



ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

February 23, 2007

Mr. Barney Ray, Interim Executive Director
Agency for Persons with Disabilities
4030 Esplanade Way, Suite 380
Tallahassee, Florida 32399-00950

Dear Mr. Ray:

We completed an audit of the Agency for Persons with Disabilities (APD) payroll related processes as authorized by Section 17.04, Florida Statutes (F.S.). The audit encompassed the period July 1, 2005 through June 30, 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 APD 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. Below is a summary of findings and corrective actions taken:

- **New Hires:** We reviewed the files of one hundred twenty seven newly hired employees in APD's District 62 (Gainesville), District 65 (Marianna), and Central Payroll-30 (Tallahassee). One employee is currently not participating in the Direct Deposit Program. See Section 110.113(2), F.S. There was no hardship waiver in the employee's personnel file. The agency has notified the employee and the employee has initiated actions to participate in the Direct Deposit program.

DOUGLAS A. DARLING • DIRECTOR
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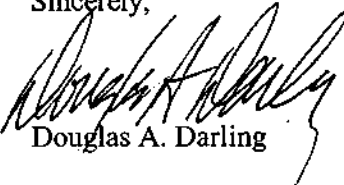
- **Leave Without Pay (LWOP):** We reviewed the files of thirty-eight employees from APD's District 62, District 65 and Central Payroll-30 in Leave Without Pay Status. Ten of the thirty-eight employees received incorrect salary payments. This resulted in overpayments to nine employees totaling \$2,873 and an underpayment to one employee totaling \$88. APD has initiated corrective actions to recoup the overpayments and is in the process of reimbursing the employee for the underpayment.
- **Retro Active Payments:** We reviewed the files of forty-four employees from APD's District 62, District 65 and Central Payroll-30 who received retroactive adjustments for salary underpayments. Adjustments were incorrect for one employee resulting in an overpayment of \$111. The agency has initiated corrective actions to recoup this overpayment.
- **Warrant Cancellations:** We reviewed the files of seven warrant/EFT payments placed on the BOSP On-line Warrant/EFT cancellation system in "ADD" status. One of the seven Warrants/EFTs placed in "ADD" status for cancellations resulted in an overpayment totaling \$323. APD has initiated corrective actions to recoup the overpayment.

It is our opinion, within the scope of this audit, that the Agency for Persons with Disabilities has adequate payroll procedures and controls in place and none of our findings were material.

We appreciate your staff's support and cooperation. We commend 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.

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. Charles Faircloth, Inspector General
Agency for Persons with Disabilities