

Howard S. Weitzman
Comptroller

Elizabeth Botwin
Chief Deputy Comptroller

Aline Khatchadourian
Deputy Comptroller
for Audit & Special Projects



OFFICE OF THE COMPTROLLER

240 Old Country Road
Mineola, New York 11501
Tel: (516) 571-2386
Fax: (516) 571-5900

October 30, 2008

Ms. Mary Ann Osborne, CFO
Long Island Care at Home, Ltd.
1400 Old Country Road
Westbury, NY 11590

Re: Limited Audit of Long Island Care at Home, Ltd. Compliance with the Nassau County Living Wage Law

Dear Ms. Osborne:

A limited compliance audit was performed of contract #CQSS07000160 between Long Island Care at Home, Ltd. ("Long Island Care") and Nassau County. The objective of this audit was to determine whether Long Island Care was in compliance with the Nassau County Living Wage Law ("the Law") and the related Rules. The period of review was calendar year 2007, the term of the contract. Certain tests were also performed to review Long Island Care's subsequent transactions. To accomplish our objective, we reviewed Long Island Care's pertinent books and records and interviewed personnel.

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

Audit Finding (1):

Compensated Days Off

Long Island Care's compensated days off policy for covered employees did not fully comply with the Living Wage Law. The Law requires employers to provide "no fewer than twelve (12) paid days off per year for sick leave, vacation or personal necessity at the employee's request. Full-time employees shall accrue such leave at a rate of one day per month of full-time employment. Part-time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full-time employees."¹

¹ "Nassau County Living Wage Law," Nassau Co. Misc. Laws, Title 57, § 3 (2007)). The Law and the related Rules can be found on the Comptroller's website, at <http://www.nassaucountyny.gov/agencies/Comptroller/LivingWage/index.html>.

While employees were either granted paid time off or were paid for unused vacation pay, the Holiday and Vacation Policy that Long Island Care provided to us at the commencement of the audit was non-compliant because it did not state that part-timers were entitled to compensated time off as the Law requires.

Upon being advised by us that the policy was non-compliant, Long Island Care provided us with a revised policy dated April 24, 2008. We note that the revised policy is in conformity with the Law.

Audit Recommendations:

The revised policy should be provided to all covered employees so that they are aware of their rights under the Law.

Long Island Care's Response:

All new applicants receive the Holiday and Vacation pay policy in the orientation booklet. All current covered employees were made aware of the policy via a mailing. To assure evidence of compliance another mailing will accompany next week's paychecks.

Auditor's Follow-up Response:

We concur with the corrective actions being taken by Long Island Care.

Audit Finding (2):

Accrued Leave Calculations

Long Island Care's methodology for computing accrued leave was not accurate. We were advised that Long Island Care estimated employees' entitlement to accrued leave. Our test check of two of five employees' payment of compensated leave noted these employees were not provided with the proper accrued leave; one employee's leave was understated by 1.31 days and the other by 0.31 days.

Audit Recommendations:

Long Island Care should formalize its methodology for computing accrued leave to ensure that accruals are based on exact calculations. Long Island Care should review accrued leave balances for 2007 to ensure that all the covered employees were properly credited with accrued leave.

Response from Long Island Care at Home:

Long Island Care at Home has formalized its computation for vacation accrual and payment as follows:

- *covered weekly hours are multiplied by 5%*
- *the above result is then multiplied by 4*
- *that result gives the number of hours earned per month as vacation/holiday*

As per your recommendations we intend to review accrued leave for the year 2007 to make sure that all covered employees were properly credited. We have also posted a Living Wage notice at our location in Westbury.

Auditor's Follow-up Response:

We concur with the actions being taken by Long Island Care. Appropriate formal records of the corrective actions taken should be maintained and should be made available to us when we perform our compliance audit for the 2008 contract.

Sincerely,

Alice Khatchadourian

Deputy Comptroller for Audit and Special Projects