



CHIEF FINANCIAL OFFICER  
JEFF ATWATER  
STATE OF FLORIDA

May 9, 2014

The Honorable Ricky Polston, Chief Justice  
Florida Supreme Court  
500 South Duval Street  
Tallahassee, Florida 32399-1925

Dear Chief Justice Polston:

The Department of Financial Services (DFS) has completed its audit of the State Courts System (SCS) payroll related processes as authorized by Section 17.04, Florida Statutes (F.S.). The audit encompassed the period January 1, 2013 through June 30, 2013. 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. The findings follow:

- **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 of the employees received their first warrant in a timely manner with no deficiencies.
- **Terminations:** The audit found that all of the 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.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
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Division of Accounting and Auditing  
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- **Leave Payouts:** DFS reviewed the files of 15 employees who received annual leave payments, three (3) employees who received special compensatory leave payments, and 15 employees who received sick leave payments from the SCS.
  - One employee received an incorrect annual leave payout resulting in a gross overpayment totaling \$7,970. SCS has recouped partial payments from the employee and is in the process of recovering the remaining balance due.
  - One employee appears to have been paid an incorrect rate for their annual and sick leave payouts resulting in gross underpayments totaling \$37. SCS reimbursed the employee on April 28, 2014.
- **Leave Without Pay (LWOP):** DFS reviewed the files of 32 employees in LWOP status from SCS.
  - Salary deductions were incorrect for six (6) employees resulting in nine (9) gross overpayments totaling \$811. SCS has initiated corrective actions for the repayment of three (3) of the overpayments and has recouped the payments for the remaining six (6) overpayments.
  - Two (2) employees received incorrect warrants while in LWOP status resulting in gross underpayments totaling \$1,023. SCS reimbursed these employees on April 28, 2014.
- **On-Call Payments:** DFS reviewed the files of 10 employees who received on-call payments from SCS. One (1) employee received an incorrect salary additive resulting in a gross underpayment totaling \$240. SCS reimbursed the employee for the underpayment on April 28, 2014.
- **Payroll Processing Internal Controls:** SCS 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.

It should be noted that during the audit process, SCS staff was diligent 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.

Chief Justice Polston  
May 9, 2014  
Page 3

Please contact John Bennett, Bureau Chief of State Payrolls at (850) 413-5609, or [john.bennett@myfloridacfo.com](mailto:john.bennett@myfloridacfo.com) if you have any questions.

Sincerely,

A solid black rectangular redaction box covering the signature area.

Christina B. Smith

CBS/ep

cc: Mr. David W Martin, CPA  
Auditor General

Mr. Greg White  
State Courts System

Mr. John Bennett, Chief  
Bureau of State Payrolls