

Conference on Jewish Material Claims Against Germany, Inc.

General Controller

Annual Summary Report

**Submitted:
Yigal Molad Hayo**

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The following is a summary of the most significant findings/recommendations, presented to and reviewed by the Control Committee following the July 2013 Board meeting.

Association D'Aide aux Israelites Ages et Malades (ADIAM) in Paris

An audit was undertaken at the offices of ADIAM in Paris.

As a general background matter, ADIAM indicated that there had been, in 2011, a change in criteria governing home care services under which the agency had to get permission from clients to turn over data to the Claims Conference. Further, the Claims Conference obligation is to make that data available to the German government. The eventual solution, which had to satisfy privacy laws governing the agency, was complicated and forced the agency to create a new system of reporting which took time.

The main final recommendations were as follows:

1. There should be strict compliance with the requirement that the date and signatures of relevant home care worker – confirming the identity of the client – and the client be provided in each case.
2. At least two persons who are not salaried employees of the agency should be added to the Holocaust Survivor Advisory Committee.
3. Claims Conference should review the hourly homecare rate charged and ensure that it is consistent with homecare provision in France, in general.
4. The Claims Conference will explore expanding homecare coverage beyond the big cities in which it currently funds homecare in France.
5. The Claims Conference should, together with ADIAM, examine the organizations' reserves.

Ekaterinburg, Russian Federation (Ural – Volga Region)

The audit was carried out at Hesed Menorah in Ekaterinburg.

As a general matter, with respect to the JDC's work in the area, the audit maintained that the internal audit reports undertaken by the JDC should, in a more systematic manner, identify the specific conditions set by the Claims Conference in its grant allocation letters. Moreover, in light of the Claims Conference providing funding to cover the major part of the cost of salaries

of the internal auditors, these auditors should mainly focus on programs of hassadim and organizations funded by Claims Conference grants.

As to Hesed Menorah specifically, the main final recommendations were as follows:

1. At least once every three months, the JDC should undertake a market survey in which current medicine prices should be compared among pharmacy chains and an approach should be implemented permitting clients to select a pharmacy with the best prices.
2. Consider implementing addition approval procedures in cases where the estimated annual value of assistance to a particular client significantly exceeds the average value of the per capita assistance by the Hesed in the previous year.
3. A thorough review should occur of the current relationship between the Hesed and the Center Synagogue.

Kishinev, Republic of Moldova

The audit, which covers the pertinent activities Yehuda Hesed, took place in 2013.

The main final recommendations were as follows:

1. The most updated figures and data on Hesed budgets should be submitted at least one week before the audit site visit.
2. Because of the scope of its activities, the Yehuda Hesed should be audited twice a year, with one of the audits performed by an auditor outside of the Moldova region covered by the JDC.
3. Consider additional approval procedures in cases where the estimated annual value of assistance to be granted a client significantly exceeds the average value of assistance per capita granted by the hesed in the previous year.
4. The Claims Conference logo or name should appear on the “smart” cards clients use for food purchases when/if new cards are printed.
5. Suppliers should print actual retail (shelf) prices, the gross value of the products purchased, the actual calculated discount and the final net value on the bills of hesed clients.
6. Consider all possible measures that could be taken to shorten the current approval procedure process so that the processing of exceptional cases takes no more than 14 days at most.
7. To reduce the Hesed’s workload, as there are only two types of parcels with detergents and cleaners (for Jewish Nazi victims and non-Nazi victims) the Hesed should require that suppliers prepare the individual packages for clients at the suppliers’ warehouse.
8. An examination of ways that the Hesed can clearly show the rental space and utility costs.
9. Any assistance funded by the Claims Conference that the Hesed provides for clients that are members of the Hesed Board should be specifically verified and authorized by the JDC.

Minsk, Republic of Belarus

The audit, which covers the pertinent activities of the Rahamim Hesed, took place in February 2014.

The main final recommendations were as follows:

1. Measures be taken such that an internal audit is performed at least once annually in each hesed in the region.
2. All grant allocation letters referring to assistance for Jewish Nazi victims should be presented to the audit prior to the beginning of the audit.
3. Any assistance proposed for clients of the Hesed that are members of the Hesed Board should be specifically verified and authorized regularly by the JDC.
4. JDC should simplify what the audit believes are the complicated eligibility criteria for food and medication.
5. By the end of 2014, a comprehensive analysis and report should be completed with respect to the implementation of the new bank card system, which should include an assessment of the risks and advantages related to the use of bank cards.
6. Tender documents used by the Hesed should be signed, dated and printed on the official stationary of the agency.
7. With respect to tenders: (a) additional price negotiations should be conducted in a way which is transparent and provides equal treatment for all bidders, and should be reflected in written form; (b) tender announcements should be circulated nationwide; and (c) contract provisions, especially for short term contracts, should allow for an extension.

Philadelphia, United States of America

The audit covers the pertinent activities of and included a visit to the Jewish Family and Children's Service of Greater Philadelphia.

The main final recommendations were as follows:

1. Implement measures which will allow its records to show precise data on its clients' income applicable to the criteria.
2. Develop a way of archiving basic documents from and about clients such that major documents scanned into the agency database can be more efficiently sorted and/or located.
3. The term appearing in the grant allocation letter of the Claims Conference that the "grant be used for expansion of current emergency assistance programs" should be applied only to new agencies.
4. All members of the Holocaust Survivor Advisory Committee should sign the lack of conflict of interest declaration.
5. Health care hours should be documented on a daily basis, such documentation should

include signatures of the client and service provider and be sent monthly to the agency both by the client and service provider.

6. The agency should sign contracts with major service providers that have not yet been contracted with that are used regularly and often for the program which assists Holocaust survivors.
7. The Holocaust Advisory Committee should include more local lay leaders.
8. Minutes of the meetings of the Holocaust Advisory Committee should include details regarding the discussions held, including, albeit anonymous, individual cases and applications for emergency assistance.

Riga, Republic of Latvia

The audit, which covers an overview of the activities of the Heseds in the Baltic States (which include Latvia, Estonia and Lithuania), as well as the Rahamim Welfare Center (Hesed) in Riga, which is part of the Latvian Council of Jewish Communities, took place in 2014, and included a visit to the Latvian Council of Jewish Communities in Riga.

The main final recommendations were as follows:

1. Internal audits should adhere to the same protocol as established in the other Russian speaking countries.
2. Eligibility criteria of the emergency assistance program - SOS program – should be reviewed and adhered to.
3. Review of the weekend homecare hours should be undertaken.
4. An official tender procedure, announced in accordance with certain specified criteria, should be published to ensure fair, equal and transparent access of possible suppliers, for example, for the “supermarket” and “pharmacy” programs.
5. More lay leaders and Holocaust survivors should be added to the Hesed Board.
6. Any assistance provided to a client of the Hesed that is a member of the Hesed Board should be verified and formally validated by the JDC.
7. Develop a way of archiving basic documents from and about clients such that major documents scanned into the agency database can be more efficiently sorted and/or located.

Updates were provided on the schedule of upcoming audits, the review of the implementation of previous audit recommendations and other matters including March of the Living and an internal review of archival documents.