

# OFFICE OF THE SUFFOLK COUNTY COMPTROLLER



## **A Limited Scope Report of Victims Information Bureau of Suffolk, Inc.**

**For the Period January 1, 2014 through December 31, 2014**

**Report 2017-26**

**Date Issued: August 27, 2019**

**John M. Kennedy, Jr.**

**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER**

**John M. Kennedy, Jr.**  
Comptroller

**Louis A. Necroto, CPA**  
Chief Deputy Comptroller

**Frank Bayer, CPA**  
Executive Director of Auditing Services

**Audit Staff:**

Joseph S. Pecorella, CPA, Chief Auditor  
Karen Maila, CPA, Principal Auditor  
Karen Francis-Hendricks, CPA, Auditor  
Rowlin Boodram, CFE, Auditor

## TABLE OF CONTENTS

	<u>Page</u>
LETTER OF TRANSMITTAL .....	1
SUMMARY OF SIGNIFICANT FINDINGS .....	2
BACKGROUND .....	3
SCOPE AND METHODOLOGY .....	5
AUDIT FINDINGS	
Compliance .....	6
Internal Controls .....	9
SCHEDULES	
Schedule 1   Summary of Expenditures Over (Under) Reported For the Period January 1, 2014 through December 31, 2014 .....	12
Schedule 2   Schedule of Budgeted, Reported and Audited Expenditures - Domestic Violence Program (2014 Contract) For the Period January 1, 2014 through December 31, 2014 .....	13
Schedule 3   Schedule of Budgeted, Reported and Audited Expenditures - Advocacy Services Program (2014 Contract) For the Period January 1, 2014 through December 31, 2014 .....	14
Schedule 4   Schedule of Budgeted, Reported and Audited Expenditures - Domestic Violence Liaison Program (2014 Contract) For the Period January 1, 2014 through December 31, 2014 .....	15
Schedule 5   Schedule of Budgeted, Reported and Audited Expenditures - TANF Non-Residential Domestic Violence Program (2014 Contract) For the Period January 1, 2014 through December 31, 2014 .....	16
APPENDICES	
Appendix A   Response from Victim's Information Bureau of Suffolk, Inc. ....	21

Appendix B Comptroller Office's Comments on the  
Agency's Response .....25

---

---

**LETTER OF TRANSMITTAL**

---

---

July 12, 2019

Reina Schiffrin, Executive Director  
Victims Information Bureau of Suffolk, Inc.  
185 Oval Drive  
Islandia, NY 11749

Dear Ms. Schiffrin:

In accordance with the authority vested in the County Comptroller by Article V of the Suffolk County Charter, a limited scope performance audit was conducted of all programs funded by Suffolk County and provided by the Victims Information Bureau of Suffolk, Inc. (Agency) located at 185 Oval Drive, Islandia, New York during the period January 1, 2014 through December 31, 2014. The Agency's contracts were administered by the Suffolk County Department of Probation (Probation) and the Suffolk County Department of Social Services (Social Services).

The audit objectives were as follows:

- To ensure that payroll expenditures charged to the County-funded programs were proper program costs in accordance with contract provisions.
- To ensure that payments made to the Agency did not exceed contract budget amounts.
- To determine if the same issues found in our audit of the Agency's 2015 and 2016 contracts (Report 2017-15) occurred in 2014.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,

Office of the County Comptroller  
Division of Auditing Services

---

---

## SUMMARY OF SIGNIFICANT FINDINGS

---

---

**Compliance** – As a result of our limited scope audit of the period January 1, 2014 through December 31, 2014, we determined that the Agency over reported expenditures to the County in the amount of \$138,981 (Schedule 1, p. 12). This resulted primarily from the Agency’s lack of internal control procedures for processing payroll expenditure claims. The following is a list of the significant audit findings:

- There were numerous inconsistencies between the actual hours or percentage of hours and related salary claimed to the County and the actual hours worked on the County programs as recorded on the employee’s Time and Activity sheets for the corresponding period, resulting in a disallowance of \$69,776 (p. 6).
- Salaries reimbursed by federal funding passed through the County were additionally claimed by the Agency as match on other federal awards, resulting in a disallowance of \$3,921 (p. 6).
- There were several instances in which salary reimbursements paid by the County were duplicated by payments from other sources, resulting in a disallowance of \$2,891 (p. 7).
- The Agency did not perform a proper review of claim details prior to submission to the County, resulting in a disallowance of \$52,517 (p. 8).

In addition to the significant findings identified above, there were additional findings which were not deemed significant (p. 9).

---

---

## BACKGROUND

---

---

Victims Information Bureau of Suffolk, Inc. (Agency) is a 501(c)(3) not-for-profit organization located at 185 Oval Drive, Islandia, NY, 11749. The Agency's mission is to assist the survivors of domestic violence, rape and sexual assault, elder abuse, child sexual abuse and human trafficking; to prevent the incidence of these crimes through education and services; and to raise community awareness of the need for justice and compassion for victims.

All contracts between the Agency and the County are subawards passed through the County in which the Agency acts as a subrecipient to carry out part of a federal award received by the County. The Agency entered into the following contracts with Social Services in 2014:

**Domestic Violence Program (AWF1)** – A contract funded by an allocation from the New York State Office of Children and Family Services requiring the Agency to operate an on-site hotline, assist domestic violence victims using the courts and criminal justice system and to provide counseling and therapeutic playgroups to victims of domestic violence. The Agency received \$490,143 in 2014.

**Domestic Violence Liaison Program (GEK1)** – A contract requiring the Agency to determine waiver eligibility for work and child support requirements for Temporary Assistance for Needy Families (TANF) applicants if such requirements place the safety of the applicant in jeopardy. The Agency received \$19,760 in 2014.

**Temporary Assistance for Needy Families (TANF) Non-Residential Domestic Violence Program (GSG1)** – A contract funded by an allocation from the New York State Office of Children and Family Services requiring the Agency to provide core and optional non-residential domestic violence services for families, children and non-custodial parents who are at or below 200% of the Federal poverty level and otherwise meet the TANF categorical eligibility standards. The Agency received \$34,522 for services rendered in 2014.

The Agency also entered into the following contract with Probation in 2014:

**Advocacy Services Program (GDD1)** – A contract requiring the Agency to provide rape crisis counseling, outreach and advocacy services for victims of sexual assault and domestic violence. The Agency received \$101,741 for services rendered in 2014.

A performance audit was conducted of all programs funded by the County and provided by the Agency for the period January 1, 2015 through December 31, 2016 (Report 2017-15). The audit identified several significant findings pertaining to the Agency's lack of internal control procedures for processing expenditure claims, which resulted in significant disallowances. It was therefore determined that a limited scope audit should be performed for the period January 1, 2014 through December 31, 2014 to ensure that similar conditions did not exist in the prior period.

---

## **SCOPE AND METHODOLOGY**

---

We audited payroll expenditures claimed by the Agency for the period January 1, 2014 through December 31, 2014. In order to accomplish the objectives as stated in the Letter of Transmittal (p. 1), we performed the following procedures:

- Reviewed the County contracts to determine the rules, regulations and other compliance requirements related to the audit objectives.
- Obtained and reviewed the Agency's Statement of Other Contracts for 2014. Reviewed the New York State Comptroller's Open Book New York website and the Agency's Schedule of Expenditures of Federal Awards to ascertain if there were additional contracts not included on the statement.
- Obtained and reviewed the contracts and claim details for all grants on the Statement of Contracts and any additional grants we discovered to determine if the purpose of the funding was applicable to the programs contemplated in the County contracts.
- Performed testing procedures as deemed necessary for 100% of the full-time employees and a judgmentally selected sample of part-time employee salaries and wages reimbursed by the County.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

---

## AUDIT FINDINGS

---

**Compliance** – As a result of our audit, we determined that the Agency over reported expenditures to the County in the amount of \$138,981 for the period January 1, 2014 through December 31, 2014 (Schedule 1, p. 12). We noted the following:

*There were numerous inconsistencies between the actual hours or percentage of hours and related salary claimed to the County and the actual hours worked on the County programs as recorded on the employee's Time and Activity sheets for the corresponding period, resulting in a disallowance of \$69,776.* The Agency did not reconcile the actual hours or percentage of salary claimed to the actual hours the employee charged to the program. Our audit testing revealed the following:

- The Agency reduced the actual hours worked for the salaried employees providing services for the County programs in June 2014, which resulted in a reduction of the amount of salary expenses eligible for reimbursement claims. In addition, the Agency notified Social Services that claims for salary reimbursement would be calculated based on the actual hours employees worked on the County programs instead of calculating based on the approved allocated rate (percentage) contained in the budget. However, the certified Time and Activity sheets associated with the reimbursed salaries calculated based on actual hours indicates numerous instances in which employees worked less hours for the County program than the actual hours claimed for reimbursement, resulting in a total disallowance of \$45,099. Program disallowance details are as follows:
  - Domestic Violence Program (AWF1) - \$43,248.
  - Domestic Violence Liaison Program (GEK1) - \$1,851.
- The certified Time and Activity sheets associated with the reimbursed salaries indicates numerous employees **did not spend any time** working for the County program, resulting in a total disallowance of \$21,133. Program disallowance details are as follows:
  - Domestic Violence Program (AWF1) - \$7,530.
  - TANF Non-Residential Domestic Violence Program (GSG1) - \$13,603.
- The certified Time and Activity sheets associated with the reimbursed salaries indicates several employees spent a lower percentage of their time working for the County program than the percentage of salary claimed for reimbursement, resulting in a total disallowance of \$3,544. Program disallowance details are as follows:

- Domestic Violence Program (AWF1) - \$2,587.
- Advocacy Services Program (GDD1) - \$957.

**Recommendation:**

The Agency should reconcile the percentage of actual hours worked on the County program to the actual hours or percentage of salary claimed for reimbursement prior to submitting expenditure claims to the County.

---

***Salaries reimbursed by federal funding passed through the County were additionally claimed by the Agency as matching funds on other federal awards, resulting in a disallowance of \$3,921.*** In accordance with the Code of Federal Regulations, Part 200 §200.306, matching funds should not be paid by the Federal Government under another Federal award. The Agency had no procedures in place to ensure they were in compliance with the code. Program disallowance details are as follows:

- Domestic Violence Program (AWF1) - \$2,730.
- Advocacy Services Program (GDD1) - \$1,191.

**Recommendation:**

The Agency should maintain a schedule of expenditures of federal awards (SEFA) and review the schedule prior to claiming matching funds on federal awards to ensure the expense was not reimbursed by any other federal award. In addition, the Agency should verify what portion, if any, of federal awards passed through State or local governments may be eligible for claiming as match.

---

***There were several instances in which salary reimbursements paid by the County were duplicated by payments from other sources, resulting in a disallowance of \$2,891.*** The County contract requires payments not be duplicated; however, the Agency had no procedures in place to ensure they were compliant. Program disallowance details are as follows:

- Domestic Violence Program (AWF1) - \$2,127.
- Advocacy Services Program (GDD1) - \$740.
- TANF Non-Residential Domestic Violence Program (GSG1) - \$24.

**Recommendation:**

The Agency should analyze all salary reimbursements claimed for each employee to ensure payments made by the County are not duplicated from other sources.

---

***The Agency did not perform a proper review of claim details prior to submission to the County, resulting in a total disallowance of \$52,517.*** Our audit testing revealed the following:

- There were several instances in which the Agency could not provide any evidence that an employee worked on the County program. The Agency was unable to provide us with Time and Activity schedules for several employees. In addition, we were unable to interview the employees because they were no longer employed by the Agency and our review of other time and activity logs for the employees revealed that they did not provide any services to the County program. As a result, a total of \$50,218 of reimbursed salaries was disallowed. Program disallowance details are as follows:
  - Advocacy Services Program (GDD1) - \$50,052.
  - TANF Non-Residential Domestic Violence Program (GSG1) - \$166.
- The Agency erroneously paid the accrued vacation hours to an employee twice after her resignation and claimed both payments to the County, resulting in a total disallowance of \$207. Program details are as follows:
  - Domestic Violence Program (AWF1) - \$138.
  - Domestic Violence Liaison Program (GEK1) - \$69.
- There were several instances in which the Agency claimed reimbursement for payroll expenses that were incurred prior to the term of the contract. Part-time employees are paid approximately two weeks after they submit their Time and Activity sheets; however, the Agency claimed reimbursement for the portion of the January payroll related to the hours worked the prior December, resulting in a total disallowance of \$2,092. Program disallowance details are as follows:
  - Domestic Violence Program (AWF1) - \$323.
  - Advocacy Services Program (GDD1) - \$999.
  - TANF Non-Residential Domestic Violence Program (GSG1) - \$770.

**Recommendation:**

A quality assurance review of claims should be performed by Agency personnel before the claims are submitted to the County to ensure the accuracy and completeness of the

claims. The review should include steps to ensure that claims for salary reimbursement have been properly calculated, all expenses were incurred during the grant period, and supporting documentation is complete and contains sufficient information to confirm it is a proper program cost.

---

Furthermore, fringe benefit costs totaling \$9,876 were disallowed as they were associated with salaries and wages that were incorrectly charged to the County programs. Program disallowance details are as follows:

- Domestic Violence Program (AWF1) - \$4,489.
- Advocacy Services Program (GDD1) - \$4,126.
- Domestic Violence Liaison Program (GEK1) - \$147.
- TANF Non-Residential Domestic Violence Program (GSG1) - \$1,114.

In addition to the significant findings identified above, our audit revealed the following:

***The Executive Director's time and attendance records were not certified by a member of the Board of Directors.*** Contract agencies that receive funding from the County must comply with the provision contained in County contracts which specifically states, "time and attendance records of a project director shall be certified by the Chairperson, President or other designated member of the Board of Directors". Our audit testing revealed that none of the Executive Director's timesheets were properly approved by a member of the Board of Directors.

**Recommendation:**

The Agency should ensure that all of the Executive Director's time and attendance records are approved by a member of the Board of Directors.

---

**Internal Controls** – Our audit revealed the following internal control weaknesses:

***Employee Time and Activity sheets were not always signed by the employee and properly approved by the designated supervisor.*** There were numerous instances in which the Time and Activity sheets were not signed by the employee, the employee's supervisor or both. When an employee does not certify the hours worked by signing their time sheet or there is no supervisory review of the time sheets, there is an increased opportunity for errors or fraud to occur, possibly resulting in employees being over paid.

***There were several instances in which the number of hours reported on the employee's time sheet was not in agreement with the number of hours reported on the activity sheet.*** Supervisors did not properly review the time sheet and activity sheet to ensure they were in agreement and that programs were not charged with more hours than the employee actually worked.

**Recommendation:**

Time and Activity sheets should always be signed by the employee and properly reviewed and signed by the employee's supervisor. The supervisor should ensure the hours recorded on the activity sheet are in agreement with the hours recorded on the time sheet.

---

*There were numerous instances in which accrued leave time was not adjusted when used, was accrued at an incorrect rate or the beginning balance was not in agreement with the ending balance on the prior Time and Activity sheet.* Supervisors or other designated employees did not perform a proper review of employee accrued leave time. Failure to maintain and properly review accrued leave time records can result in employees receiving payment for leave time to which they are not entitled.

**Recommendation:**

A proper review of accrued leave time records should be performed to ensure accrual rates are correct, any used leave time is deducted and beginning and ending balances are accurate.

---

*There were numerous instances in which the Agency could not provide Time and Activity sheets or the Activity sheet showing the allocation of the employee's hours.* The Agency failed to retain all accounts, books, records and other documentation in accordance with the provision contained in the County contract.

**Recommendation:**

The Agency should retain all accounts, books, records and other documents relevant to expenses claimed in accordance with contract requirements.

## **SCHEDULES**

Note: The accompanying schedules are an integral part of this report and should be read in conjunction with the Letter of Transmittal (p.1)

Schedule 1

Victims Information Bureau of Suffolk, Inc.  
Summary of Expenditures Over (Under) Reported  
For the Period January 1, 2014 through December 31, 2014

<u>Contract</u>	<u>Amount Over (Under) Reported</u>
2014 Domestic Violence Program (Schedule 2)	\$ 63,172
2014 Advocacy Services Program (Schedule 3)	58,065
2014 Domestic Violence Liaison Program (Schedule 4)	2,067
2014 TANF Non-Residential Domestic Violence Program (Schedule 5)	<u>15,677</u>
Total Amount Over Reported	<u>\$ 138,981</u>

See Notes to Schedules (p. 17)

Schedule 2

Victims Information Bureau of Suffolk, Inc.  
Schedule of Budgeted, Reported and Audited Expenditures  
2014 Domestic Violence Program (AWF1)  
For the Period January 1, 2014 through December 31, 2014

<u>Notes</u>	<u>Budget Category</u>	<u>Amount Budgeted</u>	<u>Amount Reported</u>	<u>Audit Allowance</u>	<u>Amount Over (Under) Reported</u>
(1)	Salaries & Wages	\$ 367,804	\$ 332,498	\$ 273,815	\$ 58,683
(2)	Fringe Benefits	<u>77,239</u>	<u>75,697</u>	<u>71,208</u>	<u>4,489</u>
	Total Personnel Services	445,043	408,195	345,023	63,172
	Other Than Personnel Services	<u>70,117</u>	<u>63,976</u>	<u>63,976</u>	<u>-</u>
	Total Direct Expenditures	515,160	472,171	408,999	63,172
	Administrative Overhead	17,972	17,972	17,972	-
	Total Expenditures	<u>\$ 533,132</u>	<u>\$ 490,143</u>	<u>\$ 426,971</u>	<u>\$ 63,172</u>

See Notes to Schedules (p. 17)

Schedule 3

Victims Information Bureau of Suffolk, Inc.  
Schedule of Budgeted, Reported and Audited Expenditures  
2014 Advocacy Services Program - (GDD1)  
For the Period January 1, 2014 through December 31, 2014

<u>Notes</u>	<u>Budget Category</u>	<u>Amount Budgeted</u>	<u>Amount Reported</u>	<u>Audit Allowance</u>	<u>Amount Over (Under) Reported</u>
(3)	Salaries & Wages	\$ 79,583	\$ 71,759	\$ 17,820	\$ 53,939
(4)	Fringe Benefits	<u>7,822</u>	<u>6,251</u>	<u>2,125</u>	<u>4,126</u>
	Total Personnel Services	87,405	78,010	19,945	58,065
	Contractual Services	2,695	1,988	1,988	-
	Supplies	2,254	519	519	-
	Travel & Subsistence	400	221	221	-
	All Other Expenses	<u>27,465</u>	<u>18,328</u>	<u>18,328</u>	<u>-</u>
	Total Direct Expenditures	120,219	99,066	41,001	58,065
	Administrative Overhead	3,266	2,675	2,675	-
	Total Expenditures	<u>\$ 123,485</u>	<u>\$ 101,741</u>	<u>\$ 43,676</u>	<u>\$ 58,065</u>

See Notes to Schedules (p. 17)

Schedule 4

Victims Information Bureau of Suffolk, Inc.  
Schedule of Budgeted, Reported and Audited Expenditures  
2014 Domestic Violence Liaison Program (GEK1)  
For the Period January 1, 2014 through December 31, 2014

<u>Notes</u>	<u>Budget Category</u>	<u>Amount Budgeted</u>	<u>Amount Reported</u>	<u>Audit Allowance</u>	<u>Amount Over (Under) Reported</u>
(5)	Salaries & Wages	\$ 16,529	\$ 14,774	\$ 12,854	\$ 1,920
(6)	Fringe Benefits	<u>3,719</u>	<u>3,254</u>	<u>3,107</u>	<u>147</u>
	Total Personnel Services	20,248	18,028	15,961	2,067
	Other Than Personnel Services	<u>1,093</u>	<u>985</u>	<u>985</u>	<u>-</u>
	Total Direct Expenditures	21,341	19,013	16,946	2,067
	Administrative Overhead	747	747	747	-
	Total Expenditures	<u>\$ 22,088</u>	<u>\$ 19,760</u>	<u>\$ 17,693</u>	<u>\$ 2,067</u>

See Notes to Schedules (p. 17)

Schedule 5

Victims Information Bureau of Suffolk, Inc.  
Schedule of Budgeted, Reported and Audited Expenditures  
2014 TANF Non-Residential Domestic Violence Program (GSG1)  
For the Period January 1, 2014 through December 31, 2014

<u>Notes</u>	<u>Budget Category</u>	<u>Amount Budgeted</u>	<u>Amount Reported</u>	<u>Audit Allowance</u>	<u>Amount Over (Under) Reported</u>
(7)	Salaries & Wages	\$ 31,820	\$ 29,097	\$ 14,534	\$ 14,563
(8)	Fringe Benefits	<u>4,137</u>	<u>3,783</u>	<u>2,669</u>	<u>1,114</u>
	Total Personnel Services	35,957	32,880	17,203	15,677
	Other Than Personnel Services	<u>1,143</u>	<u>344</u>	<u>344</u>	<u>-</u>
	Total Direct Expenditures	37,100	33,224	17,547	15,677
	Administrative Overhead	1,298	1,298	1,298	-
	Total Expenditures	<u>\$ 38,398</u>	<u>\$ 34,522</u>	<u>\$ 18,845</u>	<u>\$ 15,677</u>

See Notes to Schedules (p. 17)

Notes to Schedules

(1) The Agency over reported Salaries & Wages expenses as follows:

<u>Description</u>	<u>Amount</u>
The actual hours claimed for reimbursement exceed the hours charged to the County program on the employee's Time and Activity sheet	\$ 43,248
Time and Activity sheet indicates employee did not spend any time working for the County program	7,530
Time and Activity sheet indicates the employee spent a lower percentage of time working for the County program than the percentage of salary claimed	2,587
Salaries reimbursed by Federal funding passed through the County claimed as match by the Agency	2,730
Salary reimbursements paid by the County duplicated by payments from other funding sources	2,127
Claimed reimbursement for a duplicated payout of vacation accruals	138
Salary expense incurred prior to the term of the contract	<u>323</u>
Amount Over Reported (p. 13)	\$ <u>58,683</u>

(2) The Agency over reported Fringe Benefit costs as follows:

<u>Description</u>	<u>Amount</u>
Fringe Benefit costs associated with disallowed salaries	\$ <u>4,489</u>
Amount Over Reported (p. 13)	\$ <u>4,489</u>

(3) The Agency over reported Salaries & Wages expenses as follows:

<u>Description</u>	<u>Amount</u>
Time and Activity sheet indicates the employee spent a lower percentage of time working for the County program than the percentage of salary claimed	\$ 957
Salaries reimbursed by Federal funding passed through the County claimed as match by the Agency	1,191

Notes to Schedules

Salary reimbursements paid by the County duplicated by  
payments from other funding sources 740

No evidence the employee worked on the County program 50,052

Expense incurred prior to the term of the contract 999

Amount Over Reported (p. 14) \$ 53,939

(4) The Agency over reported Fringe Benefit costs as follows:

<u>Description</u>	<u>Amount</u>
Fringe Benefit costs associated with disallowed salaries	\$ <u>4,126</u>

Amount Over Reported (p. 14) \$ 4,126

(5) The Agency over reported Salaries & Wages expenses as follows:

<u>Description</u>	<u>Amount</u>
The actual hours claimed for reimbursement exceed the hours charged to the County program on the employee's Time and Activity sheet	\$ 1,851

Claimed reimbursement for a duplicated payout of vacation  
accruals 69

Amount Over Reported (p. 15) \$ 1,920

(6) The Agency over reported Fringe Benefit costs as follows:

<u>Description</u>	<u>Amount</u>
Fringe Benefit costs associated with disallowed salaries	\$ <u>147</u>

Amount Over Reported (p. 15) \$ 147

(7) The Agency over reported Salaries & Wages expenses as follows:

<u>Description</u>	<u>Amount</u>
Time and Activity sheet indicates employee did not spend any time working for the County program	\$ 13,603

No evidence the employee worked on the County program 166

Salary reimbursements paid by the County duplicated by  
payments from other funding sources 24

Notes to Schedules

Expense incurred prior to the term of the contract 770

Amount Over Reported (p. 16) \$ 14,563

(8) The Agency over reported Fringe Benefit costs as follows:

<u>Description</u>	<u>Amount</u>
Fringe Benefit costs associated with disallowed salaries	\$ <u>1,114</u>

Amount Over Reported (p. 16) \$ 1,114

## **APPENDICES**

APPENDIX A



August 14, 2019

**VIA OVERNIGHT MAIL**

Frank Bayer, C.P.A.  
Office of the Suffolk County Comptroller  
H. Lee Dennison Building  
100 Veterans Memorial Highway  
P.O. Box 6100  
Hauppauge, New York 11788

Re: Independent Group Home Living, Inc./  
Victims Information Bureau of Suffolk, Inc.

Dear Mr. Bayer:

Thank you for the opportunity to review and address the unofficial report of your Audit of the Victim's Information Bureau of Suffolk, Inc. ("VIBS") for the period January 1, 2014 through December 31, 2014. As you are aware, all of the facts underlying the audit period occurred before Independent Group Home Living, Inc. ("IGHL") became the sole member of VIBS.

As discussed during our audit interviews, VIBS experienced significant operational and administrative disruptions and challenges during the audit period. During this period, the Board of Directors for VIBS approached IGHL in an effort to salvage its operations and provide VIBS with comprehensive operational stability. Thereafter, the Board of Directors of VIBS approved IGHL to become the sole member of VIBS in accordance with the provisions of the Not-For-Profit Corporation Law. Coordinated with that closing, all members of the Board of Directors of VIBS voluntarily tendered their resignations. In the transfer, VIBS adopted an Amended and Restated By-Law which confirmed that IGHL is the sole member of the not-for-profit corporation, and confirmed in Article III, Subsection 2, that "...in accordance with Section 517 of the New York Not-For-Profit Corporation Law, [the member] shall not be personally liable or responsible for the debts, liabilities or obligations of the corporation." That By-Law provision mirrors the statutory language of Section 517(a) of the Not-For-Profit Corporation Law.

The findings identified and noted in the Audit Report occurred at a time when VIBS was in a transitional period and working on restructuring, building stronger leadership, and improving their policies and procedures.

The current Board of Directors, Executive Director and Finance Department were not involved with VIBS during this period and as such cannot alter substantive comments on the findings. We do understand that certain information was absent during the audit period, and we share the Comptroller's frustration with this absence. However, in some cases, the absence of part of the information should not be construed to indicate that the service was not performed or that the assigned staff did not properly complete their tasks. Nonetheless, we have reviewed the report as presented and have taken into account the recommendations as "best practices" and will implement as appropriate for the current contracts.

**Recommendation:**

The Agency should reconcile the percentage of actual hours worked on the County program to the actual hours or percentage of salary claimed for reimbursement prior to submitting expenditure claims to the County.

**Agency Response:**

VIBS agrees with the recommendation and is currently matching the budget with the monthly vouchers prior to submission to ensure the percentages for the employees are correct.

**Recommendation:**

The Agency should maintain a schedule of expenditures of federal awards (SEFA) and review the schedule prior to claiming matching funds on federal awards to ensure the expense was not reimbursed by any other federal award. In addition, the Agency should verify what portion, if any, of federal awards passed through State or local governments may be eligible for claiming a match.

**Agency Response:**

VIBS agrees with this recommendation and for future contracts will obtain the correct percentages from each grant that is a federal award and generate a spreadsheet that will monitor the non-federal funding to ensure that the improper funds are not used.

**Recommendation:**

The Agency should analyze all salary reimbursement claimed for each employee to ensure payments made by the County are not duplicated from other sources:

**Agency Response:**

VIBS agrees with this recommendation and for future contracts have procedures in place to ensure there are no duplicate payments from other sources.

---

**Recommendation:**

A quality assurance review of claims should be performed by Agency personnel before the claims are submitted to the County to ensure the accuracy and completeness of the claims. The review should include steps to ensure that claims for salary reimbursement have been properly calculated, all expenses were incurred during the grant period and supporting documentation is complete and contains sufficient information to confirm it is a proper cost.

**Agency Response:**

VIBS agrees with the recommendation and has established new procedures to ensure that we have all monthly time allocation sheets. The sheets are now maintained within the Accounting Department at the end of the year. We are also working on implementing a new Human Resources Information System (HRIS) which will include Time & Attendance System which will improve upon the record keeping and documentation.

**Recommendation:**

The Agency should ensure that all of the Executive Director's time and attendance record are approved by a member of the Board of Directors.

**Agency Response:**

VIBS does not agree with this recommendation due to the timing of payroll and the ability to have a Board member approve the time on a timely and bi-monthly basis. VIBS currently has the Executive Director's time and attendance approved by the Chief Executive Officer of Independent Group Home Living Program, Inc. and Affiliates. We can have the Board President approve the Executive Director's time and attendance records during the scheduled board meeting.

**Recommendation:**

Time and Activity sheets should always be signed by the employee and properly reviewed and signed by the employee's supervisor. The supervisor should ensure the hours recorded on the activity sheet are in agreement with the hours recorded on the time sheet.

**Agency Response:**

VIBS agrees with the recommendation and currently has all employees sign their timesheets and their supervisor and Executive Director reviews, signs and approves the employees time and activity sheets.

**Recommendation:**

A proper review of accrued leave time records should be performed to ensure accrual rates are correct, any used leave time is deducted and beginning and ending balances are accurate.

**Agency Response:**

We agree with the recommendation and have improved upon our procedures for recording and tracking accruals on timely basis. The implementation of the new HRIS will further improve and automate the recording and tracking of accrued leave time records.

---

**Recommendation:**

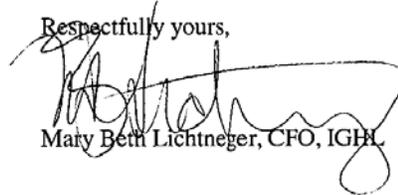
The Agency should retain all accounts, books, records and other documents relevant to expenses claimed in accordance with contract requirements.

**Agency Response:**

VIBS agrees with the recommendation and now all expense receipts and payments made to vendors are maintained in the Accounting Department located at 221 North Sunrise Service Rd, Manorville NY.

Again, we thank the Comptroller for the thoroughness of this Audit and its recommendations for improvement. We trust, based on IGHL's prior exemplary conduct, that our centralized accounting and administrative functions will cure VIBS of its previous difficulties.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Mary Beth Lichtneger', written over the typed name below.

Mary Beth Lichtneger, CFO, IGHL

cc: Walter Stockton, CEO, IGHL  
Reina Schiffrin, Executive Director, VIBS  
Brian T. Egan, Esq., IGHL Counsel

---

**APPENDIX B**

**Comptroller Office's Comments on the Agency's Response**

**Auditee: Victims Information Bureau of Suffolk, Inc.**

---

The Agency submitted a written response to the audit report (Appendix A, p. 21). In its response the Agency generally agreed with the audit findings and indicated that it will take corrective action in response to our audit. Therefore, no modification of the audit report is warranted.