

City of
Gainesville

Inter-Office Communication

November 21, 2005

TO: Audit and Finance Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Chuck Chestnut, Member

FROM: Brent Godshalk, City Auditor

SUBJECT: Summary Report of Payroll Payoff Procedures for Fiscal Year 2005

Recommendation

The Audit and Finance Committee recommend that the City Commission accept the City Auditor's report.

Explanation

In accordance with our Annual Audit Plan, we performed surprise payroll payoff procedures on a test basis during Fiscal Year 2005. Our review was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures were designed to provide reasonable assurance to the City Commission and management that payroll disbursements were issued to actual employees of the City of Gainesville for services provided.

For each selected division, we took possession of the payroll checks and direct deposit slips, verified payment information to the Payroll Register Report and distributed them to the individual payees at their job sites. We required each employee to provide picture identification and sign for receipt of their check or deposit slip. On a test basis, we also reviewed payroll reports for unusual items and computational errors.

None of our procedures performed during Fiscal Year 2005 indicate that payroll disbursements were made to other than authorized employees of the City of Gainesville.