



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

September 21, 2015

Samuel P. Vergheese, Secretary
Florida Department of Elder Affairs
4040 Esplanade Way
Tallahassee, FL 32399-7000

Dear Secretary Vergheese:

The Department of Financial Services (DFS) has completed its audit of the Florida Department of Elder Affairs (DOEA) payroll related processes as authorized by Section 17.04, Florida Statutes. The audit encompassed the period July 1, 2014 through December 31, 2014. The audit objectives were to determine whether:

- Payroll processing internal controls are adequate and may be relied upon to produce accurate payroll records;
- Leave without pay is processed in accordance with State rules and agency policy;
- On-call payments are paid in accordance with State rules and agency policy; and
- Salary additives are in compliance with State rules and regulations.

In planning and performing the audit, DFS analyzed reports for the various payroll functions listed above, tested payroll transactions for the period under review, and interviewed payroll staff. All deficiencies found during the audit were corrected or are in the process of being corrected. Below is a summary of findings and corrective actions initiated:

- **New Hires:** The audit found that all of the employees' records sampled during the audit period were in compliance with *F.S. 110.113(2)*, participation in the Direct Deposit program, and all employees in the sample population received their first warrant in a timely manner with no deficiencies.
- **Terminations:** The audit found that all employees' termination records sampled during the audit period were processed in the system in a timely manner and all final warrants were issued with no deficiencies.

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- **Leave Without Pay (LWOP):** DFS reviewed the files of 17 employees in LWOP status from DOEA. Salary deductions were incorrect for 2 employees resulting in 2 gross overpayments totaling \$93. DOEA has initiated corrective actions and is in the process of recouping the overpayments from the two employees.
- **Overtime Payments:** DFS reviewed the files of 21 employees from DOEA who received overtime compensation. Payments were incorrect for one employee resulting in two underpayments totaling \$301. DOEA has reimbursed the employee for the underpayments.
- **Payroll Processing Internal Controls:** DOEA has conformed to applicable laws, rules and regulations governing State personnel policies and has adequate internal control measures in place for payroll procedures and processing.

Please note DOEA Human Resources staff members were diligent in the initiation of both the recovery and repayments to the employees affected by the overpayments and underpayments. We commend their efforts. It should also be noted that during the audit process, DOEA staff were consistent in assisting the auditors and providing all essential documentation requested in a timely and efficient manner.

DFS appreciates your staff's support and cooperation during the course of the audit. The Bureau of State Payrolls staff is available for any future payroll guidance and/or training at your request. Please contact John Bennett, Bureau Chief of State Payrolls at (850) 413-5609, or john.bennett@myfloridacfo.com if you have any questions.

Sincerely,



Christina B. Smith

CBS/ep

cc: Mr. David W Martin, CPA
Auditor General

Ms. Taroub King, Inspector General
Florida Department of Elder Affairs

Mr. John Bennett, Chief
Bureau of State Payrolls