



**State of Florida
Department of Children and Families**

Rick Scott
Governor

Mike Carroll
Interim Secretary

DATE: October 21, 2014

TO: Mike Carroll
Interim Secretary

FROM: Keith R. Parks
Inspector General

SUBJECT: Six-Month Status Report for Auditor General Report No. 2014-184

In accordance with Section 20.055(5)(h), Florida Statutes, enclosed is our six-month status report on Auditor General Report No. 2014-184, *Payroll and Personnel Processes at Selected State Agencies, Operational Audit*.

If I may be of further assistance, please let me know.

Enclosure

cc: Kathy DuBose, Staff Director, Joint Legislative Auditing Committee

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency



OFFICE OF INSPECTOR GENERAL

Mike Carroll
Interim Secretary

Enhancing Public Trust in Government

Keith R. Parks
Inspector General

Project #E-1213DCF-135

October 21, 2014

Six-Month Status Report
Payroll and Personnel Processes
at Selected State Agencies
Operational Audit

PURPOSE

The purpose of this report is to provide a written response to the Secretary on the status of corrective actions taken six months after the Auditor General published Report No. 2014-184, *Payroll and Personnel Processes at Selected State Agencies, Operational Audit*.

REPORT FINDINGS, RECOMMENDATIONS, STATUS & COMMENTS

The Office of Human Resources provided updated status and corrective action comments to findings and recommendations numbers 1, 2, 3, and 4. Presented below are the full text of the Auditor General's finding statements and recommendations, and up-to-date corrective action comments and status, as reported by the management staff of the aforementioned program.

FINDING NO. 1: *State agencies did not always perform, or document the performance of, audits of unused leave balances prior to calculating leave payouts or maintain evidence that leave payouts were appropriately authorized. Additionally, errors were noted in some leave payouts.*

RECOMMENDATION: *We recommend that State agency management ensure that appropriate records are maintained to demonstrate that all leave payments are properly authorized and accurately calculated and that leave audits are appropriately performed and documented for all employee leave payouts.*

Status (per Office of Human Resources staff): Fully Corrected

The Department has reviewed its processes to ensure all leave payments are properly authorized and accurately calculated, and leave audits are uniformly performed and documented for all employee leave payouts.

The Department utilizes the People First Leave Audit report as the official leave audit documentation for leave payouts. The People First Leave Audit report has been added as a required item on the Leave Payout Quality Monitoring Form used by applicable Office of Human Resources staff to verify all leave audits are appropriately performed and documented for all employee leave payouts. The applicable Office of Human Resources staff electronically prints their name and date of review on all People First Leave Audits as evidence of independent authorization and verification of accurate payout calculations. The Department will retain audit and payout documentation in the Department's case management system, Footprints Numara, and the employee's personnel record.

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.*

Status (per Office of Human Resources staff): Partially Corrected

The Department will continue to use the Department of Management Services' Dual Employment and Dual Compensation Guidelines and Procedures for State Personnel System Agencies for guidance on procedures for proper submittal and approval of dual employment requests and approval of compensation from appropriations other than salaries and the judicial branch of State government. The Department is using available dual employment reports to ensure appropriate consideration in accordance with State law, DMS rules, and other guidelines.

The Department's procedures for Dual Employment will be established to require the approval of Dual Employment requests during each fiscal year. These procedures will be implemented by December 31, 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 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.*

Status (per Office of Human Resources staff): Fully Corrected

The Department has established internal processes regarding salary payment cancellations and reissuances and the recovery of overpayments from third parties. The Department currently utilizes the Code 200 as directed by DFS to prevent duplicate payment of miscellaneous post-tax deductions and avoid the need to seek a refund from a third party, if possible. The Department will continuously seek to identify ways to ensure the timely recovery of overpayment of state funds.

FINDING NO. 4: *State agencies did not always document, upon the employees' separation from State employment, the return of State-owned property items assigned to employees.*

RECOMMENDATION: *We recommend that State agency management take steps to ensure that forms designed to document the return of all State-owned property by separating employees are utilized during the out processing of employees.*

Status (per Office of Human Resources staff): Fully Corrected

The Department will continue to reinforce its current procedures to use the Employee Separation Checklist (CF 789) during employee out processing to ensure the return of all State-owned property by separating employees.

All separation packages received by Office of Human Resources without a completed Employee Separation Checklist are pending within our case management system, Numara Footprints, until the form has been completed and received by the Office of Human Resources. Office of Human Resources staff will not close the case until the checklist has been received.

This follow-up audit was conducted as required by Florida Statutes 20.055(5)(h) and section 2500.A1 of the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors. Elton Jones compiled this follow-up audit from representations provided by program management. Please address inquiries regarding this report to Jerry Chesnutt, Director of Auditing, at (850) 488-8722.