



DEPARTMENT OF MANAGEMENT
SERVICES

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September 8, 2006

Honorable Sharon R. Bock
Palm Beach County Clerk and Comptroller
301 North Olive Avenue
West Palm Beach, Florida 33401

Dear Ms. Bock:

The Audit Section of the Department of Management Services, Office of Inspector General has completed an on-site audit of the Palm Beach County Clerk and Comptroller to determine if the operations related to retirement coverage comply with the Florida Statutes and associated rules. During the review, the assistance of Helen Harvey and Andrea Mackey was appreciated.

The following concerns were noted:

- A. Lump sum annual leave payments are reported according to the Division of Retirement (DOR) instructions except when an employee terminates DROP. **Gloria Falcon (XXX-XX-0454)** terminated DROP 3/31/04 and received a lump sum annual leave payment of \$6,650.08 that was not reported for retirement. During the audit, personnel in your office verified that your information system was not set up to report lump sum annual leave for retirement when an employee terminates from DROP.

Adjustments should be made to report all lump sum annual leave payments to employees who have terminated from DROP. Future payments for lump sum annual leave, up to a maximum of 500 hours for a single payment, should be reported separate from regular salary and under work period code 21 with the number of hours the payment represents in the A/L column on your monthly retirement report. Please refer to the *DOR Employer Handbook*, Chapter 2, page 2-4 and Chapter 3, page 3-6 for lump sum annual leave and work period code reporting instructions.

- B. Payments for workers' compensation are not always reported according to DOR instructions. Effective 7/1/90, a member is entitled to retirement service credit for the period of time temporary total or temporary partial workers' compensation payments are received provided the employee, upon recovery, immediately returns to active employment for one calendar month or is approved for disability retirement. When these conditions are met, the employer is required to make retirement adjustments if the employee's earnings during this period were reported at less than his/her regular pay rate. A sample review of your agency's workers' compensation records indicated that adjustments have not been made for all eligible employees.

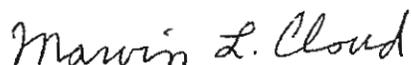
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Your office should complete adjustments for all employees who received workers' compensation indemnity payments and meet the eligibility requirements for retirement credit retroactive to 7/1/90. For additional information on reporting workers' compensation adjustments, please refer to the *DOR Employer Handbook*, Chapter 2, pages 2-12 through 2-14 and Chapter 3, page 3-6.

Please make all retirement adjustments for concerns A and B within sixty (60) days. Retirement adjustments should be made on your monthly payroll report using adjustment code A in the prior period adjustment code column (ADJ Code).

If you have questions concerning retirement eligibility, please call Joyce Morgan, Enrollment Section Administrator, at 850-488-8837, SUNCOM 278-8837, or toll free at 877-377-3675. Any questions concerning retirement payroll reporting should be addressed to Hobart Lawrance, Contributions Section Administrator, at 850-488-6011, SUNCOM 278-6011, or toll free at 877-377-1266. The *Division of Retirement Employer Handbook* is available on-line at: www.MyFlorida.com/frs.

Sincerely,



Marvin L. Cloud
Management Review Specialist

cc: Mr. Kenneth Johnson
Mr. Charles Mansen
Ms. Helen Harvey
Ms. Andrea Mackey
Ms. Sarabeth Snuggs
Mr. Pat Connolly
Mr. Doug Cherry
Ms. Cathy Smith
Mr. John Davis
Mr. Mark Morton