



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
STATE OF FLORIDA

January 19, 2017

The Honorable Dwight E. Brock, CPA  
Clerk of Circuit Court  
Collier County  
P.O. Box 413044  
Naples, FL 34101-3044

Dear Mr. Brock:

We completed our Article V Clerk of the Circuit Court Expenditure Compliance Review in accordance with Florida Statutes. Enclosed is a copy of our final report.

We appreciate your advanced preparation for our review and the courtesy extended to our team. We look forward to working with your office in the future.

Please contact Mark Merry at (850) 413-3074 or [mark.merry@myfloridacfo.com](mailto:mark.merry@myfloridacfo.com) if you have any questions.

Sincerely,

A black rectangular box redacting the signature of Christina Smith.

Christina Smith

CS/jhf

Enclosure



**JEFF ATWATER  
CHIEF FINANCIAL OFFICER  
STATE OF FLORIDA**

Florida Department of Financial Services

**COLLIER COUNTY  
CLERK OF THE CIRCUIT COURT  
COMPLIANCE REVIEW**

**Report No. 2016-09  
January 4, 2017**

**SUMMARY**

The Department of Financial Services has completed a review of the Collier County Clerk of Circuit Court's Office pursuant to Section 28.35 2(e), Florida Statutes (F.S.). It is the practice of the Department of Financial Services to conduct these reviews for each Clerk of the Circuit Court every three years.

- The Collier County Clerk of Circuit Court serves a population of 336,783.<sup>1</sup>
- The review sampled administrative and payroll court-related expenditure accounts and transactions to determine if the Clerk's office was in compliance with Sections 28.35(3), 28.37(5), 28.24(12) and 29.008, F.S. The expenditure sample confirmed court-related expenditures were in compliance and funds were expended for allowable court related costs.
- Overhead allocation methodologies could be improved.

**BACKGROUND**

In 1998, revisions to Article V, Section 14, of the Florida Constitution, specified portions of the state courts system and court-related functions that were to be funded from State revenues derived from statutory fines, fees, service charges, and court costs collected by the Clerks of Court. Prior to July 1, 2009, Clerks prepared budgets using a revenue-based model independent of the State appropriations process. Clerks collected fines, fees, service charges, and court costs to fund their approved budgets and remitted any excess revenues to the Department of Revenue for deposit into the Clerks of Court Trust Fund. The Florida Legislature passed Florida Laws Chapter 2009-61 and Chapter 2009-204, placing the Clerks' court-related budgets under the State appropriations process beginning July 1, 2009. The Florida Legislature appropriated the total amount for the Clerks' budgets in the General Appropriations Act (GAA).

The organization that governs the Clerks, the Clerks of Court Operations Corporation (CCOC), is responsible for developing the budgets and certifying a uniform system of performance measures for Clerks. Under the model enacted July 1, 2009, all fines, fees, service charges, and court costs, except as otherwise provided in Sections 28.241 and 34.041, F.S., were collected by the Clerks' offices and remitted to the Department of Revenue for deposit into the Clerks of the Court Trust Fund, in accordance with Section 28.37, F.S. Beginning July 2009, Section 28.245, F.S., required Clerks' collections of court-related fines, fees, service charges, and costs to be considered liabilities due to the State and were required

<sup>1</sup> Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officer and School District Officials for Fiscal Year 2015-16, October 2015

to be remitted to the Clerks of Court Trust Fund by the 20<sup>th</sup> of the month immediately following the month in which the monies were collected.

Beginning July 2010, Section 28.245, F.S., required Clerks to remit liabilities to the Clerks of Court Trust Fund by the 10<sup>th</sup> of the month immediately following the month in which the monies were collected. The Clerks were funded by the State appropriations process from July 1, 2009 through June 30, 2013.

In 2013, the Florida Legislature passed Florida Laws Chapter 2013-44, which returned the Clerks to the pre-2009 funding model and removed the Clerks from the State appropriations process. Beginning November 2013, the Clerks' remit to the State the excess of 1/12 of their budget for the previous months' collections. For those Clerks' who collect fees less than their approved budgets, the shortage is disbursed from the State of Florida's Clerk of the Court Trust Fund. In addition, the Department of Financial Services' role was changed to providing audits of the Clerks' court-related expenditures only.

## SCOPE

The Article V compliance review of the Collier County Clerk of the Circuit Court's Office covered SFY 12-13, July through September 2013 transition period, CFY 13-14, and CFY 14-15 through September 30, 2015 for court-related expenditures. The review was conducted as an on-site review by the Article V section within the Bureau of Auditing.

## OBJECTIVES & METHODOLOGY

### EXPENDITURES

The review sampled various court-related expenditure accounts and transactions to determine if the Clerk's office was in compliance with Sections 28.35(3), 28.37(2) and 28.24(12)(d) F.S. The expenditure review confirmed court-related expenditures were in compliance with these Statutes.

The Clerk provided detailed information on expenditures necessary for the performance of court-related functions using the court-related codes in the Uniform Accounting System Manual (UASM). The review confirmed the accuracy of the expenditures listed on the Clerk's General Ledger by reconciling and testing court related expenditures reported on the CCOC Clerks' Expenditures and Collections Tracking Report for each fiscal year.

**The table below reflects the budgeted and actual expenditures for each fiscal year reviewed.**

	<b>Budgeted</b>	<b>Actual</b>
<b>SFY 12-13</b>	\$7,934,882	\$6,841,777
<b>Transition Period July - Sept 13</b>	\$ 1,912,319	\$1,651,233
<b>CFY 13-14</b>	\$7,646,047	\$6,163,270
<b>CFY 14-15 (Oct - Sept)</b>	\$ 6,823,053	\$5,764,273

The budgeted growth from July 2012 through Sept 2015 is -13.766 %.

The review confirmed certain court-related payroll expenditures were in compliance with Section 28.35(3), FS and budget guidelines established by the CCOC. The Clerk's salary was within the salary requirements developed by the Office of Economic and Demographic Research.

The table below reflects the budgeted FTEs for each fiscal year reviewed and the court-related allocation percentages applied for shared overhead.

<b>Fiscal Year</b>	<b>Direct Court-Related FTEs</b>	<b>Indirect Overhead FTEs</b>	<b>Total Court-Related FTEs</b>	<b>Total Court &amp; Non-Court FTEs</b>	<b>Cost Allocation Percentage</b>
<b>SFY 12-13</b>	10.00	115.91	125.91	197.01	63.91%
<b>CFY 13-14</b>	10.00	115.91	125.91	197.01	63.91%
<b>CFY 14-15</b>	10.00	103.29	113.29	192.99	58.70%

The cost allocation percentages are applied to overhead costs budgeted to support court-related activities for all fiscal years. The allocation is based on the estimated percentage of time and case workload each overhead position spends performing court-related activities. These cost allocations are the basis for the Clerk's annual budget submitted to the CCOC and, ultimately, become the basis for State appropriations for court-related functions.

## OBSERVATIONS & RECOMMENDATIONS

1) The Clerk's Office stated that the allocation of time between court and non-court related functions for indirect employees is based on management estimates. These estimates, however, should be based on an accumulation of relevant, sufficient, and reliable data and compared to subsequent actual data to determine the reliability of the estimate.

The Clerk's Office was unable to provide documentation supporting its allocation of time for indirect employees to court related functions. Consequently, we could not verify the accuracy of the indirect overhead FTE calculation shown above. Without accurate time-keeping of court and non-court related functions, the Clerk has no assurance that the estimates used for budgeting purposes are accurate or need to be revised for the next budget cycle.

We recommend the clerk 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. The methodology should include a basis for concluding whether the budgetary estimates are accurate. The Clerk's office might consider using a sampling method similar to the Title IV-D process that includes random moment sampling or a time study.

**County of Collier**  
**CLERK OF THE CIRCUIT COURT**

**Dwight E. Brock**  
Clerk of Courts

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NAPLES, FLORIDA  
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Clerk of Courts  
Accountant  
Auditor  
Custodian of County Funds

February 13, 2017

Mr. Jim Parker  
Financial Administrator  
Bureau of Auditing, Accounting & Auditing  
Florida Department of Financial Services  
200 E. Gaines Street  
Tallahassee, Florida 32399-0355

Dear Mr. Parker,

Thank you for the opportunity to respond to your final audit report of Collier County.

The recommendation in the audit for the "clerk establish a method of tracking employees' time and effort between court related and non-court related activities" is currently being reviewed for options available to the Clerk's office.

Our office provided documentation for allocation of the administrative FTEs. The basis of the calculation is the number of court versus non-court staff FTEs under the administration of indirect administration positions. Only administration costs are "indirect" all court and non-court positions are charge to their respective funding sources.

The chart on page three, we believe, has the labels for 'Direct Court Related FTEs' and 'Indirect Overhead FTEs' reversed. We are only allocating the 10 FTE administrative positions, not the 100+ employees listed as indirect in the chart. A copy of the revised chart appears below:

Fiscal Year	Indirect Overhead FTEs	Direct Court-Related FTEs	Total Court-Related FTEs	Total Court & Non-Court FTEs	Cost Allocation Percentage
SFY 12-13	10.50	115.41	125.91	197.01	63.91%
CFY 13-14	10.50	115.41	125.91	197.01	63.91%
CFY 14-15	10.00	103.29	113.29	192.99	58.70%

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Audit Response

We are reviewing options and costs associated with a more, specific time and attendance tracking system. Costs continue to be a major obstacle in implementing additional software systems. The costs of implementing some software systems outweigh the benefit of nominal differences in cost allocations.

Should you have any questions, or need any additional information, please feel free to contact Raymond Milum at (239) 252-2723 or Crystal Kinzel at (239) 252-6299. Thank you.

Respectfully,



Raymond L. Milum, Jr.  
Accounting Manager  
Collier County Florida