



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

September 8, 2021

The Honorable Matt Reynolds
Clerk of Circuit Court
Putnam County
Post Office Box 758
Palatka, Florida 32178

Dear Mr. Reynolds,

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,

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Enclosure



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

Florida Department of Financial Services

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

**Report No. 2021-68
August 16, 2021**

SUMMARY

The Department of Financial Services (DFS) has completed an audit of the Putnam 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:

- Allocation methodologies for administrative and 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.

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.

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 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 Putnam County Clerk of the Circuit Court's Office covered County Fiscal Year (CFY) 18-19, CFY 19-20, and CFY 20-21 (through March 31, 2021). 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	\$1,737,655	\$1,737,655
CFY 19-20	\$1,746,138	\$1,746,138
CFY 20-21	\$1,995,899	\$969,154 ⁸

The Putnam County Clerk of the Circuit Court serves a population of 73,268.⁹

The budgeted growth from October 2018 through September 2021 was 14.86%.

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

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

⁸Actual through March 31, 2021.

⁹The Florida Legislature's Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officers and School District Officials for Fiscal Year 2020-2021, September 2020.

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 18-19	34.92	34.99
CFY 19-20	35.47	34.48
CFY 20-21	34.96	34.63

The budgeted FTEs increased by 0.11% for the period October 2018 through March 2021.

OBSERVATIONS AND RECOMMENDATIONS

Section 28.35(3)(a), Florida Statutes, 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.

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 administrative and payroll expenditures for employees who work on both court and non-court-related functions. Their current allocation methodology is based on duties performed and time spent on court and non-court functions; however, no documentation was provided to demonstrate the use of the workload statistics used in establishing the FTEs' allocations.

As a best practice, we recommend the Clerk's office maintain documentation to support the use of workloads in determining the allocation of FTEs between court-related and non-court related functions and to ensure the allocation of payroll and administrative expenditures reflects an accurate appropriation of State funds.



Office of
Clerk of Court
Matt Reynolds

September 2, 2021

The Honorable Jimmy Patronis
Chief Financial Officer
Florida Department of Financial Services
200 Gaines Street
Tallahassee, FL 32399

Re: Putnam County Clerk of the Circuit Court Compliance Audit Report No: 2021-68

Dear Mr. Patronis:

The following statements are in response to the Observation and Recommendations in Audit Report 2021-68

DFS Recommendation: We recommend the Clerk's office maintain documentation to support the use of workloads in determining the allocation of FTEs between court-related non-court related functions and to ensure the allocation of payroll and administrative expenditures reflects an accurate appropriation of State funds.

Response: The Office reexamined the allocation methodology in early 2021. As part of this reexamination, our office refined and documented new allocations based on case counts and other operational performance metrics. These new allocations are being finalized and are set to be implemented beginning in FY 2021-22. The Clerk's Office will ensure that documentation will be maintained to support these new allocations.

We would also like to thank your staff for the courtesy and professionalism extended during the course of this audit.

Sincerely,

Matt Reynolds
Clerk of Circuit Court and Comptroller