



**Department of  
Social Services**

Human Resources  
Administration

Department of  
Homeless Services

**DSS Accountability Office**

**Office of Audit and Quality  
Assurance**

**Gary P. Jenkins**  
Commissioner

June 30, 2022

**Jill Berry**  
DSS First Deputy  
Commissioner

Mr. Stephen C. Lynch  
NYS Office of the State Comptroller  
59 Maiden Lane, 21<sup>st</sup> Floor  
New York, NY 10038

**Bedros Leon Boodanian**  
Chief Accountability Officer

**Christine Maloney**  
Deputy Commissioner

**Re: DSS Oversight of Contract Expenditures of Bowery Residents' Committee  
2019-N-8 Services - CAP Follow-Up**

150 Greenwich Street  
41st Floor  
New York, NY 10007

maloneyc@dss.nyc.gov

Dear Mr. Lynch:

Please find enclosed an updated Corrective Action Plan regarding the status of the Agency's implementation of the recommendations contained in the Audit of NYC Department of Social Services Oversight of Contract Expenditures of Bowery Residents' Committee 2019-N-8.

We are confident that our responses demonstrate our commitment to improving our operations going forward.

Should you have any questions, please contact Victoria Arzu, Assistant Director of the DSS Bureau of Audit Coordination at 929-221-7067.

Sincerely,

*Christine Maloney*

Christine Maloney  
Deputy Commissioner, Office of Audit & Quality Assurance Services

**NYC DEPARTMENT OF SOCIAL SERVICES  
OFFICE OF AUDIT SERVICES  
CORRECTIVE ACTION PLAN UPDATE**

**Audit Name: NYS Comptroller Audit of New York City’s Department of Social Services Oversight of Contract Expenditures of Bowery Residents’ Committee**

**Audit Number: 2019-N-8**

**Date: June 30, 2022**

<b>Auditor’s Recommendations</b>	<b>Agency Response</b>	<b>Responsible Unit</b>	<b>Agency Corrective Action</b>	<b>Target Date</b>
<p>Recommendation 1:</p> <p>Review and recover, as appropriate, \$1,428,199 in reported expenses that were not in compliance with the Fiscal Manual, Cost Manual, and JRR contract.</p>	<p>Disagree</p> <p>The allocation does not take into account the square footage allocation referenced by BRC. BRC has provided DHS with calculations that allocate space differently. Additionally, OSC did not take into account documentation that was provided by BRC as it relates to staff. The methodology provided by BRC is a reasonable approach to allocation and would reduce the disallowance.</p> <p>Additionally, the \$1.45 million includes recoveries that BRC would need to retroactively charge other DHS programs in the building.</p> <p>DHS will complete an analysis to determine a revised recovery amount that considers the above two concerns.</p>	<p>DHS Program-Adults DSS Finance</p>	<p>N/A</p>	<p><b><u>6/15/22 Update:</u></b> <b>September 2022</b></p>
<p>Recommendation 2:</p> <p>Investigate and recover the costs associated with front door supervisory hours, as appropriate.</p>	<p>Partially Agree</p>	<p>DHS Program-Adults DSS Finance</p>	<p>DHS will work with BRC to assess the entirety of front door spending, and to allocate costs to different programs as necessary. If after this comprehensive</p>	<p><b>June 2022</b></p> <p><b><u>6/15/22 Update:</u></b> <b>September 2022</b></p>

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			evaluation of front door costs a recoupment is necessary, DHS will recoup the funds.	
<p>Recommendation 3:</p> <p>Ensure that providers comply with their contractual requirements to retain sufficient documentation to support proper procurement and maintenance of required inventories.</p>	<p>Partially Agree</p> <p>While it is critical that providers comply with all contractual requirements, DHS also notes that these requirements may change over time. When evaluating providers’ compliance with documentation requirements, it is critical to apply the standards that were in effect for the period under consideration.</p>	DHS Program-Adults	DHS and DSS monitor provider compliance with documentation requirements and other contractual obligations as a matter of course, including through use of third-party auditor firms.	<b>Completed/ Ongoing</b>
<p>Recommendation 4:</p> <p>Determine whether BRC allocated the remaining New York City Skyline cruise expenses to the other contracts it had with DHS.</p>	Agree	DHS Program-Adults DHS Budgets DSS Finance	BRC will provide DHS with documentation on the full cost of the event and demonstrate how it was allocated in its books. Any costs attributable to DHS programs will be recouped.	<p><b>February 2022</b></p> <p><u>6/15/22 Update:</u> <b>Completed/Ongoing</b> DHS has reviewed HHS Accelerator records, and followed up with BRC, and has confirmed that the boat trip was</p>

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				invoiced only to Jack Ryan. Those funds will be recouped.
<p>Recommendation 5:</p> <p>Comply with existing internal policies and complete monthly expenditure reviews.</p>	<p>Partially Agree</p> <p>As is the case with documentation requirements, compliance with internal policies and expenditure review standards are critical but must be evaluated based on the rules in place during the time period covered by the review.</p>	<p>DHS Program- Adults OPPT OPDI</p>	<p>DHS and DSS assess compliance with policies and invoice review procedures as a matter of course. Under the MOCS invoice review policy released in early calendar year 2021, BRC invoices are subject to post-payment review, and DHS follows that policy.</p>	<p><b>Completed/ Ongoing</b></p> <p><b>See attached: Standard HHS Invoice Review Policy</b></p>



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<p>Recommendation 8:</p> <p>Establish additional monitoring controls for the approval process for subcontractors.</p>	Agree	DHS Program-Adults ACCO	Providers must submit all subcontractors into Payee Information Portal (PIP) and Passport and must receive a signed 65A from the ACCO's office demonstrating they are approved to provide services. Providers are unable to invoice for these services until an approval is obtained.	<b>Current/ Ongoing</b>
<p>Recommendation 9:</p> <p>Complete year-end closeouts on time.</p>	Agree	DHS Program- Adults DHS Budget DSS Finance	Work with Providers to ensure that any final budget modifications are submitted on a timely basis and a final closeout invoice is submitted soon after the budget modification is reviewed and approved by DHS	<b>Current/ Ongoing</b>

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<p>Recommendation 10:</p> <p>Provide training to providers to ensure that they are aware of the reimbursement requirements.</p>	Agree	DHS Program- Adults OPDI OPPT	MOCS distributed the Standard Invoice Review Procedure to all providers. DSS developed a detailed training this year that is being rolled out to provider staff.	<b>February 2022/Ongoing</b>
<p>Recommendation 11:</p> <p>Monitor the JRR contract to ensure that government resources are used only for expenses that are allowable, supported, and program appropriate.</p>	<p>Agree</p> <p>DHS monitors all contracts and spending on a regular basis. A key component of invoice review is confirming that funds have been spent on allowable purposes in accordance with program budget. DHS follows MOCS’ most recent invoice review policy, which requires the agency to do post-payment review of expenditures.</p> <p>In addition, as noted above, DSS/DHS regularly audits providers, including BRC and the JRR program, to do a deeper dive into spending and program accountability.</p>	DHS Program- Adults DSS Finance	<p>Conduct post-payment review and if DHS determines that any funds were disbursed for ineligible costs, we will recoup.</p> <p>Conduct CPA 2022 audit</p>	<p><b>June 2022</b></p> <p><u><a href="#">6/15/22 Update:</a></u> <b>September 2022/Ongoing</b></p> <p><b>June 2022</b></p> <p><u><a href="#">6/15/22 Update:</a></u> <b>June 2023</b></p>