

# OFFICE OF THE NASSAU COUNTY COMPTROLLER



## Audit Follow-Up

**Limited Review of the HDDIC, Inc.  
(Emergency Shelter)**

**Compliance with the Nassau  
County Living Wage Law**

**January 2017 – October 6, 2019**

*Original Report Date: December 30, 2020*

*December 17, 2021*

**JACK SCHNIRMAN  
COMPTROLLER**

# OFFICE OF THE NASSAU COUNTY COMPTROLLER

## JACK SCHNIRMAN, COMPTROLLER

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This report is also available on our website at: <https://www.nassaucountyny.gov/Audits>

## EXECUTIVE SUMMARY

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**Hon. Jack Schnirman**  
*Nassau County Comptroller*

December 17, 2021

Dear Nassau County Taxpayers:

From day one, a key priority for my Office continues to be our focus on conducting audits that achieve results.

That's why in 2018, our team implemented a policy establishing a follow-up review of our audits. Along with providing an update and making it accessible for taxpayers, this new follow-up procedure will help us better ensure that the audit's recommendations are implemented, further increasing efficiency and accountability within our County government.

This process is not about playing "gotcha" with our audits; it's about real work getting done, focused on outcomes and results for our taxpayers.

This report provides a follow-up to the *Limited Review of the HDDIC, Inc. Compliance with the Nassau County Living Wage Law, January 2017 – October 6, 2019*, which was released on December 30, 2020. I encourage you to read the original audit and this follow-up report to evaluate both the work of this Office and HDDIC, Inc.'s implementation of the corrective actions recommended by our Office. All audits are posted on our website, at [www.nassaucountyny.gov/Audits](http://www.nassaucountyny.gov/Audits).

Please feel free to reach out to our *Report It Reform It* tipline at [ReportItReformIt@nassaucountyny.gov](mailto:ReportItReformIt@nassaucountyny.gov) with any suggestions or questions that you might have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jack Schnirman".

Honorable Jack Schnirman  
Nassau County Comptroller

## EXECUTIVE SUMMARY

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### **INTRODUCTION**

On December 30, 2020, the Nassau County Comptroller's Office released an audit of the HDDIC, Inc, Compliance with the Nassau County Living Wage Law, January 2017 – October 6, 2019. The audit covered the period from January 2017 – October 6, 2019. The objective of the review was to determine whether HDDIC, Inc, was in compliance with both the Nassau County Living Wage Law and the related Memorandum of Understanding.

A copy of the *Limited Review of the HDDIC, Inc. Compliance with the Nassau County Living Wage Law, January 2017 – October 6, 2019* can be found online at the Comptroller's website [here](#).<sup>1</sup>

### **Auditor Assessment of Progress Objectives and Methodology**

Under a new policy implemented in 2018, the Comptroller's Office conducts a follow-up review of audits to ensure that the recommendations made are being implemented. Working with the HDDIC, Inc., and with limited follow-up analysis performed by the Auditors, we have prepared this status report.

- **The audit of the HDDIC, Inc, Compliance with the Nassau County Living Wage Law, January 2017 – October 6, 2019 contained 4 audit findings, with a total of 11 recommendations.**
- **All of the recommendations have been either implemented or are in the process of being implemented, including checks issued in September of 2021 totaling \$82,000 in underpaid wages and checks issued in November of 2021 totaling \$52,566 in unpaid compensated time off.**

We commend HDDIC, Inc for making positive strides toward implementing our recommendations and thank its staff for the courtesy extended to our Office during this review.

### **Summary of HDDIC, Inc.'s Implementation of Audit Recommendations**

Based on conversations with HDDIC, Inc. and the limited follow-up analysis performed by the Auditors, each recommendation has been assessed by the Auditors as either Implemented (**Green**), In Process (**Yellow**), or Not Implemented (**Red**). See Exhibit I and Exhibit II on the next page for a breakdown of the stages of completion for all audit recommendations.

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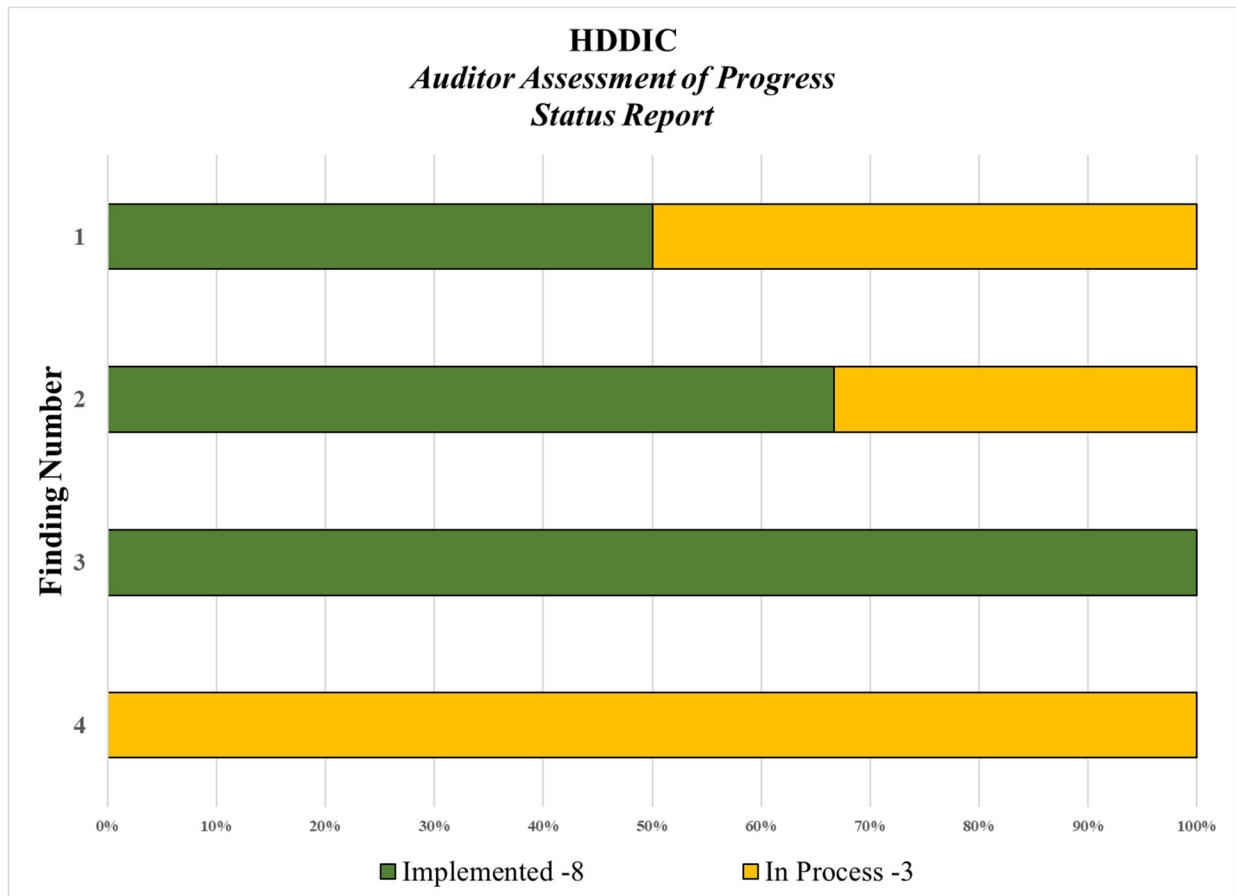
<sup>1</sup> [https://www.nassaucountyny.gov/DocumentCenter/View/31263/HDDIC-Final-Report\\_12-30-2020](https://www.nassaucountyny.gov/DocumentCenter/View/31263/HDDIC-Final-Report_12-30-2020)

**EXECUTIVE SUMMARY**

**Exhibit I**

<b>Audit Follow Up HDDIC</b>				
<b>Summary of Agency's Implementation of Audit Recommendations</b>				
<b>Finding #</b>	<b># Recommendations</b>	<b>Implemented</b> ●	<b>In Process</b> ●	<b>Not Implemented</b> ●
<b>1</b>	2	1	1	0
<b>2</b>	3	2	1	0
<b>3</b>	5	5	0	0
<b>4</b>	1	0	1	0
<b>Total</b>	<b>11</b>	<b>8</b>	<b>3</b>	<b>0</b>
<b>Stages of Completion</b>		<b>72.7%</b>	<b>27.3%</b>	<b>0.0%</b>

**Exhibit II**



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## **INTRODUCTION**

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### **Summary of Original Report**

HDDIC is a non-profit agency providing emergency shelter services to Nassau County residents. The original audit was performed to determine whether HDDIC was in compliance with the Nassau County Living Wage Law, which requires payment of a living wage, and provision of health benefits or a health benefit supplement to certain employees, and with its Memorandum of Understanding (MOU) with Nassau County. We found that HDDIC did not always pay the living wage and was not in compliance with their MOU.

### **Major Findings of the Original Report**

- Auditors identified underpaid wages of approximately \$8,220 to 59 employees.
- HDDIC did not keep proper compensated time off and accrual records. Auditors estimated that 69 employees were not granted 3,253 hours of earned compensated time off totaling \$52,556.
- HDDIC was not in compliance with their MOU with Nassau County. Auditors found inadequate Board oversight, insufficient accounting records and financial statements were not provided; and
- Differences in gross wages for six employees were found between the HDDIC Payroll Register and the Employee Wage and Tax Statements (“W-2s”) and could not be explained by HDDIC.

### **Major Recommendations of the Original Report**

HDDIC should:

- pay the 59 employees identified in the audit the \$8,220 in wages owed and provide proof of payment to the Comptroller;
- pay the 69 employees identified in the audit the \$52,556 owed for accrued compensated time or provide accrued time to these employees and provide proof of payment or accrual postings to the Comptroller;
- assure compliance with all provisions of the MOU, including appointing the required number of directors, providing training to board members, maintaining board minutes, retaining proper records and maintaining complete and accurate accounting records; and
- implement a process to reconcile the payroll registers with the W-2 Forms.



## INTRODUCTION

### Summary of Assessment of Audit Recommendations

Exhibit III below shows the audit findings and recommendations. The recommendations have been individually color coded to denote the Auditors' status assessment of each recommendation: Implemented (**Green**), In Process (**Yellow**), or Not Implemented (**Red**).

#### Exhibit III

Summary of Assessment of Audit Recommendations		
#	Audit Finding	Audit Recommendation(s)
1	74% of Employees (59 of 80) were Underpaid the Living Wage Rate Amounting to \$8,220	<p>We recommend that HDDIC:</p> <p>a) pay the \$8,220 owed to the 59 employees affected by the underpayment of the Living Wage Rates (Exhibit A) and provide proof of payment to the Nassau County Comptroller's Office; and</p> <p>b) take the necessary steps to ensure the exact hourly living wage is paid to all employees in the future and that they apply the new rate effective on August 1 of each year.</p>
2	86% (69 of 80) Employees Were Not Provided with or Paid for Approximately 3,253 Hours of Accrued Compensated Time Off Earned Amounting to \$52,556	<p>We recommend that HDDIC:</p> <p>a) pay or provide the 69 employees the \$52,556 for earned compensated time off owed for 2017 through October 6, 2019;</p> <p>b) provide proof of payment or accrual postings to the Comptroller's Office; and</p> <p>c) maintain proper records of each employee's compensated time off accruals, usage, and payments as required by the Agency's MOU with Nassau County.</p>
3	HDDIC is Not in Compliance with their Memorandum of Understanding with Nassau County: Auditors Found Inadequate Board Oversight, Insufficient Accounting Records and Financial Statements Were Not Provided	<p>We recommend that HDDIC take the necessary corrective actions to ensure compliance with all provisions of the MOU with Nassau County. Specifically, HDDIC should:</p> <p>a) appoint the required number of directors;</p> <p>b) provide training to Board members;</p> <p>c) maintain board minutes;</p> <p>d) retain proper records for inspection including the Certificate of Incorporation; and</p> <p>e) maintain complete and accurate accounting records.</p>
4	Differences in Gross Wages for Six Employees were Found Between the HDDIC Payroll Register and the Employee Wage and Tax Statements ("W-2s"), and Could Not Be Explained by HDDIC	<p>We recommend that HDDIC implement a process to reconcile the payroll registers with the W-2 Forms, even though both are prepared by a third party, or require the third party to provide a reconciliation. This will ensure that complete and accurate payroll records are maintained pursuant to HDDIC's Memorandum of Understanding with Nassau County.</p>



## AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

### **Auditor Assessment of Recommendation Implementation Progress**

This section provides details on the audit report findings, recommendations, progress reports from HDDIC and the Auditors’ analysis of the recommendation implementation. The recommendation implementation status also includes a color-coded bullet to indicate its progress.

<b>Finding 1 Title</b>	<b>74% of Employees (59 of 80) were Underpaid the Living Wage Rate Amounting to \$8,220</b>
<b>Finding 1 Recommendations</b>	<p>We recommend that HDDIC:</p> <ul style="list-style-type: none"> <li>a) pay the \$8,220 owed to the 59 employees affected by the underpayment of the Living Wage Rates (Exhibit A) and provide proof of payment to the Nassau County Comptroller's Office; and</li> <li>b) take the necessary steps to ensure the exact hourly living wage is paid to all employees in the future and that they apply the new rate effective on August 1 of each year.</li> </ul>
<b>HDDIC’s Response to Report</b>	<ul style="list-style-type: none"> <li>a) <i>“Also we agree to pay the full amount of \$8,220.00 to underpaid employees by 2/15/2021.”</i></li> <li>b) <i>“HDDIC will assure that all employees receive the mandatory Living wage increase annually.”</i></li> </ul>
<b>Auditors’ Follow-Up Comments</b>	<ul style="list-style-type: none"> <li>a) We concur with HDDIC’s response to pay the full amount of the \$8,220 wage underpayments to the fifty-nine employees. We reiterate that HDDIC provide the Comptroller’s Office with proof of payments made to the employees, and the Comptroller’s Office will be following up with the Agency to confirm repayment.</li> <li>b) We are pleased that HDDIC will assure that all employees will be paid the exact amount of the effective Living Wage rate, which occurs on August 1<sup>st</sup> of every year.</li> </ul>
<b>HDDIC’s Response to Audit Follow-Up</b>	<ul style="list-style-type: none"> <li>a) <i>07/21/21 “HDDIC will pay the \$8,220 on Sept 15, 2021.”</i></li> </ul> <p><i>09/20/21 “I am pleased to report that everyone in Appendix A has a check on the way. As of September 17, 2021, HDDIC has paid the \$8,220 owed to the 59 employees affected by the underpayment of the Living Wage Rates (Appendix A.)”</i></p> <p><i>As proof of payment to the Nassau County Comptroller's Office, I have enclosed the payroll report from Paychex documenting each employee's payout”</i></p>

**AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS**

	<p><i>09/22/21 “All checks were mailed out on Monday, 9/20/21 and that no one received a direct deposit.”</i></p> <p>b) <i>07/21/21 “HDDIC concurs that all employees will be paid the exact amount of the effective Living Wage rate on August 1st of every year.”</i></p> <p><i>12/06/21 -“On August 4, 2021, a special HDDIC board meeting was called addressing the audit concerns. Meeting minutes have ratified that August 1 every year will be designated the rate of pay increase day. A note has been placed with HR and Paychex payroll services indicating a Living Wage increase reminder will be placed on every August 1 thereafter”.</i></p>
<p><b>Post Audit Follow-Up Analysis</b></p>	<p>a) On 8/16/21 the Auditors requested that HDDIC provide a listing of the payments HDDIC indicated had been scheduled to be paid to each employee on September 15, 2021, totaling \$8,220. Auditors received the Payroll Journal on September 22, 2021. The document included check numbers for the payments generated to the 59 employees, dated 9/17/21 and totaling \$8,220.31.</p> <p>On 11/18/21 the Auditors requested that HDDIC provide bank statements to verify that the employees had cashed the checks and to determine if any additional follow-up was necessary. Bank statements <u>were not</u> included with HDDIC’s 12/06/21 response to the Auditors.</p> <p>b) On 08/16/21 the Auditors requested that HDDIC provide an explanation of the change implemented by HDDIC to assure that HDDIC will pay the exact amount of the effective Living Wage rate, which occurs on August 1st of every year.</p> <p>On 11/18/21 Auditors sent HDDIC an email requesting this again and on 12/06/21, HDDIC provided the response noted above.</p>
<p><b>Auditor Assessment of Progress</b></p>	<p>● 1.a) We are pleased that HDDIC issued checks to all 59 employees for the amounts owed. We are waiting receipt of copies of bank statements which show the checks cleared the bank, to verify proof of payment.</p> <p>● 1.b) We are pleased our recommendation has been implemented.</p>

**AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS**

<b>Finding 2 Title</b>	<b>86% (69 of 80) Employees Were Not Provided with or Paid for Approximately 3,253 Hours of Accrued Compensated Time Off Earned Amounting to \$52,556</b>
<b>Finding 2 Recommendations</b>	<p>We recommend that HDDIC:</p> <ul style="list-style-type: none"> <li>a) pay or provide the 69 employees the \$52,556 for earned compensated time off owed for 2017 through October 6, 2019;</li> <li>b) provide proof of payment or accrual postings to the Comptroller’s Office; and</li> <li>c) maintain proper records of each employee’s compensated time off accruals, usage, and payments as required by the Agency’s MOU with Nassau County.</li> </ul>
<b>HDDIC’s Response to Report</b>	<p><i>“HDDIC agrees that there is outstanding earned compensated time off owed for 2017 through 10/6/19, but we believe that the numbers may vary. We requested the records from our previous payroll provider. In Addition, we will search our email database for all time off requests by employee’s. We believe that this task can be completed by 1/15/2021. If we owe the full \$52,566.00, we will request a 12 month repayment period.”</i></p>
	<ul style="list-style-type: none"> <li>a) We concur with HDDIC’s response and request that the results of the review that HDDIC expects to be completed in the near future be provided to the Comptroller’s Office for review. A 12-month repayment period as suggested by HDDIC is excessive. The Comptroller’s Office will be following up with the Agency to resolve this matter and verify that the employees have been properly compensated.</li> <li>b) We reiterate that HDDIC provide proof of payments to each employee to the Comptroller’s Office.</li> <li>c) We reiterate that HDDIC maintain proper records of each employee’s compensated time off accruals, usage, and payments as required by the Agency’s MOU with Nassau County.</li> </ul>
<b>HDDIC’s Response to Audit Follow-Up</b>	<ul style="list-style-type: none"> <li>a) 07/21/21 <i>“HDDIC understands the 12-month time is excessive, but we have had some unforeseen circumstances occur, but we will pay the total \$52566 by 11/30/2021.”</i></li> <li>b) 07/21/21 <i>“We will provide proof of payment to the Comptrollers.”</i></li> </ul>

**AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS**

	<p>a, b) 10/13/21 “I am currently working with Paychex in creating another off-cycle payroll devoted to Appendix B. Our estimated payout date will be Nov 15. We are on target but if anything changes, I will give you a call.”</p> <p>a, b) 12/06/21 “We have completed Appendix B. Each employee within the payroll journal will be compensated with a live check - no direct deposit will be administered.”</p> <p>c) 07/21/21 <i>“We are currently maintaining proper records as required by the MOU with Nassau County.”</i></p> <p>12/06/21 <i>“HDDIC uses Paychex’s service entitled Time and Attendance which calculates accruals, usage and payments. I have attached a sample below.”</i></p>
<p><b>Post Audit Follow-Up Analysis</b></p>	<p>a, b) On 8/16/21 the Auditors requested that HDDIC provide a listing of the payments scheduled to be paid to each employee on November 30, 2021 totaling \$52,566.</p> <p>On 10/01/21 the Auditors requested a status of the amounts owed to employees for unpaid compensation time off and HDDIC’s 10/13/21 response is shown above, indicating a target dated of 11/15/21.</p> <p>On 11/18/21 Auditors sent an email requesting a status of the amounts owed and for bank statements as evidence of proof of payment. HDDIC responded as shown above on 12/06/21, along with a copy of the payroll journal. Bank statements could not be provided yet for these payments since the checks were just issued.</p> <p>c) On 8/16/21 the Auditors requested that HDDIC provide a sample of an employee’s compensation time record which HDDIC indicated in their response now includes accruals, usage and payments.</p> <p>On 11/18/21 a reminder for this documentation was sent to HDDIC, which HDDIC responded to on 12/06/21 as noted above, including samples of the Time and Attendance records which include accruals, usage, and balances.</p>
<p><b>Auditor Assessment of Progress</b></p>	<p>● 2.a) We are pleased that HDDIC issued checks totaling the \$52,566 owed to 69 employees for uncompensated time off on 12/6/21.</p>

## AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

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● 2.b) We recommend that HDDIC provide the Auditors with copies of the applicable bank statements as proof of payment when the recently issued checks clear the bank.

● 2.c) We are pleased our recommendation appears to have been implemented.

**AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS**

<b>Finding 3 Title</b>	<b>HDDIC is Not in Compliance with their Memorandum of Understanding with Nassau County: Auditors Found Inadequate Board Oversight, Insufficient Accounting Records and Financial Statements Were Not Provided</b>
<b>Finding 3 Recommendations</b>	<p>We recommend that HDDIC take the necessary corrective actions to ensure compliance with all provisions of the MOU with Nassau County. Specifically, HDDIC should:</p> <ul style="list-style-type: none"> <li>a) appoint the required number of directors;</li> <li>b) provide training to Board members;</li> <li>c) maintain board minutes;</li> <li>d) retain proper records for inspection including the Certificate of Incorporation; and</li> <li>e) maintain complete and accurate accounting records.</li> </ul>
<b>HDDIC’s Response to Report</b>	<p><i>“HDDIC will Provide the requested outstanding for the following:”</i></p> <ul style="list-style-type: none"> <li>a) <i>“HDDIC will provide the outstanding 2017&amp; 2018 names and addresses of the requested”</i></li> <li>b) <i>“HDDIC with assistance of HME Consulting will provide Annual Board Member training”</i></li> <li>c) <i>“HDDIC will Provide 2017 &amp; 2018 Board Minutes”</i></li> <li>d) <i>“HDDIC agrees to maintain proper records”</i></li> <li>e) <i>“HDDIC agrees to maintain complete and accurate accounting with the assistance of HME Consulting, inc. and will complete Yearly A-133 Single Audit with independent CPA Firm”</i></li> </ul>
<b>Auditors’ Follow-Up Comments</b>	<p>We are pleased that HDDIC will be adhering to the terms of the contract ensuring compliance with all provisions of the MOU. Auditors’ comments on HDDIC’s response to each recommendation are as follows:</p> <ul style="list-style-type: none"> <li>a) HDDIC should provide the Comptroller’s Office with the names and addresses of the directors.</li> <li>b) We concur with HDDIC’s response that they will provide annual board member training with assistance of HME consulting.</li> </ul>

**AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS**

	<ul style="list-style-type: none"> <li>c) HDDIC should provide the Comptroller’s Office with the board minutes.</li> <li>d) We concur with HDDIC’s response and are pleased that they have agreed to maintain proper records.</li> <li>e) We concur with HDDIC’s response to maintain complete and accurate accounting records.</li> </ul>
<b>HDDIC’s Response</b>	<p>07/21/21 <i>“On a separate attachment, if applicable, HDDIC will”</i></p> <ul style="list-style-type: none"> <li>a) 07/21/21 <i>“provide the names and addresses of the Board members’</i></li> <li>b) 07/21/21 <i>“provide and receive annual board member training with assistance of HME consulting.”</i></li> <li>c) 07/21/21 <i>“attach the pdfs of the 2017 and 2018 Board minutes”</i></li> <li>d) 07/21/21 <i>“continue to maintain proper records.”</i> 12/06/21 <i>“I have included a copy of the Certificate of Incorporation below.”</i></li> <li>e) 07/21/21 <i>“continue to maintain complete and accurate accounting records.”</i></li> </ul>
<b>Post Audit Follow-Up Analysis</b>	<ul style="list-style-type: none"> <li>a) and c) - On 07/21/21 HDDIC provided the names and addresses of its Board members as well as the quarterly board minutes for 2017 and 2018.</li> <li>b) HDDIC agreed to do this with the assistance of HME consulting.</li> <li>d) On 08/16/21, the Auditors requested a copy of the Certificate of Incorporation. On 11/18/21 HDDIC was again reminded to send the Certificate of Incorporation, which was provided on 12/06/21.</li> <li>e) HDDIC agreed to do this with the assistance of HME Consulting.</li> </ul>
<b>Auditor Assessment of Progress</b>	<ul style="list-style-type: none"> <li>● 3.a) We are pleased that HDDIC provided us with the names and addresses of the Board members.</li> <li>● 3.b) We are pleased that HDDIC agreed to provide training to its Board members; thus, our recommendation appears to have been implemented.</li> </ul>



## AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

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- 3.c) We are pleased that HDDIC provided us with the pdfs of the 2017 and 2018 Board minutes.
- 3.d) We are pleased that HDDIC provided us with a copy of the Certificate of Incorporation.
- 3.e) We are pleased that HDDIC agreed to maintain complete and accurate accounting records.

**AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS**

<b>Finding 4 Title</b>	<b>Differences in Gross Wages for Six Employees were Found Between the HDDIC Payroll Register and the Employee Wage and Tax Statements (“W-2s”), and Could Not Be Explained by HDDIC</b>
<b>Finding 4 Recommendations</b>	We recommend that HDDIC implement a process to reconcile the payroll registers with the W-2 Forms, even though both are prepared by a third party, or require the third party to provide a reconciliation. This will ensure that complete and accurate payroll records are maintained pursuant to HDDIC’s Memorandum of Understanding with Nassau County.
<b>HDDIC’s Response to Report</b>	<i>“HDDIC agrees with the differences found in the payroll register. We will have proper Payroll register reconciliation with the assistance of ADP &amp; HME Consulting, Inc.”</i>
<b>Auditors’ Follow-Up Comments</b>	We concur with HDDIC’s response to obtain the assistance of ADP & HME Consulting, Inc. to ensure a proper payroll register reconciliation is generated. We reiterate the importance of identifying differences between the payroll records and the W-2 Wage and Tax Statements to ensure they are explained and resolved where necessary.
<b>HDDIC’s Response to Audit Follow-Up</b>	<p><i>07/21/21 “HDDIC currently uses ADP and HME Consulting to ensure proper payroll register reconciliation and identifying the differences between payroll records and W-2 Wage and Tax Statements.”</i></p> <p><i>12/06/21 “As per management's request, HDDIC transferred payroll services from ADP to Paychex for a more comprehensive service that included other services including HR and Time and Attendance. HME Consulting is a third party vendor that assists in bookkeeping, record keeping and financial consulting”.</i></p>
<b>Post Audit Follow-Up Analysis</b>	<p>On 8/16/21 the Auditors requested that HDDIC provide the Payroll Register reconciliation that HDDIC indicated would be done in their response to the original audit, including an explanation for the differences cited in the report.</p> <p>On 11/18/21 a reminder was sent that neither a payroll reconciliation nor an explanation of the differences had yet been provided. In addition, on 11/18/21 the Auditors asked HDDIC to explain why Paychex was used to pay its employees instead of ADP as HDDIC had stated in the Audit follow up that, “HDDIC currently uses ADP and HME Consulting to ensure proper payroll register reconciliation and identifying the differences between payroll records and W-2 Wage and Tax Statements.</p>

## AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

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	12/06/21 HDDIC provided the response noted above.
<b>Auditor Assessment of Progress</b>	● 4. Although HDDIC did not provide a reconciliation or the explanations the Auditors requested, we are pleased that HDDIC has changed vendors from ADP to Paychex in its effort to ensure the completeness and accuracy of the payroll and tax records going forward. We recommend that Paychex be required to provide HDDIC with a reconciliation of the final year end payroll journal to the W-2s annually, prior to the issuance of the W-2s.

*End of Report*

