

State of Florida
Florida Department of Financial Services

Division of Accounting & Auditing
Bureau of Auditing

Article V Quarterly Audit Report
(July – September 2018)



October 2018

PURPOSE OF REPORT

In accordance with Chapter 2018-9, Laws of Florida, line item 2314, please allow this report to serve as the Department of Financial Services (DFS) quarterly report to summarize the efforts made by our office to audit all court-related expenditures of the Clerks of the Circuit Court pursuant to sections 28.241 and 28.35, Florida Statutes (F.S.), during the quarter July 1, 2018 to September 30, 2018.

CHIEF FINANCIAL OFFICER'S AUTHORITY

Section 28.35(2)(e), F.S., provides that the DFS, Bureau of Auditing (Bureau), will conduct an audit of the Clerks of the Circuit Court (Clerk) by examining court-related expenditures. The Bureau will audit court-related expenditures of State funds to determine compliance with State law¹ and whether the expenditures were properly authorized, recorded, and supported.

AUDIT OBJECTIVES

The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether the Clerk used other funding sources (from the County or any of the 10% of fines from the Public Records Modernization Trust Fund) to subsidize the court-related budget and/or expenditures (for audit periods prior to July 1, 2017).
- Evaluate whether expenditures were within the budgeted appropriations.
- Evaluate the accuracy and completeness of expenditures reported on the Clerk of Court Expenditure and Collections Report.
- Evaluate whether court-related expenditures were in compliance with sections 28.35(3)(a) and 28.37(5), F.S.
- Evaluate whether court-related expenditures were properly authorized, recorded, and supported.
- Evaluate whether the Clerk's salary and total payroll costs were within the applicable caps established by the Florida Legislature's Office of Economic and Demographic Research.
- Evaluate the Clerk's methodology for allocating payroll costs between court and non-court related functions.

¹Sections 28.35(3)(a) and 28.37(5), Florida Statutes.

AUDIT FINDINGS

The Department completed three (3) audits during this quarter. Below is a summary of the observations and recommendations associated with these audits. The audit reports can be found on the DFS Website at: <http://www.myfloridacfo.com/Division/AA/AuditsReviews/default.htm>.

COLUMBIA COUNTY CLERK OF THE CIRCUIT COURT

On July 30, 2018, the Department released its report (Report 2018-27) for the Columbia County Clerk of the Circuit Court. The following observations and recommendations were noted:

1. The Clerk's office incurred expenditures totaling \$982 for the following: the rental of a copy machine, toner for printers, a drum unit for a printer, and membership dues that, contrary to statutory guidance, had been allocated as court-related costs, or were not authorized as being a reasonable administrative support cost.

We recommend that the Clerk's office allocate as court-related expenditures only those costs authorized by Statute and that unallowable expenditures be reimbursed to the State.

2. The Clerk's office methodology for allocating payroll expenditures between court-related and non-court related functions was not based on a documented time-keeping methodology.

We recommend the Clerk's office establish a method for tracking employees' time and effort between court-related and non-court related activities to ensure accuracy in the budgeting process and the appropriation of State funds.

CALHOUN COUNTY CLERK OF THE CIRCUIT COURT

On August 13, 2018, the Department released its report (Report 2018-29) for the Calhoun County Clerk of the Circuit Court. Based upon its review of Calhoun County, the DFS found the Clerk's budgeting practices and expenditures of State funds to be efficient and accurate. There were no recommendations.

UNION COUNTY CLERK OF THE CIRCUIT COURT

On September 4, 2018, the Department released its report (Report 2018-28) for the Union County Clerk of the Circuit Court. The following observations and recommendations were noted:

1. The Clerk's office was unable to provide documentation indicating verification and approval that goods ordered matched goods received for items totaling \$685.

We recommend the Clerk's office document that all goods ordered were authorized and they match the goods received.

2. The Clerk's office methodology for allocating payroll expenditures between court-related and non-court related functions was not based on a documented time-keeping methodology.

We recommend the Clerk’s office establish a method for tracking employees’ time and effort between court-related and non-court related activities to ensure accuracy in the budgeting process and the appropriation of State funds.

For more information on the above counties, see the completed reports at:

<http://www.myfloridacfo.com/Division/AA/AuditsReviews/default.htm>

ACTIVITIES FOR THE REPORTING PERIOD

In addition to completing the Columbia, Union and Calhoun County audits, the Department completed field work for Hernando and Bradford Counties.

PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

The Department will finalize the reports for Hernando and Bradford Counties.

The Department is planning to conduct audits for Nassau, Wakulla, Pinellas, and Hillsborough Counties in the next quarter.