



**FLORIDA**  
DEPARTMENT OF  
**FINANCIAL SERVICES**

**TOM GALLAGHER**  
CHIEF FINANCIAL OFFICER  
STATE OF FLORIDA

June 23, 2006

Mr. Alan Levine, Secretary  
Agency for Health Care Administration  
2727 Mahan Drive  
Tallahassee, Florida 32308

Dear Secretary Levine:

We completed an audit of the Agency for Health Care Administration (AHCA) related processes as authorized by Section 17.04, Florida Statutes. The audit encompassed the period July 1, 2005 through January 31, 2006. 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 our audit, we analyzed reports for the various AHCA payroll functions listed above and interviewed payroll staff. We also tested transactions for payroll procedures involving new hires, employee terminations, outstanding payroll warrants, EFT/warrant cancellations and destruction, unclaimed property, leave without pay, salary overpayments, overtime payments, retroactive payments, and salary additive payments.

All deficiencies found during our audit were corrected or are in the process of being corrected. A summary of findings and corrective actions taken are as follows:

**Overtime Payments:** We reviewed the files of twenty-four employees who received overtime payments. One of the twenty-four employees received an incorrect salary payment. This resulted in an overpayment of potentially \$1,207. AHCA is in the process of researching this overpayment to confirm the amount.

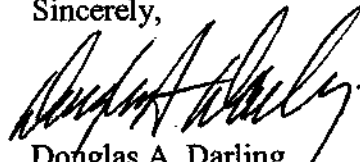
Secretary Levine, you are commended for having more than adequate payroll procedures and controls in place for your agency.

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We appreciate your staff's support and cooperation. We worked closely with them to develop the recommendations. We compliment your staff for the professional and courteous manner in which they assisted with the audit. The Bureau of State Payrolls staff is available for further assistance/training at your request.

Please contact John Bennett, Bureau Chief of State Payrolls at (850) 413-5609, Suncom 293-5609 or [john.bennett@fldfs.com](mailto:john.bennett@fldfs.com) if you have any questions.

Sincerely,



Douglas A. Darling

DAD/kgb

cc: Mr. William O. Monroe  
Auditor General

Mr. James Boyd, Inspector General  
Agency for Health Care Administration