



OFFICE OF INSPECTOR GENERAL
City of Chicago



REPORT OF THE OFFICE OF INSPECTOR GENERAL:

***DEPARTMENT OF ADMINISTRATIVE HEARINGS
ADJUDICATION TIMELINESS FOLLOW-UP INQUIRY***

NOVEMBER 2017

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OFFICE OF INSPECTOR GENERAL *City of Chicago*

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Inspector General

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November 16, 2017

To the Mayor, Members of the City Council, City Clerk, City Treasurer, and residents of the City of Chicago:

The City of Chicago Office of Inspector General (OIG) has completed a follow-up to its May 2016 audit of the Department of Administrative Hearings's (DOAH) efforts to ensure timely adjudication of cases. Based on the Department's responses, OIG concludes that DOAH has begun to implement corrective actions related to the audit findings.

The purpose of the 2016 audit was to determine if DOAH used nationally recognized performance measures, namely clearance rate and time to disposition, to assess the flow and timely resolution of cases under its purview. The term "clearance rate" refers to the ratio of cases closed to cases opened in a given reporting period. A clearance rate under 100% means that a backlog will grow as more cases are opened than closed. The term "time to disposition" refers to the number of days taken to close a case.

Our audit found that DOAH did not measure or set standards for clearance rates or time to disposition. While OIG determined that DOAH's overall clearance rate from 2012 through 2014 was 99.3% (meaning that DOAH opened only slightly more cases than it closed), the Department was unaware of its quarterly caseload backlog and increase in time to disposition for some case types identified by OIG's analysis.

Based upon the results of our audit, OIG recommended that DOAH evaluate its own performance on an ongoing basis by tracking clearance rates and times to disposition, as well as other similar measures where appropriate. We also recommended that upon identification of changing trends in these metrics, DOAH should work with ticketing departments to identify causes and, if necessary, create a plan to address them. In its response to the audit, DOAH committed to adopting clearance-rate and time-to-disposition standards, and to monitoring its performance through quarterly reporting and appropriate corrective actions.

In August 2017, OIG inquired about corrective actions taken by DOAH in response to the audit. Below, we summarize the audit finding and recommendations, as well as the Department's response to our follow-up inquiry.

Based on DOAH's follow-up response, OIG concludes that the Department has begun to implement corrective actions. Specifically, DOAH has adopted, although not documented, a 100% clearance rate policy and defined time-to-disposition standards for 28, or 90.3% of 31 case types identified by DOAH. However, DOAH is still in the process of developing accurate reports to monitor its performance relative to the new clearance rate and time-to-disposition standards.

Once fully implemented, OIG believes the corrective actions reported by DOAH may reasonably be expected to resolve the core finding of the audit— that DOAH did not measure clearance rates or time to disposition, which impeded its ability to identify and address negative operational trends, including caseload backlogs and excessive case durations. We urge the Department to complete the process of designing and implementing accurate clearance-rate and time-to-disposition monitoring reports, and to adopt written policies and procedures regarding their use. We also urge DOAH to ensure it has identified set time-to-disposition standards for all case types. Finally, upon implementation of the monitoring reports, we urge DOAH to work with ticketing departments to identify causes of backlogs and lengthy cases, and, if necessary, to create a plan to reduce the backlog and expedite the disposal of cases.

We thank the staff and leadership of DOAH for their cooperation during the audit and responsiveness to our follow-up inquiries.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', with a long horizontal flourish extending to the right.

Joseph M. Ferguson
Inspector General
City of Chicago

Follow-Up Results

In August 2017, OIG followed up on a May 2016 audit of the Department of Administrative Hearings's (DOAH) efforts to ensure timely adjudication of cases.¹ DOAH responded by describing the corrective actions it has taken since receiving the audit and providing supporting documentation. We summarize the finding, the associated recommendations, and the status of the Department's corrective actions below. OIG's follow-up inquiry did not observe or test DOAH's implementation of the new procedures, and thus we make no determination as to their effectiveness, which would require a new audit with full testing of the procedures.

OIG uses four categories for Status of Corrective Action:

- **Implemented** - The department has implemented actions that may reasonably be expected to resolve the core findings/concerns noted in the audit.
- **Partially Implemented** - The department has implemented actions in response to the audit, but the actions do not fully address the findings/concerns raised in the audit.
- **Pending Implementation** - The department has initiated action plans that, if fully implemented, may reasonably be expected to resolve the core findings of the audit. However, the department has not completed implementation.
- **Not Implemented** - The department has not initiated or implemented any actions responsive to OIG's findings.

FINDING: **DOAH did not measure clearance rates or time to disposition, which impeded its ability to identify operational trends, including caseload backlogs and variations in case duration.**

OIG Recommendation: OIG recommended that DOAH adopt a clearance rate standard of 100% for all cases over a chosen period of time, such as each quarter, and regularly monitor its actual rate. We also recommended that DOAH adopt time-to-disposition standards by case type, either by referring to National Center for State Courts standards and methodology or by identifying other standards it deems more appropriate. Furthermore, we recommended that DOAH regularly compare its performance to the chosen standards in order to identify performance trends and to evaluate individual cases for unjustified length. For both metrics, OIG recommended that DOAH management work with ticketing departments to identify causes of backlogs and lengthy cases, and, if necessary, create a plan to reduce the backlog and work to expedite disposal of cases. We noted that, as part of the solution, DOAH may need to

¹ The 2016 audit report is available on the OIG website: <http://chicagoinspectorgeneral.org/publications-and-press/audit-of-doah-adjudication-timeliness/>.

adjust its allocation of courtrooms, Administrative Law Judges, and staff to various case types.

Status of Corrective Action: **Pending Implementation.** In response to the follow-up inquiry, DOAH stated that it has adopted a 100% clearance rate standard, but has not created a written a policy or implemented formal procedures in this area. The Department has defined time-to-disposition standards for 28, or 90.3%, of the 31 case types it identified.

DOAH provided prototypes of clearance rate and time-to-disposition monitoring reports, but stated the reports are currently “works in progress” and contain design flaws or data inaccuracies.

Because DOAH has not implemented the monitoring reports to identify backlogs or case delays, it has not yet started to work with the ticketing departments to resolve such issues.

CITY OF CHICAGO OFFICE OF INSPECTOR GENERAL

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MISSION

The City of Chicago Office of Inspector General (OIG) is an independent, nonpartisan oversight agency whose mission is to promote economy, efficiency, effectiveness, and integrity in the administration of programs and operations of City government. OIG achieves this mission through,

- administrative and criminal investigations;
- audits of City programs and operations; and
- reviews of City programs, operations, and policies.

From these activities, OIG issues reports of findings and disciplinary and other recommendations to assure that City officials, employees, and vendors are held accountable for the provision of efficient, cost-effective government operations and further to prevent, detect, identify, expose, and eliminate waste, inefficiency, misconduct, fraud, corruption, and abuse of public authority and resources.

AUTHORITY

The authority to produce reports and recommendations on ways to improve City operations is established in the City of Chicago Municipal Code § 2-56-030(c), which confers upon the Inspector General the following power and duty:

To promote economy, efficiency, effectiveness and integrity in the administration of the programs and operations of the city government by reviewing programs, identifying any inefficiencies, waste and potential for misconduct therein, and recommending to the mayor and the city council policies and methods for the elimination of inefficiencies and waste, and the prevention of misconduct.