



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

March 6, 2018

The Honorable Harvey Ruvin
Clerk of Circuit Court
Miami-Dade County
73 West Flagler Street, Suite 242
Miami, Florida 33130

Dear Mr. Ruvin:

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

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

Please contact Kim Holland at (850) 413-5700 or kim.holland@myfloridacfo.com if you have any questions.

Sincerely,


Mark Merry
MM:jp

Enclosure



**JIMMY PATRONIS
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA**

Florida Department of Financial Services

**MIAMI-DADE COUNTY
CLERK OF THE CIRCUIT COURT
COMPLIANCE AUDIT**

**Report No. 2018-23
March 6, 2018**

SUMMARY

The Department of Financial Services (DFS) has completed an audit of the Miami-Dade County Clerk of the Circuit Court¹. The auditors sampled court-related administrative and payroll expenditure accounts and transactions to determine whether, in making such expenditures, the Clerk's office complied with applicable State laws². The sampled Clerk's office administrative and payroll expenditures generally complied with applicable State laws, and funds were expended for allowable court-related costs. However, as further described in the Observations and Recommendations section, we noted:

- In eight (8) instances, the expenditures had been improperly allocated as court-related costs, or were not authorized of record as being a reasonable administrative support cost.

BACKGROUND

In 2013, the Florida Legislature passed legislation that removed the Clerks of the Circuit Courts from the State appropriations process³. The 2013 legislation requires that all court-related functions must be funded from filing fees, service charges, costs, and fines retained by the Clerks. That portion of all fines, fees, service charges, and costs collected by the Clerks for the previous month that exceeds 1/12 of a Clerk's total budget must be remitted to the State. Those funds are deposited into the State of Florida's Clerk of the Court Trust Fund. For those Clerks who collect less than their approved budgets, the shortage is disbursed from the Clerks of the Court Trust Fund. In addition, the DFS' role was changed to providing audits of only the Clerks' court-related expenditures.

The organization that governs the Clerks, the Florida Clerks of Court Operations Corporation (CCOC), was initially formed to review and certify proposed budgets from each Clerk. In 2017, the Florida Legislature passed new legislation⁴ giving the CCOC the duty of approving the proposed budgets submitted by the Clerks of the Circuit Courts as required by State law⁵. The 2017 legislation provides that the CCOC must ensure that the total combined budgets of the Clerks of the Circuit Courts do not exceed the total estimated revenues available for court-related expenditures as determined by the most recent Revenue Estimating Conference.

The Chief Financial Officer has contracted with the CCOC to establish a process for auditing the court-related expenditures of the individual Clerks pursuant to State law⁶. The audits are conducted by the DFS

¹ Section 34.031, Florida Statutes

² Sections 28.35(3) and 28.37(5), Florida Statutes.

³ Chapter 2013-44, Laws of Florida.

⁴ Chapter 2017-126, Laws of Florida.

⁵ Section 28.36, Florida Statutes.

⁶ Section 28.35(2)(e), Florida Statutes.

Bureau of Auditing, Article V section. It is the practice of the Department to conduct these audits every three to five years.

SCOPE

The audit of the Miami-Dade County Clerk of the Circuit Court’s Office covered County Fiscal Year (CFY) 14-15, CFY 15-16, and CFY 16-17 (through March 31, 2017). The audit included both a desk review for analysis and sample selection and an on-site visit for review of supporting documentation.

OBJECTIVES & METHODOLOGIES

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

- Evaluate whether court related expenditures were in compliance with State laws⁷.
- Evaluate whether court-related expenditures were properly authorized, recorded and supported.
- Evaluate whether the Clerk used other funding sources (from the County or any of the 10% of fines from the Modernization Trust Fund (TF)) to subsidize the court-related budget and/or expenditures (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 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.

Our audit included an examination of accounts and records and the sampling of various court-related transactions related to administrative and payroll expenditures.

Table 1 shows the court-related budgeted and actual expenditures for each fiscal year reviewed.

Table 1

Year	Budgeted	Actual
CFY 14-15	\$71,883,628	\$71,883,628
CFY 15-16	\$67,665,402	\$63,736,904
CFY 16-17	\$68,342,056	\$32,112,878*

The Miami-Dade County Clerk of the Circuit Court serves a population of 2,653,934⁸.

*Actual through March 31, 2017.

The budgeted growth from October 2014 through September 2017 is -4.93%.

Table 2 shows the budgeted and actual full-time equivalent (FTE) positions for which either all or a portion of employee time is charged to court-related duties. The budgeted number of FTEs includes vacant positions. The actual number of FTEs includes only filled positions.

⁷ Sections 28.35(3) and 28.37(5), Florida Statutes.

⁸ Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officer and School District Officials for FY 2016-2017, September 2016.

Table 2

Year	Budgeted FTEs	Actual FTEs
CFY 14-15	1,191.08	1,121.53
CFY 15-16	1,190.48	948.29
CFY 16-17	1,118.33	938.35

The budgeted FTEs decreased by -6.11% for the period October 2014 through September 2017.

OBSERVATIONS AND RECOMMENDATIONS

Section 28.35(3)(a), F.S., outlines the list of court-related functions that clerks may fund from filing fees, service charges, costs, and fines and is limited to those functions expressly authorized by law or court rule. Those functions include the following: case maintenance; records management; court preparation and attendance; processing the assignment, reopening, and reassignment of cases; processing of appeals; collection and distribution of fines, fees, service charges, and court costs; processing of bond forfeiture payments; payment of jurors and witnesses (before July 1, 2017); payment of expenses for meals or lodging provided to jurors (before July 1, 2017); data collection and reporting; processing of jurors (before July 1, 2017); determinations of indigent status; and paying reasonable administrative support costs to enable the clerk of the court to carry out these court-related functions.

The list of court-related functions that clerks may not fund from filing fees, service charges, costs, and fines include:

- Those functions not specified within paragraph (a) above,
- Functions assigned by administrative orders which are not required for the clerk to perform the functions in paragraph (a) above,
- Enhanced levels of service which are not required for the clerk to perform the functions in paragraph (a) above, and
- Functions identified as local requirements in law or local optional programs.

Sections 29.008(1)(f)1, and 2, F.S., requires counties to fund the cost of communications services which include wireless communications, cellular telephones, all computer networks, systems and equipment, including computer hardware and software, modems, printers, wiring, network connections, and maintenance.

For the 60 Clerk's office administrative expenditures selected for testing, we noted eight (8) instances in which the expenditures, contrary to statutory guidance, had been allocated as court-related costs, or were not authorized of record as being a reasonable administrative support cost.

- 1) One (1) CFY 15-16 expenditure for \$176 for the purchase of a microwave oven was improperly allocated 100% as a court-related cost. Although the clerk's office stated the microwave oven was placed in a breakroom to be used by court employees, this expenditure was not essential to the statutory duties and responsibilities of the Clerk's office.
- 2) We noted three (3) expenditures, one in CFY 14-15, one in CFY 15-16, and one in CFY 16-17, totaling \$158 of which \$102 was allocated to the court for drinking water. Although the Clerk's office stated the water was not safe to drink because of the age of the pipes in the courthouse, we were not provided documentation to confirm this. The Clerk's office also stated they would provide documentation of the total cost of water that was provided to employees, but we were never provided this information.

- 3) Although counties are required to fund the cost of communications services, we noted three (3) expenditures totaling \$2,619 in CFY 14-15 for the rental of copy machines/printers in which \$2,291 was allocated to the court. Further review for CFY 14-15 showed that one (1) expenditure in the amount of \$474 for printer ribbon for a cash register receipt printer had been improperly allocated as a court-related cost.

We recommend that the Clerk's office allocate as court-related expenditures only those costs authorized by Statute. We also recommend that the Clerk's office reimburse the Clerks of the Court Trust Fund for the expenditures above totaling \$2,615.



**HARVEY RUVIN
MIAMI-DADE CLERK
COURTS • COMMISSION • RECORDER • FINANCE**

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DADE COUNTY COURTHOUSE
ROOM 242
73 West Flagler Street
Miami, FL 33130

February 22, 2018

Mr. Jim Parker, CPA
Department of Financial Services
Division of Accounting and Auditing
200 East Gaines Street
Tallahassee, FL 32399

Dear Mr. Parker,

I would like to thank you and your staff for your courtesy and professionalism during our latest budget review. It was a pleasure working with all of you.

I am in receipt of your Compliance Audit Report and below please find our response to your Observations and Recommendations:

Observation and Recommendation 1: One (1) CFY expenditure for \$176 for the purchase of a microwave oven that was placed in a breakroom.

Response: We concur with the recommendation.

Observation and Recommendation 2: Three (3) expenditures, one in CFY 14-15, one in CFY 15-16, and one in CFY 16-17 of which \$102 were allocated to the court for drinking water.

Response: We concur with the recommendation.

Observation and Recommendation 3: Three (3) expenditures for the rental of copy machines/printers of which \$2,291 were allocated to the court and one (1) expenditure in CFY 14-15 for \$474 for printer ribbons for a cash register receipt printer.

Response: We respectfully disagree with your observation and recommendation regarding unallowable communication services expenditures of \$2,291 in CFY 14-15 for the rental of multifunction copy machines. The legal opinion provided by CCOC general counsel in regard to section 29.008(1)(f)(2) states in part:

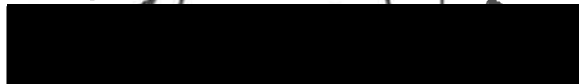
Comptroller/Auditor • Civil Division • Criminal Division • Family Division • Juvenile Division • Traffic Division • District Courts Division
Technical Services Division • Clerk of the Board of County Commissioners • Marriage Licenses • Parking Violations • Recording • Records/Archives
Management • Code Enforcement Support • Value Adjustment Board Support • Human Resources and Administrative Services Division
Central Depository

"In sub-section (2), it describes the term "communications services" to include all computer networks, systems, and equipment, including hardware and software, modems, printers, wiring, network connections, maintenance, support staff.....for an integrated computer system. It then describes the anticipated uniform statewide reporting of court related information and its intent that such system be operating by 2006. It then limits the counties' obligation to acquire computer resources if they are not in conformance with the state criteria. The conclusion can be easily reached that this definition is focused on the uniform reporting system of the state court system and the counties' obligation to support that system."

Additionally, FS 28.35(3)(a) allows for "...paying reasonable administrative support costs to enable the Clerk of the Court to carry out court-related functions." These devices are not part of the uniform statewide reporting systems-referenced in FS 29.008(1)(f)(2), but are necessary for our office to perform our court related functions.

Thank you for your audit visit and very positive findings, after a trenchant review of nearly \$200 million in complex expenditures. Please let us know if you have any further questions or need additional information or clarification.

Sincerely,

A black rectangular redaction box covers the signature of Harvey Ruvins.

Harvey Ruvins, Clerk