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QUALITY ASSURANCE REVIEW FINDINGS REPORT NO.: 2022-QAR-01

State Agency Payroll Compliance Checklist

The Bureau of State Payrolls (BOSP) Post Audit Subsection has completed its review of the 2021 Calendar Year Payroll Compliance Checklists that were received from January 1st through February 23rd, 2022. One agency provided theirs early, on 12/29/2021.

Purpose

To ensure all agencies are in compliance with the applicable guidelines governing the payroll process.

Scope

Pursuant to Agency Addressed Memo #10, 2015-16, all state agencies are required to complete the payroll compliance checklist no later than January 31st and submit the form to the Department of Financial Services (DFS) annually.

Background

DFS is responsible for processing payrolls for all state agencies. This annual review process was developed to provide DFS with reasonable assurances that agencies are presenting accurate and reliable information to the Bureau of State Payrolls (BOSP) for payroll processing.

Methodology

A new Compliance Checklist must be completed no later than January 31 annually. BOSP Post Audit gives agencies a 2 week grace period to allow for later forms to come over, and then an "Out of Compliance" email is sent to remaining agencies giving them 1 week to respond. One week later a 2nd email is sent first thing in the morning giving agencies one last opportunity to provide it by close of business that afternoon.

Conclusions

BOSP Post Audit initially received and reviewed compliance checklists from 20 of 34 agencies who provided their annual compliance checklists to our office before the date noted on the form, January 31st.

Initial emails were sent two weeks post deadline, on February 14th, 2022, to notify the remaining 14 agencies that they were "Out of Compliance". Since then, 13 of the remaining 14 agencies responded with their completed forms, bringing our total forms received, to 33 of 34 agencies (97.06%). A second email request was then sent to the remaining agency on February 21st, 2022. The Department of Corrections did not respond to any emails requesting the form be completed.

Of the agencies that did submit compliance checklists, four agencies have notified BOSP that they **do not have documented hardship waivers on file for any employee not participating in Direct Deposit and/or cannot provide the documentation upon request**. Those agencies are as follows:

- Department of Environmental Protection
- Department of Economic Opportunity
- Department of Management Services
- Department of Juvenile Justice

Four other agencies left this question blank and did not answer, those agencies are as follows:

- Legislature
- State Court System
- Department of Lottery
- Department of Administrative Hearings

Five of the agencies that BOSP Post Audit received responses from, did not provide the **number of agency staff positions dedicated to Payroll** for the previous calendar year, those agencies are as follows:

- Department of Citrus
- Department of Children & Families
- Department of Revenue
- Florida Commission on Offender Review
- Department of BPR

One agency, the Justice Administrative Commission (JAC), indicated that they do not properly or consistently monitor cash and budget amounts prior to payroll processing to ensure payrolls do not result in any negative balances, which is a common response from JAC and not out of the ordinary. They provided the following additional comments:

“The Justice Administrative Commission (JAC) and the Judicial-Related Offices we administratively serve are not part of the State Personnel System. Accordingly, many of our processes appear to be beyond the scope of this reporting requirement. Nonetheless, JAC Payroll works closely with the BOSP (and other entities) to ensure that appropriate safeguards are in place to ensure the appropriate expenditure of taxpayer funds. “

Recommendations

A new Compliance Checklist must be completed annually, no later than January 31st.

Agencies should ensure that all Payroll Compliance Checklists are completed fully, accurately, and timely. Completing this form annually may bring attention to a deficiency that an agency or BOSP was not previously aware of and as such, gives them an opportunity to correct known issues or strengthen perceived areas of weakness.

