



REPRESENTING
ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

September 2, 2008

Mr. Thomas G. Pelham, Secretary
Florida Department of Community Affairs
Sadowski Building
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100

Dear Secretary Pelham:

We completed an audit of the Florida Department of Community Affairs (DCA) payroll-related processes as authorized by Section 17.04, Florida Statutes. The audit encompassed the period July 1, 2006 through June 30, 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 DCA 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:

- **Leave Without Pay (LWOP):** We reviewed the files of fourteen (14) employees from DCA in LWOP status. Two of the fourteen employees received incorrect salary payments. This resulted in overpayments totaling \$1,582. DCA has initiated actions to recoup the overpayments from the employees.

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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Mr. Thomas G. Pelham, Secretary

August 28, 2008

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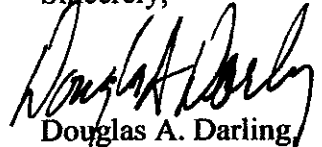
- **Unclaimed Property:** We reviewed listings from the Bureau of Unclaimed Property (BUP) for any "stale dated" payroll warrants for your agency. Stale-dated warrants are warrants that were issued greater than twelve months prior. We found that DCA had one current employee with a "stale-dated" warrant unclaimed with BUP totaling \$165. The employee is currently on military leave and DCA will notify the employee upon return.

It is our opinion, within the scope of this audit, that the Florida Department of Community Affairs 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@myfloridaefo.com if you have any questions.

Sincerely,



Douglas A. Darling

DAD/mb

cc: Mr. David W Martin, CPA
Auditor General

Ms. Candie Fuller, Acting Inspector General
Florida Department of Community Affairs

Mr. John Bennett, Chief
Bureau of State Payrolls