



Hon. George Maragos
Nassau County Comptroller



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VIA E-MAIL

August 21, 2013

Terenna Williams, Executive Director
Glory House Recovery
145 Stewart Avenue
Hempstead, NY 11550

Re: Limited Audit of Glory House Recovery’s 2011 and 2012 Compliance with the Nassau County Living Wage Law¹

Dear Ms. Williams:

A limited Living Wage compliance audit was performed of Glory House Recovery, Inc. (“GH”). The objective of this audit was to determine whether GH was in compliance with the Living Wage Law and the related Rules.² The audit period was calendar years 2011 and 2012. To accomplish our objective, we reviewed GH’s pertinent books and records.

Based upon our limited audit, our findings and recommendations are as follows:

Audit Finding (1)

Hourly Rate Paid to an Employee Was Less than the Rate Mandated by the Law

We reviewed GH’s individual employee payroll history to verify that the hourly rates paid to their employees were in compliance with the Law.

The Living Wage rate for the period of August 1, 2010 to July 31, 2011 was \$14.16 per hour.

¹ Nassau County Misc. Laws, Title 57(2007) as amended.

² Rules of the Nassau County Comptroller and Rules of the Nassau County Executive.

One employee was paid at the rate of \$10 per hour during the period June 4, 2011 to July 22, 2011. This employee worked, according to paystubs submitted, a total of 366 hours during this period. He was underpaid \$4.16 per hour for the 366 hours for a total underpayment of \$1,522.56.

Audit Recommendation:

GH should pay the amount of the underpayment (\$1,522.56) to the employee, and provide proof of payment to our Office with supporting calculations.

Audit Finding (2)

Compensated Time-Off Policies at GH were not in Compliance with the Living Wage Law

We reviewed GH's personnel policies to determine whether they were in compliance with the Law.

According to the Living Wage Law, full-time employees must accrue a minimum of 12 days per year of compensated time-off. Part-time employees (any employee working 20 or more hours per week) must accrue compensatory time-off proportional to full-time employees.

According to GH's Director, GH was not aware of the Living Wage Law requirements for accruing compensated time-off.

Audit Recommendation:

Glory House should accrue time-off to any employee working 20 or more hours per week according to the requirements of the Living Wage law, and should pay compensatory time-off to any employees that have been terminated.

Audit Finding (3)

The Number of Hours Worked by Employees as Listed on Paystubs does not Agree with Hours Worked on Timesheets

Information about the number of hours worked by employees listed on paystubs should be consistent with information on timesheets.

The number of hours worked for two employees, as indicated on their paystubs, did not agree with the hours listed on the timesheets submitted to the Comptroller's Office. The paystubs of one employee showed 770 hours based upon the hourly rate paid. However, timesheets provided

only listed 576 hours. The paystubs of another employee listed 366 hours, while the timesheets for this employee only showed 243 hours.

Audit Recommendation:

Timesheets should be accurately maintained and agree with paystub payroll information.

The matters covered in this report have been discussed with the officials of Glory House during the course of this audit. On June 25, 2013, our office submitted a draft report to Glory House for comment. Glory House provided its comments on July 5, 2013. Those comments have been included as an appendix to this report.

Sincerely,



JoAnn F. Greene
Director of Field Audit

APPENDIX

Limited Audit of Glory House Recovery's 2011 and 2012 Compliance with the Nassau County Living Wage Law

The following response acknowledges the findings by the County's Comptroller's Department and outlines how we will accomplish compliance in the near term.

Audit Finding (1)

Hourly rate for one employee was less than rate mandated by law.

Corrective Action

- Determine deferential amount due employee.
(\$4.16 x 366 hours = \$1,522.56)
- Make three installment payments to employee as following:

September 30, 2013 \$ 500.00

October 31, 2013 \$ 500.00

November 30, 2013 \$ 522.56

All related payroll data will be processed with these payments.

- Post compensation law on bulletin board for all employees to see and insure their awareness of our compliance.

Audit Finding (2)

Compensated time off policies was not in compliance.

Corrective Action

Terminated Staff

- Review employment records for 2011 and 2012 to determine which former staff were eligible for time off and how much.
- Full timers' time off accrual rate will be 1 day for each month worked.
- Part timers (over 20 hours @ week) time off accrual rate will be 1/2 day for each month worked.
- The days will be converted into applicable hours and multiply times the applicable hourly rates.
- Payments will be paid to these former employees by December 31, 2013

Currently employed staff

- Determine cumulative time off as mentioned above.
- Set up system to track and report this time to employees on a quarterly basis
- Allow staff to take this time off when appropriate to the GH schedules.
- Post the compensated time off policies on the bulletin board for all employees to see and insure their awareness of our compliance.

Audit Finding (3)

Inconsistency exists between some employees' time sheets and their paystubs.

Corrective Action

- Going forward, the time sheets will be the absolute document source to track report and compensate employees for hours worked.
- A process will be implemented to insure the validation and reconciliation of time sheets and payroll stubs and other related information.
- This process will commence by October 31, 2013.

Auditor's Follow-up Response Regarding Installment and Delayed Payments

Glory House has indicated that they intend to make three installment payments in September, October and November 2013 to an employee who was paid less than the Living Wage rate mandated by Law. In addition, they plan to make payments for compensated time-off to former employees by December 31, 2013.

While we acknowledge and appreciate Glory House's efforts to establish a payment plan, the Comptroller's Office cannot agree to nor accept a payment plan or deferral of payment on behalf of Glory House's or any other contractor's employees. The employees of Glory House and other County contractors maintain their own private cause of action against their employer for failure to pay wages in accordance with the Law, which is separate and distinct from the Comptroller's enforcement powers.

However, as part of our Office's enforcement powers, we still require that Glory House provide our Office with proof of payment with supporting calculations. Please note that failure to fully compensate employees in accordance with the Law may result in the termination of Glory House's contractual agreement with the County.

Additional Auditor's Follow-up Response

We concur with Glory House's plan of posting the Living Wage Law and its time-off policies on a bulletin board for all employees to see. We agree with Glory House's intent to set up a system to track and report employees' cumulative time off on a quarterly basis. We suggest that Glory House implement its new process to ensure the validation and reconciliation of time sheets and payroll records as quickly as possible.