instructions for staff to notify the childcare center officials, when it is determined that a repair falls out of the scope of NYCHA's responsibility. The planned implementation date is 4<sup>th</sup> Quarter of 2021.

**Audit Recommendation No. 5**

NYCHA should document its communications with the childcare centers that a repair request was closed by NYCHA without a repair being made because the repair is the responsibility of the childcare center and not NYCHA.

**NYCHA Response:**

NYCHA agrees with the above audit recommendation. NYCHA will include in the aforementioned Development Staff Guidance that staff shall document all communications

with childcare facilities Management. Specifically, it will include guidance regarding work that has been closed out without a repair being made because the repair falls under the responsibility of the childcare center and is not the responsibility of NYCHA. The planned implementation date is 4<sup>th</sup> Quarter of 2021.

**Audit Recommendation No. 6**

NYCHA should develop a formal process to independently verify that work orders were closed out properly, that work was completed as reported, and that the work has been reviewed. This includes ensuring that staff who perform the work sign off on the work orders in the designated locations.

**NYCHA Response:**

NYCHA's Quality Assurance Department already has a formal process to independently verify that work orders were closed out properly, that work was completed as reported, and that the work has been reviewed. This process is in place for all repairs throughout NYCHA, but is completely random in selecting the completed repairs to be inspected. The random selection of work orders to be inspected was implemented to maintain complete objectivity and independence on the work orders reviewed.

NYCHA's Property Management Development Supervisors and Borough Skilled Trades Supervisors, also perform random quality assurance inspections of work performed by staff (Property Management Development and Skilled Trades) and vendors. (It should be noted that the persons performing the quality assurance are not working under an inspector title; but rather their respective supervisory titles.)

Currently, Borough Skilled Trades Supervisors are able to sign off on the quality assurance inspection on the handheld device, upon completing the quality assurance inspection of the work completed by the Skilled Trades staff, which work order has also been signed-off and closed out on the handheld device.

However, Property Management Development Supervisors sign off on the paper version of the work order, upon completion of the quality assurance inspection for work completed by NYCHA Property Development staff (which work order has been signed-off and closed out on the handheld device) and vendors (which work order has been signed-off and closed out on a paper version of the work order).

Therefore, NYCHA's Property Management and Information Technology Departments will expand the capability for the Property Management Development Supervisor to sign-off on the handheld device, upon completion of the quality assurance inspection for work completed in the childcare centers by NYCHA Property Management Development staff and vendors. The planned implementation date is the 1st Quarter of 2022.

**Audit Recommendation No. 7**

NYCHA should ensure that sections of the work orders relating to the centers' satisfaction with repairs performed are completed, so that NYCHA can use the data to analyze the centers' responses regarding their satisfaction with the work performed and highlight specific areas that might require action.

**NYCHA Response:**

NYCHA agrees with the above audit recommendation. NYCHA had a pilot for developments in Queens and Staten Island that ensured work orders cannot be closed without staff signature or satisfaction survey being filled out on handheld devices, for work completed in apartments. NYCHA will implement an information technology change to expand this capability to childcare center work ensuring work orders for centers cannot be closed without childcare center staff signature or satisfaction survey being filled out. The planned implementation date for this information technology change is the 1<sup>st</sup> Quarter of 2022.

**Audit Recommendation No. 8**

NYCHA should create a mechanism for it to efficiently track repair requests placed by childcare centers from the receipt of a repair request to its final disposition so that the agency can efficiently and effectively determine the number of complaints open at any one time and the total time it takes to resolve such complaints.

**NYCHA Response:**

NYCHA agrees with the above audit recommendation.

Maximo currently has the ability to track repair request to its final disposition as long as all work is properly traced back to an initial parent work order. There are, however, instances of user error when creating work orders that are separate from the original request, which may make it difficult to efficiently track the work from beginning to end. In the aforementioned Development Staff Guidance, NYCHA will also add instructions to staff on the proper creation and management of work orders to reduce staff error, so that all additional work needed is attached to the original parent work order for proper monitoring and tracking.

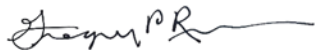
In addition, as part of Work Order Reform initiative, NYCHA's Information Technology Department is in the process of implementing Job Centric View, which includes the following:

1. Job Centric View will be available for all corrective maintenance work orders generated from MyNYCHA, Customer Contact Center (CCC), Maximo and Handheld/iWM (Informer Work Management).
2. In Job Centric View, NYCHA staff will be able to review all related (child) work orders within the repair (the job) in Maximo.
3. In Job Centric View, parent work order will have the Job Age measure representing the time taken to complete the parent work order and all subsequent repairs.

These changes are tentatively scheduled to go live in the 4th Quarter of 2021.

If you have any questions, please contact Terrence Clarke, Acting Audit Director, at 212-306-8753.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory Russ", with a long horizontal flourish extending to the right.

Gregory Russ  
Chair & Chief Executive Officer

cc: Vito Mustaciuolo, Chief Operating Officer  
Joey Koch, Chief of Staff, Office of the Chair  
Vilma Huertas, Special Advisor to the Chair  
Lisa Bova-Hiatt, Executive Vice-President for Legal Affairs & General Counsel  
Kerri Jew, Executive Vice-President & Chief Administrative Officer  
Daniel Greene, Chief Compliance Officer  
Terrence Clarke, Acting Director, Internal Audit & Assessment