



***The City of New York
Office of the Comptroller
Bureau of Financial Audit***

WILLIAM C. THOMPSON, JR.
Comptroller

**Audit Report on the
Compliance of 456 W. 129th Street Housing Corp.,
With Its Contract with the Department of
Housing Preservation and Development**

FP02-134A

June 28, 2002

*The City of New York
Office of the Comptroller
Bureau of Financial Audit*

**Audit Report on the
Compliance of 456 W. 129th Street Housing Corp.,
With Its Contract with the Department of
Housing Preservation and Development**

FP02-134A

EXECUTIVE SUMMARY

Background

The Department of Housing Preservation and Development (HPD) entered into a three-year contract (January 1, 1992–December 31, 1994) with the 456 W. 129th Street Housing Corp., also known as Convent Avenue Family Living Center (Convent), to manage, maintain, and operate the Convent Family Center (Family Center). Under the terms of the contract, Convent is to provide temporary emergency housing for families displaced by fires or ordered to vacate their apartments because of unsafe conditions.¹ During our audit period—July 1, 2000, to June 30, 2001—Convent’s approved contract totaled \$837,524. However, HPD registered only \$468,732 of the total amount with the Comptroller’s Office.

Objectives, Scope, and Methodology

Our audit objective was to determine whether Convent complied with its contract with HPD. Specifically, we wanted to determine whether Convent kept the Family Center in a safe and sanitary condition; maintained complete and accurate records to support amounts billed to HPD; and maintained complete and accurate records to support its expenses, and whether those expenses were reasonable and necessary for the operation and maintenance of the Family Center. Our audit covered the period from July 1, 2000, through June 30, 2001.

¹ The Family Center also houses families referred by the Department of Homeless Services (DHS) when there are vacant apartments (not filled by HPD).

Prior to beginning the audit, on May 4, 2001, we conducted unannounced visits to the premises to determine whether the Family Center was maintained in a safe and sanitary condition. A follow-up visit was made on February 19, 2002, to determine whether conditions found during our initial visits were corrected. In addition, we reviewed reports filed by Convent's social workers and maintenance workers that detailed problems they found in the apartments and work orders that indicated repairs had been completed. We also compared the conditions noted on the inspection reports to the conditions found during our visits.

We determined whether Convent maintained complete and accurate records to support amounts billed to HPD by reconciling Convent's tenant occupancy records to HPD's on-site occupancy records. In addition, we determined whether Convent billed HPD and DHS for the same tenants by comparing the residents' names and apartments listed on occupancy verification records maintained by HPD and DHS for the six months of July and December 2000, and January, February, March and May 2001. We obtained and reviewed all canceled checks and corresponding invoices for the audit period, and we reviewed the payroll and employee time records for three pay periods in August and September 2000. We determined whether Convent complied with other provisions of its contract by verifying whether: appropriate insurance coverage was maintained; an inventory of office equipment was maintained and the equipment was tagged; 24-hour security was maintained; orientation and a copy of the "House Rules" were provided to new tenants; and not-for-profit organizations and government agencies were provided non-residential space.

Our audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the City Comptroller's audit responsibilities as set forth in Chapter 5, § 93, of the New York City Charter.

Results in Brief

Convent maintained complete and accurate records to support expenses and the amounts billed to HPD and generally spent program funds on expenses that were reasonable and necessary for the operation of the Family Center. In addition, in accordance with its contract, Convent properly billed HPD and DHS for only those tenants for whom each agency was responsible; maintained the required insurance coverage; maintained 24-hour security surveillance; conducted orientation for new tenants and provided them with a copy of the "House Rules"; and provided non-residential space for not-for-profit organizations and government agencies providing social services, support, and relocation services.

However, Convent did not comply with certain terms of its contract and had weaknesses in its operating practices. Specifically, Convent did not maintain the facilities in a safe and sanitary condition. We found roach infestation; leaking

faucets; peeling paint; defective window sashes; missing tiles; and a hole in one apartment's floor. In addition, residents complained that their apartments were infested with mice. Based on our two sets of inspections, we conclude that Convent is not performing satisfactorily in terms of providing a safe and sanitary environment for all of its tenants. We also conclude that HPD's monitoring of Convent is inadequate.

Convent did not always repair the problems identified by its staff until after the problems were noted in a subsequent inspection or inspections. As a result, many of the repairs took an inordinate amount of time to complete. A review of inspection reports revealed that in six instances, Convent's staff noted the same problems on two separate inspection reports before repairs were made. For example, an inspection by a Convent employee on March 2, 2001, identified a leaking drainpipe under the kitchen sink. The same problem was identified during a second inspection on March 22, 2001—20 days after the initial inspection. The repair was finally completed on April 30, 2001—59 days after the initial inspection. In another example, an inspection on March 1, 2001, found a broken front door knob. The same problem was identified during a second inspection on April 19, 2001—49 days after the initial inspection. The repair, performed in 25 minutes (according to the work order), was finally completed on August 21, 2001—173 days after the initial inspection.

Convent's contract contains no provision requiring that it inspect apartments for items in need of repair. Rather, the contract requires only that it "systematically and promptly respond to reasonable complaints from and requests" by occupants. However, when inspections cite conditions needing repairs, undue delays in completing those repairs may result in the unsafe and unsanitary conditions. It appears that Convent recognizes this since, even though inspections are not required by the contract, Convent employees inspected tenants' apartments a total of 489 times during the Fiscal Year 2001. This averages out to 6.4 times for each apartment during our audit period.

In their inspection reports, Convent employees noted that repairs were needed in 183 of the 489 inspections that covered 75 of the 76 occupied Family Center apartments. We could not determine, however, whether repairs were completed in 26 of the 75 apartments because work orders covering those apartments were missing. Without work orders for the 26 apartments to review, we could not determine whether the problems noted in those apartments were addressed.

For the remaining apartments in which repairs were needed, we found 159 work orders indicating that the work was completed. We found five instances for which the conditions noted took more than six months to repair, 25 instances for which repairs took between three and six months to complete, and 83 instances for which it took between eight days and three months to complete. Repairs for the remaining 46 work orders were completed in seven days or less—20 on the

same day as the condition was reported. We commend Convent for repairing conditions on the same day as reported in those 20 instances. However, it is unacceptable for Convent to take a week or longer to make more than 70 percent of the repairs, especially when some conditions take more than three months to correct.

Finally, Convent's contract with HPD includes \$80,484 for "management fees" for our audit period. The contract, however, does not indicate who the manager is or what services were to be provided. According to Convent's latest certified financial statements, the Family Center's operations are managed by West Harlem Group Assistance (WHGA). Convent paid WHGA \$80,484 during our audit period. We question the payments made to WHGA because there is no contract between Convent and WHGA indicating what services were to be rendered by WHGA in return for the fee.

The report made seven recommendations, including that HPD ensure that:

- Convent inspects all apartments and ensure that all unsafe and unsanitary conditions are corrected.
- Convent performs all repairs promptly to address conditions noted in the inspection reports.
- Convent requires that its maintenance workers file work orders after work is completed. The supervisor should then inspect all repairs to ensure that they were properly completed. After inspecting the repairs and reviewing the work orders, the supervisor should sign each work order attesting that the repair was completed, and file the work order in Convent's files.

Discussion of Audit Results

The matters covered in this report were discussed with Convent and HPD officials during and at the conclusion of this audit. A preliminary draft report was sent to Convent and HPD officials and discussed at an exit conference on June 10, 2002, with Convent and HPD officials. On June 11, 2002, we submitted a draft report to Convent and HPD officials with a request for comments. We received written responses from Convent on June 24, 2002, and from HPD on June 26, 2002.

In its response, Convent described the steps it has taken or will take to implement six of the report's seven recommendations. With regard to the remaining recommendation (#5), Convent stated that it reported all voided checks on its monthly bank reconciliations, in accordance with HPD procedures.

HPD agreed to implement all of the report's recommendations.

The full texts of Convent's and HPD's responses are included as addenda to this report.

Table of Contents

INTRODUCTION	
Background	1
Objective	2
Scope and Methodology	2
Discussion of Audit Results	3
FINDINGS AND RECOMMENDATIONS	4
Unsafe and Unsanitary Conditions	5
Delays in Repairing Apartments	5
Questionable Management Fees	6
Convent was Reimbursed by HPD for Expenses That It Did Not Incur	7
Convent Did Not Charge Employees For Time Used and Incorrectly Calculated Overtime Pay	7
Weaknesses in Inventory Control	7
RECOMMENDATIONS	8
APPENDIX I	
APPENDIX II	
APPENDIX III	
APPENDIX IV	
ADDENDUM I – Convent Response	
ADDENDUM II – HPD Response	

*The City of New York
Office of the Comptroller
Bureau of Financial Audit*

**Audit Report on the
Compliance of 456 W. 129th Street Housing Corp.,
With Its Contract with the New York City Department of
Housing Preservation and Development**

FP02-134A

INTRODUCTION

Background

The Department of Housing Preservation and Development (HPD) entered into a three-year contract (January 1, 1992–December 31, 1994) with the 456 W. 129th Street Housing Corp., also known as Convent Avenue Family Living Center (Convent). The contract was renewed by HPD for the period January 1, 1995, through June 30, 1998. Since July 1, 1998, HPD has renewed Convent's contract on a year-to-year basis. Under the agreement, Convent is required to manage, maintain, and operate four buildings known as the Family Center. Under the terms of the contract, Convent is to provide temporary emergency housing for families displaced by fires or ordered to vacate their apartments because of unsafe conditions. For our audit period—July 1, 2000, to June 30, 2001—Convent's approved contract totaled \$837,524. However, HPD registered only \$468,732 of the total amount with the Comptroller's Office.

The Family Center's four buildings are at 22, 26, 30, and 34 Convent Avenue in West Harlem, New York and contain 79¹ apartments. If the Family Center has vacant apartments (not filled by HPD), it houses families referred by the Department of Homeless Services (DHS). Although Convent does not have a contract with DHS, it bills DHS based on the rates allowed in the HPD contract.

This is the second of three audits currently being conducted on HPD-contracted transitional housing facilities. The first one covers the Amboy Neighborhood Center Inc. (Amboy), in Brooklyn; the third one covers the Harriet Tubman Family Living Center in Manhattan.

¹ Three of the apartments were not used by tenants during our audit period (two units were damaged by fire and one unit is occupied by a medical facility for the tenants).

Objective

Our audit objective was to determine whether Convent complied with its contract with HPD. Specifically, we determined whether Convent maintained:

- the Family Center in a safe and sanitary condition;
- complete and accurate records to support amounts billed to HPD; and
- complete and accurate records to support its expenses, and whether these expenses were reasonable and necessary for the operation and maintenance of the Family Center.

Scope and Methodology

The audit covered the period from July 1, 2000, through June 30, 2001.

To determine whether the Family Center was maintained in a safe, and sanitary condition, on May 4, 2001, prior to beginning the audit, we conducted unannounced visits to the premises. We attempted to gain access to each of the Family Center's buildings. However, we were able to gain access to only one building. In that building we inspected the hallways and four of the 18 apartments—tenants were not home in the remaining 14 apartments. We interviewed the apartments' residents and videotaped conditions found. (See the Findings section of this report for further details.) We did not gain access to the remaining buildings because management ordered us to leave the premises. We notified HPD and the Department of Health (DOH) about the unsafe and unsanitary conditions found. A follow-up visit was made on February 19, 2002, to determine whether conditions found during our initial visit were corrected and to inspect additional apartments. In addition, we reviewed reports filed by Convent's social workers and maintenance workers that detailed problems they found during their inspections of the apartments and the corresponding work orders that detailed the repair work done. We also compared the conditions noted on the inspection reports to the conditions found during our visits.

To determine whether Convent maintained complete and accurate records to support amounts billed to HPD, we reconciled Convent's tenant occupancy records to HPD's on-site occupancy records and found that these records support the amount claimed from HPD. In addition, we checked whether Convent doubled-billed HPD and DHS for the same tenants by comparing the residents' names and apartments listed on occupancy verification records maintained by HPD and DHS for the months of July and December 2000 and for January, February, March, and May, 2001.

To determine whether Convent maintained complete and accurate records to support its expenses and whether these expenses were reasonable and necessary for the operation and maintenance of the Family Center, we obtained and reviewed all canceled checks and corresponding invoices for the audit period.

To determine whether salaries paid to Convent employees were appropriate, we reviewed the payroll and employee time records for three pay periods in August and September 2000. Specifically, we determined whether the hours paid for were documented on the time records and whether employees' time was accurately recorded on Convent's records.

To determine whether Convent complied with other provisions of its contract, we verified whether Convent: maintained appropriate insurance coverage; maintained an inventory of office equipment and tagged the equipment; maintained 24-hour security; conducted orientation and provided a copy of the "House Rules" to new tenants; provided not-for-profit organizations and government agencies non-residential space.

Our audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the City Comptroller's audit responsibilities as set forth in Chapter 5, § 93, of the New York City Charter.

Discussion of Audit Results

The matters covered in this report were discussed with officials from Convent during and at the conclusion of this audit. A preliminary draft report was sent to Convent and HPD officials and discussed at an exit conference on June 10, 2002, with Convent and HPD officials. On June 11, 2002, we submitted a draft report to Convent and HPD officials with a request for comments. We received written responses from Convent on June 24, 2002, and from HPD on June 26, 2002.

In its response, Convent described the steps it has taken or will take to implement six of the report's seven recommendations. With regard to the remaining recommendation (#5), Convent stated that it reported all voided checks on its monthly bank reconciliations, in accordance with HPD procedures.

HPD agreed to implement all of the report's recommendations.

The full texts of Convent's and HPD's responses are included as addenda to this report.

FINDINGS AND RECOMMENDATIONS

We concluded that Convent maintained complete and accurate records to support expenses and the amounts billed to HPD, and generally spent program funds on expenses that were reasonable and necessary for the operation of the Family Center. In addition, in accordance with its contract, Convent:

- maintained the required insurance coverage;
- maintained 24-hour security;
- conducted orientation for new tenants and provided them with a copy of the “House Rules” and;
- maintained non-residential space for not-for-profit organizations and government agencies that provide social services, support, and relocation services;

We did find, however, that Convent did not comply with certain terms of its contract and that it had weaknesses in its operating practices. Specifically, Convent:

- did not maintain the facilities in a safe and sanitary condition;
- did not always repair the problems identified by its staff. In addition, many of the repairs took an inordinate amount of time to complete;
- paid management fees to West Harlem Group Assistance (WHGA) without the benefit of a contract or other documentation detailing the services provided;
- received reimbursement from HPD for expenses that it did not incur;
- did not always charge employees for compensatory and annual leave used, and incorrectly calculated overtime pay to its employees; and,
- did not maintain an inventory list of office equipment or affix tags to the equipment.

As stated earlier, this is the second of three reports on HPD-contracted transitional housing facilities. Although the problems found at Convent were not as severe as those found at Amboy, both facilities were not maintained in a safe and sanitary condition. At Amboy the major problems were that: apartments were not routinely inspected; inspections did not always identify problem conditions; and available funds were not used to make needed repairs. Unlike Amboy, Convent routinely inspected apartments, noted conditions requiring repairs in its inspection reports, and used available funds to make needed repairs. However, Convent did not ensure that all needed repairs were then performed.

Unsafe and Unsanitary Conditions

During our visit of the Family Center on May 4, 2001, we found that all four apartments we were able to inspect had unsafe and unsanitary conditions. These conditions included roach infestation; leaking faucets; peeling paint; a defective window sash; missing tiles; and a hole in one apartment's floor. In addition, residents complained that their apartments were infested with mice. (See Appendix I, page 13, for conditions found.) According to the contract, Convent is responsible for "keeping the common areas of the Family Center in a clean and sanitary condition and maintaining residential units by means of regular ongoing maintenance, extermination services and repairs."

We informed HPD and DOH about the conditions we found in a letter dated May 7, 2001. (See Appendix I.) In its response, HPD indicated that between May 7, 2001, and May 10, 2001, repairs were completed in three of the four apartments. HPD did not indicate the status of the other apartment, which needed only extermination services. DOH did not respond to our letter.

Our follow-up visit on February 19, 2002, revealed that similar unsafe and unsanitary conditions existed in 23 of the 40 occupied apartments that we visited. The conditions we found included broken tiles and lights, leaking faucets, roach infestation, and broken and inoperable windows. On March 6, 2002, we again informed HPD about the conditions at Convent and requested that HPD take immediate action to rectify the situation. (See Appendix III.) In response, HPD stated that Convent would receive funds (approximately \$3 million) for kitchen and bathroom floor replacements; plumbing and electrical upgrades; appliance replacements; apartment door replacements; and enhanced security.

Based on our two sets of inspections, we conclude that Convent is not performing satisfactorily in terms of providing a safe and sanitary environment for all of its tenants. We also conclude that HPD's monitoring of Convent is inadequate.

Delays in Repairing Apartments

Convent did not always repair the problems identified by its staff until after the problems were noted in a subsequent inspection or inspections. As a result, many of the repairs took an inordinate amount of time to complete. A review of inspection reports revealed that Convent's staff, in six instances, noted the same problems on two separate inspection reports before repairs were made. For example, an inspection by a Convent employee on March 2, 2001, identified a leaking drainpipe under the kitchen sink. The same problem was identified during a second inspection on March 22, 2001—20 days after the initial inspection. The repair was finally completed on April 30, 2001—59 days after the initial inspection. In another example, an inspection on March 1, 2001, found a broken front door knob. The same problem was identified during a second inspection on April 19, 2001—49 days after the initial inspection. The repair, performed in 25 minutes (according to the work order), was finally completed on August 21, 2001—173 days after the initial inspection.

Convent's contract contains no provision requiring that it inspect apartments for items in need of repair. Rather, the contract requires only that it "systematically and promptly respond to reasonable complaints from and requests" by occupants. However, when inspections cite conditions needing repairs, undue delays in completing those repairs may result in the unsafe and unsanitary conditions noted in the previous section. It appears that Convent recognizes this since, even though inspections are not required by the contract, Convent employees inspected tenants' apartments a total of 489 times during the Fiscal Year 2001. This averages out to 6.4 times for each apartment during our audit period.

In their inspection reports, Convent employees noted that repairs were needed in 183 of the 489 inspections that covered 75 of the 76 occupied Family Center apartments. We could not determine, however, whether repairs were completed in 26 of the 75 apartments because work orders covering those apartments were missing. Convent's Maintenance Department prepares work orders describing the items needing repair, based on the inspection reports. When the maintenance employee responsible for making the repair completes the assignment, the employee notes the actions taken on the work order and returns it to the Maintenance Department. Without work orders for the 26 apartments to review, we could not determine whether the problems noted in those apartments were addressed.

For the remaining apartments in which repairs were needed, we found 159 work orders indicating that the work was completed. We found five instances for which the conditions noted took more than six months to repair, 25 instances for which repairs took between three and six months to complete, and 83 instances for which repairs took between eight days and three months to complete. Repairs for the remaining 46 work orders were completed in seven days or less—20 on the same day as the condition was reported. We commend Convent for repairing conditions on the same day as reported, in some instances. However, it is unacceptable for Convent to take a week or longer to make more than 70 percent of the repairs, especially when some conditions take more than three months to correct.

Despite the conditions that we found at the Family Center and the inordinate amount of time it took to make certain repairs, HPD rated Convent's overall performance as "very good" on its last two VENDEX² evaluations, dated July 31, 2000, and February 8, 2002. Obviously, HPD did not take into account the conditions at the facility and the timeliness of repairs when it evaluated Convent's performance.

Questionable Management Fees

Convent's contract with HPD includes \$80,484³ for "management fees" for our audit period. The contract, however, does not indicate who the manager is or what services were to be provided. According to Convent's latest certified financial statements, the Family Center's

² Vendex is the City's Vendor Information Exchange System that compiles data on vendors doing business with City agencies.

³ HPD's portion of management fees was \$68,189. The remaining \$12,295 was charged to Department of Homeless Services.

operations are managed by West Harlem Group Assistance (WHGA). Convent paid WHGA \$80,484 for management services during our audit period.

We question the payments made to WHGA because there is no contract between Convent and WHGA indicating what services were to be rendered by WHGA in return for the fee, and because the invoice submitted to Convent did not describe the services rendered.

HPD officials informed us that Convent's contract included a budget for management fees since the inception of the contract in 1992. However, an HPD official stated that Convent's budget in its Fiscal Year 2003 contract would not include a provision for such fees.

Convent was Reimbursed by HPD For Expenses That It Did Not Incur

According to the contract, Convent is entitled to receive a per diem rate for each apartment based on occupancy. However, even though the per diem rate would result in higher payments HPD only pays Convent based on monthly expenses. The balance, if any, is kept in a reserve account by HPD. However, Convent was reimbursed a total of \$1,280 for four invoices from vendors that it did not pay. Convent did not return the unused funds to HPD. As a result the \$1,280 was not deposited in the reserve account, contrary to HPD procedures.

Convent Did Not Charge Employees For Time Used and Incorrectly Calculated Overtime Pay

Convent did not charge the leave balances of eight of its employees for time used. The leave balances were undercharged by 306.5 hours. During the audit period, Convent used a manual system to record vacation, sick, and compensatory time accruals and use. In addition, Convent paid four of its employees a total of \$250 more than they were entitled to because the hours on timesheets were added incorrectly, which resulted in the employees being overpaid.

Weaknesses in Inventory Control

Convent's physical assets include computers, fax machines, copy machines, and laser printers—all susceptible to theft. Convent does not have an inventory of its equipment, and none of its equipment is tagged. To safeguard these assets, the equipment should be tagged and inventoried. It should be noted that Convent's contract requires that all equipment be clearly marked or identified as HPD property.

Recommendations

HPD should ensure that Convent:

1. Immediately inspects all apartments and corrects all unsafe and unsanitary conditions (including those cited in this report).

Convent Response: “We do not agree that Convent is unsafe and unsanitary. All findings from the 2/19/02 audit were corrected by 3/08/02. Extermination has been increased from once a month to twice a month. Social Service is involved in educating clients in the upkeep of their living space which is a contributing factor towards minimizing unsanitary conditions within apartments.”

HPD Response: “HPD does not agree with the audit findings that Convent Family Center is unsafe and unsanitary. Although HPD believes that Convent is attentive to the conditions at the facility, HPD is drafting procedures that will require Convent to conduct and document physical inspections of all occupied units on a regular basis. HPD will routinely review this documentation and conduct audits of inspections performed by Convent to ensure compliance with contract provisions in maintaining a safe, clean and sanitary facility. In addition HPD has instructed Convent to increase extermination to twice monthly.”

2. Performs all repairs promptly to address conditions noted in inspection reports.

Convent Response: “All repairs are assessed within 24 hrs.; Emergency repairs are completed immediately; Routine repairs will be completed within 48 hours.”

HPD Response: “HPD will issue a directive to Convent to provide follow-up reports on repairs performed in response to inspection reports. HPD will conduct follow-up inspections to ensure that work is done.”

3. Requires that its maintenance workers file the work orders after work is completed. The supervisor should then inspect all repairs to ensure that they were properly completed. After inspecting the repairs and reviewing the work orders, the supervisor should sign each work order attesting that the repair was completed, and file the work order in Convent’s files.

Convent Response: “Work orders will be prepared for all assignments; Maintenance Director inspects all repairs and signs work orders assuring the satisfactory completion of repair; Completed work orders will be properly filed.”

HPD Response: “See Response 1 and 2 [i.e., to Recommendations #1 and #2].”

4. Accounts for all employees’ time accrued and used. Convent should review all employees’ leave balances and correct any overcharged or undercharged time. Convent should also adjust the leave balances for the eight employees undercharged for time used.

Convent Response: “Convent replaced the manual system with an automated system which calculates, applies and tracks leave balances, (vacation, sick, comp. etc.) Leave balance overstatements and payroll overpayments for those employees affected have been adjusted.”

HPD Response: “A directive will be issued to Convent that an internal audit be conducted of all employees’ leave balances and that any miscalculated leave balances be corrected to accurately reflect time used. HPD will also require confirmation from Convent that for the employees cited in the audit findings, new leave balances reflect adjustments of undercharges for time used.”

5. Notifies HPD when a check is voided or canceled.

Convent Response: “HPD’s current and past procedure mandated that Convent notifies HPD of all voided and cancelled checks monthly via the bank reconciliation requirements. Convent complied with this mandate 100%.”

HPD Response: “HPD will issue a directive to Convent to promptly notify HPD when checks are voided or cancelled. The notification will be required as part of the monthly billing submitted to HPD.”

Auditor Comment: We acknowledge that the bank reconciliation submitted to HPD noted that the checks were voided and that it was probably HPD’s fault that the excess reimbursements were not recouped. Nonetheless, we question why Convent did not return these funds to HPD.

6. Accurately calculates pay for its employees in accordance with the hours worked.

Convent Response: “Convent’s conversion to an automated system now assures the accuracy in calculating payroll wages.”

HPD Response: “Convent had manually calculated employees’ hours, however they are currently utilizing computerized time clocks and ADP, a payroll company to calculate employees’ hours worked. HPD will obtain a copy of all current union agreements from Convent as a reference to calculate holiday and overtime pay. HPD will ensure that as part of the Agency’s review of payrolls that all calculations of pay are in conformance with these union agreements.”

7. Maintains an inventory list that includes all the equipment on hand and ensures that proper identification tags are affixed to each item.

Convent Response: “An inventory listing of equipment will be prepared and all equipment will be tagged with an HPD identifier.”

HPD Response: “HPD will issue a directive to Convent to have all physical assets and equipment clearly tagged as HPD property and inventoried.”