



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

October 8, 2014

The Honorable Jeff Atwater
Chief Financial Officer
The Capitol, PL-11
Tallahassee, Florida 32399-0301

Dear Mr. Atwater:

As required by Section 20.055, Florida Statutes, I am providing the Department's six-month status report of corrective actions taken in response to Auditor General Report Number 2014-184, *Payroll and Personnel Processes at Selected State Agencies* (published April 10, 2014).

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Teresa Michael for".

Teresa Michael
Inspector General

TM:rlg

Attachment

cc: Robert Kneip, Chief of Staff
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee
Paul Whitfield, Deputy Chief Financial Officer
Stephanie Iliff, Director of Administration
Christina Smith, Director of Accounting and Auditing

**DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSPECTOR GENERAL**

**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2014-184	Payroll and Personnel Processes at Selected State Agencies	April 10, 2014
Finding No. 2:	Some State agencies had not established adequate policies and procedures related to dual employment that effectively promoted compliance with State law. Additionally, State agencies did not always document that dual employment was properly approved in accordance with the requirements of State law, DMS rules, and other guidelines.		
Recommendation	We recommend that State agency management establish appropriate procedures that provide for the proper submittal and approval of dual employment requests. Additionally, we recommend that State agencies utilize available dual employment reports to ensure that the dual employment activities of all applicable personnel have received appropriate consideration in accordance with State law, DMS rules, and other guidelines.		
Original Response	We concur. The Division of Administration Bureau of Human Resource Management (BHRM) has identified additional means of communicating to employees and managers the process for completing dual employment request forms. The BHRM will continue to send an email to all employees in May of each year reminding them of the dual employment Administrative Policy and Procedure 5-04 (AP&P). In addition, a reminder email will be sent quarterly to management staff reminding them of the dual employment process and AP&P 5-04. The payroll office will continue to utilize the available dual employment reports and communicate with BHRM when a duplicate payment has been made. The BHRM will verify whether or not the employee is entitled to both payments.		
Six-month Follow-up:	September 23, 2014		
Responsible Division	Division of Administration		
Reported Status	The BHRM sent an email to all employees on April 30, 2014, reminding employees of the dual employment Administrative Policy and Procedure (AP&P 5-04). In addition, a reminder email was sent on September 10, 2014, and will continue to be sent out quarterly to employees and management staff reminding them of the dual employment process and AP&P 5-04. The DFS payroll office continues to utilize the available dual employment reports and communicates with BHRM when a duplicate payment has been made. The BHRM verifies whether or not the employee is entitled to both payments.		
OIG Assessment	Closed. Based on supporting documentation provided by the Division, it appears that appropriate action was taken to resolve the finding.		

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STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2014-184	Payroll and Personnel Processes at Selected State Agencies	April 10, 2014
Finding No. 3:	State agency and DFS processes and procedures for salary reissuances should be enhanced to avoid overpayments to third parties for miscellaneous post-tax deductions. Additionally, State agencies did not always timely initiate efforts to collect from third parties overpayments made as a result of canceled salary payments.		
Recommendation	We recommend that the DFS provide specific guidance to State agencies regarding the methods available to prevent overpayments of miscellaneous post-tax deductions related to salary payment reissuances. Additionally, we recommend that the DACS, DCF, and DOC establish policies and procedures regarding salary payment cancellations and reissuances and the recovery of overpayments from third parties and that the DMS update its policies and procedures to address monitoring the recovery of overpayments. We also recommend that State agencies take appropriate steps to ensure the timely recovery of overpayments of State funds.		
Original Response	DFS concurs. DFS will provide specific guidance to State agencies regarding the methods available to prevent overpayments of miscellaneous post-tax deductions related to salary payment reissuances. This guidance will include revisions to DFS's Payroll Preparation Manual and distribution of a memorandum to State agencies with detailed instructions related to salary reissuances and recovery of salary overpayments.		
Six-month Follow-up:	September 23, 2014		
Responsible Division	Division of Accounting and Auditing		
Reported Status	The Division revised its procedures and published the updates on April 25, 2014.		
OIG Assessment	Closed. Based on supporting documentation provided by the Division, it appears that appropriate action was taken to resolve the finding.		