



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

April 21, 2021

The Honorable Tami Simmons
Clerk of Circuit Court
Glades County
500 Avenue J, Room 102
Moore Haven, Florida 33471

Dear Ms. Simmons,

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,

A large black rectangular redaction box covering the signature of the Chief Financial Officer.

MM/had

Enclosure



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

Florida Department of Financial Services

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

**Report No. 2021-64
April 16, 2021**

SUMMARY

The Department of Financial Services (DFS) has completed an audit of the Glades County Clerk of the Circuit Court.¹ 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 laws.² 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:

- Financial reporting and recording could be improved.
- Allocation methodologies for payroll expenditures could be improved.

BACKGROUND

In 2013, the Florida Legislature passed legislation that removed the Clerks of the Circuit Courts from the State appropriations process.³ 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 law.⁵ 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 law.⁶ The audits are conducted by the DFS

¹Section 34.031, Florida Statutes.

²Sections 28.35(3)(a) and 29.008, Florida Statutes.

³Chapter 2013-44, Laws of Florida.

⁴Chapter 2017-126, Laws of Florida.

⁵Section 28.36, Florida Statutes.

⁶Section 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 Glades County Clerk of the Circuit Court’s Office covered County Fiscal Year (CFY) 18-19, CFY 19-20, and CFY 20-21 (through December 31, 2020). The audit consisted of a desk review that included an analysis of sample selection with 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 laws.⁷
- Evaluate whether court-related expenditures were properly authorized, recorded, and supported.
- 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.

Source: CCOC Budget Letter and Expenditure and Collection (EC) reports. CFY 18-19, CFY 19-20, and CFY 20-21 do not include juror expenditures.

Table 1

Year	Budgeted	Actual
CFY 18-19	\$482,017	\$416,240
CFY 19-20	\$441,947	\$408,342
CFY 20-21	\$498,452	\$99,060 ⁸

The Glades County Clerk of the Circuit Court serves a population of 13,121.

The budgeted growth from October 2018 through September 2021 was 3.41%.

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.

⁷Sections 28.35(3)(a) and 29.008, Florida Statutes.

⁸Actual through December 2020.

Table 2

Year	Budgeted FTEs	Actual FTEs
CFY 18-19	8.87	8.67
CFY 19-20	8.67	8.67
CFY 20-21	8.57	7.68

The budgeted FTEs decreased by -3.38% for the period October 2018 through September 2021.

OBSERVATIONS AND RECOMMENDATIONS

Section 28.35(3)(a), Florida Statutes (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; data collection and reporting; 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 above,
- Functions assigned by administrative orders which are not required for the Clerk to perform the functions above,
- Enhanced levels of service which are not required for the Clerk to perform the functions above, and
- Functions identified as local requirements in law or local optional programs.

Financial Reporting and Recording

Section 218.33, F.S., states that each local governmental entity shall follow uniform accounting practices and procedures as promulgated by rule of the department to assure the use of proper accounting and fiscal management by such units. Such rules shall include a uniform classification of accounts. The Department of Financial Services' Uniform Accounting System Manual (UASM) outlines the uniform classification of accounts for units of local governments, and specifically outlines the requirements for court-related account codes. These account codes are also used to prepare the annual Clerk of Court budget submitted to the CCOC.

During our testing of the Clerk's payroll and administrative expenditures, we noted that the Clerk's office only records expenditures to three (3) consolidated cost centers. The expenditure account codes used for the cost centers vary from the expenditure account codes provided in the UASM. Therefore, all expenditures are not allocated to the appropriate cost center as outlined in the UASM.

We recommend the Clerk's office record administrative expenditures in the general ledger using the expenditure account codes provided in the UASM in a manner that properly allocates the expenditure to the cost center benefited.

Allocation Methodology

The allocation of FTEs between court and non-court functions 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 does not have a clear methodology for allocating payroll expenditures for employees who work on both court and non-court-related functions. Their current allocation methodology is based on duties performed by positions. Upon inquiry, the Clerk's office was unable to provide supporting documentation for the allocation of employees' time or administrative expenditures between court and non-court related functions.

Without an accurate basis for allocating costs, the Clerk's office has no assurance that the estimates used for charging salaries to the State or used for budgeting purposes are accurate or need to be revised for the next budget cycle.

As a best practice, we recommend the Clerk's office establish a method for sampling employees' time and effort between court-related and non-court related functions to ensure the allocation of payroll and administrative expenditures reflect an accurate appropriation of State funds. The methodology should include a basis for concluding whether the budgetary calculations are accurate. The Clerk's office may consider using a sampling method such as a time study, case file reporting, or guidance such as that found in Code of Federal Regulation (2 CFR 200), Appendix V. We also recommend that the allocation percentages used to charge expenditures to the State be based on the employee's FTE allocation.



Tami P. Simmons

CLERK OF THE CIRCUIT COURT
TWENTIETH JUDICIAL CIRCUIT
GLADES COUNTY, FLORIDA

GLADES COUNTY COURTHOUSE
500 AVENUE J
POST OFFICE BOX 10
MOORE HAVEN, FLORIDA 33471-0010

Mark Merry , Assistant Director
Florida Department of Financial Services
Division of Accounting and Auditing
200 East Gaines Street
Tallahassee, FL 32399-0353

April 28,2021

RE: Glades County Clerk of the Circuit Court Audit – Report No. 2021-64

Please see my response to the Article V Clerk of the Circuit Court Expenditure Compliance Audit report for County Fiscal Year (CFY) 18-19, CFY19-20 and CFY20-21.

Observations and Recommendations

Financial Reporting and Recording

We are planning to update our accounting software and will look into setting up our expenditure account code cost centers according to the Universal Accounting System Manual (UASM) outline requirements .

Allocation Methodology

We are establishing a method of sampling employee's time in an effort to appropriate court-related and non-court related functions for payroll and expenditures to reflect the appropriation of state funds.

Verbal Recommendations – County Funding

I am in agreement with your verbal recommendations. When purchasing the desktop we allocated it to the employees cost center which was a 100% court related position. Also, we did not know at the time leases were only to be allocated to our non-court budget. We are now paying all computer equipment and leases from our non-court budget and will carefully watch all further court related expenditures. As per your recommendation we will track the 10% expenditures separately.

I would like to thank you and your audit team for their cooperation and professional manner in conducting this audit. I appreciate your observations and recommendations in assisting us with appropriate financial reporting and allocation methods.

Sincerely,

[REDACTED]
Tami P. Simmons