



Florida Department of Environmental Protection

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3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Rick Scott
Governor

Jennifer Carroll
Lt. Governor

Herschel T. Vinyard Jr.
Secretary

June 17, 2011

Ms. Kathryn DuBose, Staff Director
Joint Legislative Auditing Committee
Room 876
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1400

Dear Ms. DuBose:

Pursuant to Section 20.055(5)(h), Florida Statutes enclosed is the Department's written explanation of the status of recommendations contained in the Auditor General Report No. 2011-069, Operational Audit of Payroll and Personnel Administrative Processes at Selected State Agencies.

If you have any questions or need additional information, please contact Director of Auditing Joseph Aita, at (850) 245-3170.

Sincerely,

Roy C. Dickey
Interim Inspector General

JA/kr

cc:

Herschel T. Vinyard Jr. Secretary
Cynthia Kelly, Director, Division of Administrative Services

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DEP Status of Recommendations - Auditor General No. 2011-069, Operational Audit of Payroll and Personnel Administrative Processes at Selected State Agencies					
Project #	Audit Title	Division	Final Report Issued - Actual	Auditor General Recommendation	Department Response
AG 2011-069	Auditor General Payroll Audit	Administrative services	12/15/2010	<p>Finding No. 1: The Auditor General recommended that DMS clarify in rule, policy, or procedure, the time record preparation, submission, and approval responsibilities of employees and supervisors. Such clarifications should address specific time frames for time record submission and approval. Additionally, to improve the usefulness of the Missing Time Records report, we recommend that DMS enhance the report by including an aging of the time records and identifying the responsible supervisors. State agencies should use such information to identify those employees whose time records frequently require corrective actions, are repeatedly missing, or are not timely approved and take appropriate corrective measures.</p>	<p>The DEP has updated our Attendance & Leave Directive, DEP 425, to readdress specific timesheet submission and approval deadlines. A communication was sent to all DEP employees on April 21, 2011 providing this updated directive and other important attendance and leave information. The Department is also working to revise our DEP missing timesheet report to capture aging time records to track information as noted in the recommendations. However, we have had a process in place since 2006 for notifying directors of missing timesheets and following up to ensure approval on a monthly basis. With the creation of our internal DEP report in 2009, our process has improved and we are seeing fewer missing timesheets.</p>

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AG 2011-069	Auditor General Payroll Audit	Administrative services	12/15/2010	<p>Finding No. 2: To promote compliance and ensure consistency in the application of rules and relevant collective bargaining agreement provisions by the various State agencies, we recommend that DMS and DFS provide State agencies with detailed comprehensive guidance related to leave payouts and the maximum accumulation limits for the various types of compensatory leave credits. Such guidance should also address the appropriate use of FLAIR and People First compensatory leave codes. • To prevent large cash payouts upon employee separation from State employment and decrease State agency leave liabilities, we also recommend that State agencies periodically review their employees' compensatory leave balances and identify employees who are accumulating large compensatory leave credit balances or whose compensatory leave credits are approaching the maximum limits set forth in applicable collective bargaining agreements. When appropriate, the agencies should compel the use of accumulated special compensatory leave credits prior to approving employee use of other leave types. • The Legislature should consider revising Section 110.205(7), Florida Statutes, to either restrict the number of special compensatory leave credits that may be transferred or to require the payment of all accumulated special compensatory leave credits when an employee voluntarily moves from a Career Service pay plan position to a position in another State Personnel System pay plan.</p>	<p>We continue to provide a quarterly special compensatory leave balance report and reminder memo to our Directors on the requirements for an employee to utilize special comp prior to other types of leave with the exception of sick leave. When we first began reviewing special comp balances in August 2007, we had a total special comp liability of 44,050.79 hours. The quarterly notification that was just sent to our Directors on April 20, 2011 for the quarter ending March 31, 2011 shows that our total special comp liability is 18,767.155 hours. The recent update of our Attendance and Leave Directive also provides that managers monitor special comp leave balances and require usage as soon as possible.</p>

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AG 2011-069	Auditor General Payroll Audit	Administrative services	12/15/2010	<p>Finding No. 4: We recommend that DMS and the various State agencies establish or revise dual-employment policies and procedures to ensure that approval during each fiscal year is obtained by any employee seeking employment at, or compensation from, more than one State agency. To ensure compliance with State law, such policies and procedures should clearly address both the simultaneous compensation from any appropriation other than the appropriations for salaries and the simultaneous compensation from any State agency or the judicial branch of State Government.</p>	<p>We are in the process of revising our Dual Employment Directive to include the dual compensation process for DEP managers and employees to use in complying with the rule and statutory requirements. DMS recently provided a draft Dual Employment and Dual Compensation Guide and once we receive the approved guide, we will be finalizing our revised directive. DFS currently provides a report each biweekly and monthly payroll that is used to verify the accuracy of our dual employment approvals. In addition, with the enhancements made to the People First system in July 2010, it is easier to determine when a true dual hire and/or dual compensation situation will be occurring so that we are able to follow-up with obtaining the proper approvals.</p>
AG 2011-069	Auditor General Payroll Audit	Administrative services	12/15/2010	<p>Finding No. 5: We recommend that State agencies take appropriate steps to ensure that dual-employment requests are properly submitted and approved and that comprehensive records documenting all dual-employment approvals be maintained. In addition, we recommend that DMS and DFS, in conjunction with the other State agencies, create a mechanism (e.g., a People First or FLAIR report) to identify those employees who simultaneously receive compensation from more than one State employer.</p>	<p>Same response as with Finding No 4</p>

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AG 2011-069	Auditor General Payroll Audit	Administrative services	12/15/2010	<p>Finding No. 6: State agencies should take appropriate measures to ensure that salary payments are accurately calculated based on the applicable rate of pay and actual hours worked. Such measures may include, for all payroll changes, an additional review of the calculations and supporting documentation prior to salary payment issuance.</p>	<p>We continue to perform a calculation for all payroll action changes using the applicable rate of pay, the employees contract hours based on their work schedule and projected work hours for the month. This calculation is used to verify the accuracy of the processed payroll actions. Because we are a monthly agency, the payroll processes prior to our knowing the actual work hours an employee will work. Once an employee's timesheet is approved in People First, the system does generate additional pay owed, if applicable. In addition, overpayments that may occur are captured on a report that we can obtain from People First to use in handling the collection process.</p>
AG 2011-069	Auditor General Payroll Audit	Administrative services	12/15/2010	<p>Finding No. 8: State agencies did not always timely initiate third-party We recommend that DFS enhance the Payroll Preparation Manual to include specific instructions for recovering from third parties any overpayments made as a result of salary payment cancellations. Additionally, we recommend that, when canceling salary payments, State agencies take appropriate action to timely recover from third parties any amounts overpaid.</p>	<p>We have reviewed our Finance and Accounting procedures for recovering third party overpayments and verified that our procedures are in compliance with the current DFS Payroll Preparation Manual. We will adopt procedures to comply with any enhanced instructions that may be issued by DFS for recovering overpayments to third parties made as a result of salary payment cancellations.</p>