



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

August 13, 2018

The Honorable Carla Hand
Clerk of Circuit Court
Calhoun County
20859 Central Avenue E., Room 130
Blountstown, FL 32424

Dear Ms. Hand:

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/ihf

Enclosure



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

Florida Department of Financial Services

**CALHOUN COUNTY
CLERK OF THE CIRCUIT COURT
COMPLIANCE AUDIT**

**Report No. 2018-29
August 7, 2018**

SUMMARY

The Department of Financial Services (DFS) has completed an audit of the Calhoun 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 auditors 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, Florida Statutes (F.S.). The expenditure samples confirmed court-related expenditures were in compliance and funds were expended for allowable court-related costs.

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 one-twelfth (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.

¹ Section 34.031, Florida Statutes

² Sections 28.35(3)(a) 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.

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 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 Calhoun County Clerk of the Circuit Court's Office covered County Fiscal Year (CFY) 15-16, CFY 16-17, and CFY 17-18 (through March 31, 2018). 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, 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.

Year	Budgeted	Actual
CFY 15-16	\$414,418	\$411,920
CFY 16-17	\$401,352	\$392,315
CFY 17-18	\$391,728	\$180,518 ⁸

The Calhoun County Clerk of the Circuit Court serves a population of 14,580⁹.

The budgeted growth from October 2015 through September 2018 was -5.48%

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

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

⁸ Actual through March 31, 2018.

⁹ Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officer and School District Officials for FY 2017-2018, September 2017.

Table 2 reflects the budgeted and actual full-time equivalent (FTE) positions, who charge either all or a portion of employee time to court-related duties. The budgeted number of FTEs includes vacant positions. The actual number of FTEs includes only filled positions.

Table 2

Year	Budgeted FTEs	Actual FTEs
CFY 15-16	7.43	6.62
CFY 16-17	7.12	5.98
CFY 17-18	6.50	5.16

The budgeted FTEs decreased by -12.52% for the period October 2015 through March 2018.

OBSERVATIONS AND RECOMMENDATIONS

Based upon our review, we found the Clerk's expenditure methodologies for State funds to be efficient and accurate. There are no recommendations.



Carla A. Hand, CPA, CGFO
Clerk of Circuit Court and County Comptroller

Clerk of Courts • Clerk to County Commission • Auditor • Treasurer • Recorder • Custodian of County Funds

August 10, 2018

Mr. Jimmy Patronis
Chief Financial Officer
State of Florida
Florida Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399

Dear Mr. Patronis:

I have reviewed the Calhoun County Clerk of Court Compliance Audit Preliminary Report dated August 7, 2018 covering County Fiscal Years (CFY) 15-16, CFY 16-17, CFY 17-18 (through March 31, 2018).

I am pleased that the result of your review found the Calhoun County Clerk's expenditure methodologies for State funds were efficient and accurate and without recommendations. I also acknowledge my staff do an exceptional job assuring compliance with applicable State laws making this report possible.

It was a pleasure working with your audit staff, Kathleen Stinson and Barry Kind.

Regards,

Carla A. Hand