



FLORIDA
DEPARTMENT OF
FINANCIAL SERVICES

TOM GALLAGHER
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

September 5, 2006

Ms. Mary Andrews Bane, Executive Director
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Ms. Bane:

We completed an audit of the Public Service Commission (PSC) 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:

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

In planning and performing our audit, we analyzed reports for the various PSC 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.

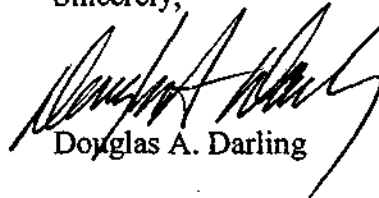
We noted no material deficiencies in the payroll processing procedures for PSC. It is our opinion, within the scope of this audit, that the Public Service Commission has more than adequate payroll procedures and controls in place.

We appreciate your staff's support and cooperation. 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 any future payroll guidance and/or training at your request.

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

Sincerely,



Douglas A. Darling

DAD/kgb

cc: Mr. William O. Monroe
Auditor General

Mr. Steven J. Stolting, Inspector General
Public Service Commission