



Hon. George Maragos
Nassau County Comptroller



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VIA E-MAIL

May 28, 2013

Mr. Alexander Roberts, Executive Director
Community Housing Innovations, Inc.
190 East Post Road, Suite 401
White Plains, NY 10601

Re: Limited Audit of Community Housing Innovations, Inc.’s 2010 and 2011 Compliance with the Nassau County Living Wage Law

Dear Mr. Roberts:

A limited Living Wage compliance audit was performed of contract numbers CQHI09000063 and CQHI09000148 between Community Housing Innovations, Inc. (“CHI”) and Nassau County. The objective of this audit was to determine whether CHI was in compliance with the Living Wage Law (“Law”) and the related Rules¹. The review periods were calendar years 2010 and 2011. To accomplish our objective, we reviewed CHI’s pertinent books and records.

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

Audit Finding (1)

Hourly Rates Paid to Employees Were Less than the Rates Mandated by the Law

We reviewed CHI’s individual Employee Payroll History Reports to verify that the hourly rates paid to their employees were in compliance with the Law and 28 employees were tested.

While CHI was compiling data for our review, they stated they discovered some discrepancies in their implementation of the Living Wage rates. CHI noted that 14 employees did not earn the Living Wage rate as stated in the Law. CHI calculated that these employees were underpaid over

¹ Rules of the Nassau County Comptroller and Rules of the Nassau County Executive.

\$1,600. To rectify this, these employees were then paid for the 2010 and 2011 pay periods retroactively in 2011 and 2012.

Our testing disclosed that in some instances, these payments were made significantly after the employees should have been compensated for the hours worked. For example, an employee was not paid the Living Wage rate during the first weeks of 2010, but was paid retroactively on September 7, 2012, almost two years later.

Our testing of individual Employee Payroll History Reports disclosed what appears to be a computational error regarding one employee's retroactive pay. The employee is still underpaid approximately \$130 for the period August 2011 through December 2011.

Audit Recommendation:

CHI should:

- a) Review the computations regarding the one employee still underpaid and compensate this employee for what is owed to them under the Law. A copy of these calculations along with proof of payment should be forwarded to the Comptroller's Office.
- b) Going forward, CHI should review their pay rates, at minimum, every August 1st, to ensure that they are paying the amounts mandated by the Living Wage Law in a timely manner.

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The matters covered in this report have been discussed with the officials of CHI during the course of this audit. On April 8, 2013, our Office submitted a draft report to CHI for comment. CHI provided its comments on April 19, 2013. Those comments have been included as an appendix to this final report.

Sincerely,

JoAnn F. Greene



Director of Field Audit

JFG:AS



COMMUNITY HOUSING INNOVATIONS, INC.

ALEXANDER H. ROBERTS
Executive Director

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April 19, 2013

OFFICE OF THE COMPTROLLER
ATTN: JoAnn F. Greene, Director of Field Audit
240 Old Country Rd
Mineola, NY 11501

Dear Ms. Greene:

Community Housing Innovations, Inc. (CHI) is in receipt of your letter dated April 8, 2013 regarding the Nassau County Living Wage Audit. The letter listed 2 audit recommendations:

1. ***Review the computations regarding the one employee still underpaid and compensate this employee for what is owed to them under the Law. A copy of these calculations along with proof of payment should be forwarded to the Comptroller's Office.***
 - a. CHI processed a payment to the underpaid employee () in the amount of \$130.27 in accordance with the attached document provided by you. A copy of the proof of payment is enclosed.
2. ***Going forward, CHI should review their pay rates, at minimum, every August 1st, to ensure that they are paying the amounts mandated by the Living Wage Law in a timely manner.***
 - a. CHI's Human Resources staff will be responsible for quarterly reviews of Nassau County pay rates to ensure that CHI is complying with the Nassau County Living Wage Law.

If you have any questions or need any additional information, please contact me.

Sincerely,

Alexander H. Roberts
Executive Director

Enc.

www.chigrants.org

Auditor's Follow-up:

We have reviewed CHI's April 19, 2013 response to our draft review dated April 8, 2013, along with its accompanying supporting documentation². The Comptroller's Office is pleased to see that CHI promptly paid \$130 to the employee we noted had been undercompensated.

CHI's response to Audit Recommendation b) indicated that CHI's Human Resources staff would perform quarterly reviews of Nassau County pay rates to ensure that CHI is complying with the Living Wage Law. While this will be helpful, we suggest that particular effort be made to ensure that the annual August 1st changes to the Living Wage rate are promptly reflected in employees' paychecks.

² The referenced support documentation is on file in the Comptroller's Office.