

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

Audit Name: CAP Update - Audit Report on New York City’s Department of Social Services Oversight of Contract Expenditures of Institute for Community Living, Inc.
Audit Number: 2020-N-4 **Date: 3/15/2023**

Auditor’s Recommendations	Agency Response	Responsible Unit	Agency Corrective Action	Target Date
<p>Recommendation 1:</p> <p>Review and recover, as appropriate, \$2,515,965 in reported expenses that were not in compliance with the Fiscal Manual, Cost Manual, and Tillary contract</p>	<p>Partially Agree</p> <p>DHS will complete a review and recover, as appropriate.</p>	<p>DHS Program- Adults DSS Finance</p>	<p>Review and recoup accordingly. ICL recently submitted additional documents which need to be reviewed. Based on the documentation review, DSS will pursue recoupment of anything not substantiated.</p>	<p>11/30/22</p> <p>3/3/23 Update: August 31, 2023</p>
<p>Recommendation 2:</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 place.</p>	<p>DHS Program- Adults DSS Finance</p>	<p>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.</p>	<p>Ongoing</p>

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<p>Recommendation 3:</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 is critical but must be evaluated based on the rules in place during the time period covered by the review. Based on the review process in place at the time (review of three (3) line items), deficiencies might not have been identified.</p>	<p>DHS Program- Adults DSS Finance</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, ICL invoices are subject to post-payment review, and DHS follows that policy. Training is available on an ongoing basis, and DHS and provider staff will be directed to refresher training as necessary, with new staff directed to the training as they are onboarded.</p>	<p>Ongoing</p>
<p>Recommendation 4:</p> <p>Review and approve all provider allocation methodologies.</p>	<p>Agree</p>	<p>DHS Program- Adults DHS Budget DSS Finance</p>	<p>DHS Fiscal Manual details acceptable allocation methodologies for various expenses. Numerous examples are detailed in the Fiscal Manual and the Manual also notes that if a provider wants to deviate it must be approved by DHS. DHS</p>	<p>Ongoing</p>

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		DHS Office of Program Development & Implementation	<p>reviews all allocations as part of the annual budget submission.</p> <p>Develop training module which details appropriate methods of allocation.</p>	<p>3/31/23 3/3/23 Update: August 31, 2023</p>
<p>Recommendation 5: Ensure that ICL adheres to the competitive bidding procedures.</p>	Agree	Office of Contracts	Work with ICL on preparing a procurement standard operating procedure that is consistent with the contract and fiscal manual.	<p>10/15/22 3/3/23 Update: August 31, 2023</p>
		DHS Program- Adults DHS Budget	Conduct annual budget review for providers. This review will reiterate the agency’s bidding procedures.	Ongoing

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Recommendation 6: Complete year-end closeouts on time.	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.	Current/Ongoing
Recommendation 7: Review ICL’s food service operations and ensure that actions are taken to reduce excessive food waste.	Agree	DHS Program- Adults DHS Office of Program Development & Implementation	A Director’s Memo highlighting important aspects of the existing Food Policy intended to prevent food waste will be sent out to providers in August 2022.	8/31/22 3/3/23 Update: Completed-Director’s Memo forwarded to Providers on 8/31/22.

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<p>Recommendation 8:</p> <p>Request and review supporting fringe benefits documentation, particularly at the closeout phase, to ensure that amounts claimed are accurate, incurred, and reimbursable.</p>	Agree	DHS Budget DSS Finance	Continue to review fringe as a part of the budget review and approval process.	Ongoing
<p>Recommendation 9:</p> <p>Provide training to providers and DHS staff members to ensure that they are aware of the reimbursement requirements.</p>	Agree	DHS Program-Adults DHS Office of Program Development & Implementation DHS Budget DSS Finance	MOCS distributed the Standard Invoice Review Procedure to all providers. DSS developed a detailed training based on MOCS guidance that is available to provider staff. All appropriate DSS staff have been trained. Training is available on demand as a refresher for new staff or to onboard new staff.	Ongoing