



REPRESENTING  
**ALEX SINK**  
CHIEF FINANCIAL OFFICER  
STATE OF FLORIDA

May 9, 2008

Mr. Chuck Drago, Interim Secretary  
Department of Business and  
Professional Regulation  
1940 North Monroe Street  
Tallahassee, Florida 32399-1027

Dear Secretary Drago:

We completed an audit of the Department of Business & Professional Regulation, (DBPR) payroll related processes as authorized by Section 17.04, Florida Statutes. The audit encompassed the period July 1, 2006 through January 31, 2007. 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 DBPR payroll functions listed above, tested payroll transactions for the period under review and interviewed payroll staff. 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:

- **Terminations:** We reviewed the files of twenty-five employees who terminated from DBPR. Two employees received incorrect salary payments and one employee received an incorrect leave payout upon termination resulting in overpayments totaling \$1,084. The agency has notified the terminated employees of the salary overpayments and collection efforts have been initiated.
- **Overtime Payments:** We reviewed the files of twenty employees from DBPR who received overtime payments. One employee received two incorrect salary payments. This resulted in overpayments totaling \$1,616. The employee is in process of reimbursing the agency for the overpayments.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES  
DOUGLAS A. DARLING • DIRECTOR  
DIVISION OF ACCOUNTING AND AUDITING  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0353 • TEL. 850-413-5510 • FAX 850-413-5547  
EMAIL • DOUG.DARLING@MYFLORIDACFO.COM

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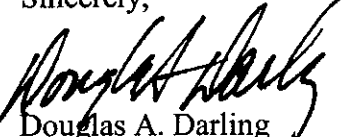
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- **Leave Without Pay (LWOP):** We reviewed the files of thirty employees from DBPR in LWOP status. Seven employees received incorrect salary payments. This resulted in overpayments totaling \$8,625. DBPR has recouped overpayments from three of the seven employees and is in the process of recouping the overpayments from the remaining four employees.
- **Retro Active Payments:** We reviewed the files of nineteen employees from DBPR who received retroactive adjustments for salary underpayments. Adjustments were incorrect for two employees resulting in overpayments totaling \$1,591. One employee has requested a hearing under Section 120.57, Florida Statutes. DBPR has initiated corrective actions to recoup the overpayment from the other employee.

It is our opinion, within the scope of this audit, that the Department of Business and Professional Regulation has conformed to applicable laws, rules and regulations governing State and agency policies; and has adequate internal controls measures in place for payroll procedures and processing.

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 or [john.bennett@myfloridacfo.com](mailto:john.bennett@myfloridacfo.com) if you have any questions.

Sincerely,



Douglas A. Darling

DAD/ct

cc: Mr. David W Martin, CPA  
Auditor General

Mr. Ron Russo, Inspector General  
Department of Business & Professional Regulation

Mr. Ron Ferguson, Director of Auditing  
Department of Business & Professional Regulation

Mr. John Bennett, Chief  
Bureau of State Payrolls