



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

June 6, 2024

The Honorable Jerome Kaszubowski
Clerk of the Court and Comptroller
Highlands County
590 South Commerce Avenue
Sebring, Florida 33870-3867

Dear Clerk Kaszubowski,

We completed our Article V Clerk of the Circuit Court 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 black rectangular redaction box covering the signature of Renée Hermeling.

Renée Hermeling, Director

RH/avg

Enclosure

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Renée Hermeling • Director

Division of Accounting and Auditing

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

Florida Department of Financial Services

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

**Report No. 2024-126
June 5, 2024**

WHY WE DID THIS AUDIT

The Florida State Constitution requires that selected salaries, costs, and expenses of the state courts system and court-related functions shall be funded from a portion of the revenues derived from statutory fines, fees, service charges, and court costs collected by the clerks of the court and from adequate and appropriate supplemental funding from state revenues as appropriated by the Legislature.¹

In order to ensure compliance, the Chief Financial Officer (CFO) has contracted with the Florida Clerk of Court Operations Corporation (CCOC) to establish a process for auditing the court-related expenditures of the individual Clerks pursuant to State law.² The audits are conducted by the Department of Financial Services (DFS), Bureau of Auditing, Article V Section. It is the practice of the Department to conduct these audits every three to five years.

WHAT WE FOUND

We concluded that, overall, the sampled Clerk's office administrative and payroll expenditures generally complied with applicable State laws, and funds were expended for allowable court-related costs and that transactions were accurate, properly approved and recorded, and served a public purpose. Exceptions are noted in the Observations and Recommendations section below.

WHAT WE DID

Our audit included an examination of accounts and records and the sampling of various court-related transactions related to administrative and payroll expenditures for County Fiscal Years (CFY) 21-22, CFY 22-23, and CFY 23-24 (through February 2024). The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether court-related expenditures were in compliance with State laws.³
- 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.

¹Section 14(b), Art. V, Florida Constitution.

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

³Sections 28.35(3)(a), 28.37(5), and 29.008, Florida Statutes.

- Evaluate whether ten percent (10%) of all court-related fines collected are deposited into the fines and forfeiture fund and used exclusively for court-related functions.⁴

HIGHLANDS COUNTY AT A GLANCE

The Highlands County Clerk of the Circuit Court and Comptroller serves a population of 103,102⁵.



Table 1 shows the budgeted and actual expenditures for each fiscal year reviewed. Juror expenditures are not included.

Table 1

Year	Budgeted	Actual
CFY 21-22	\$1,963,861	\$1,944,611
CFY 22-23	\$2,009,733	\$2,009,733

Source: CCOC Budget Letter and Expenditure and Collection (EC) reports. Juror expenditures are not included.

The budgeted growth from October 2021 through September 2023 was 2.3%. The actual expenditures increased by 3.3% over the same period.

Table 2 shows 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 21-22	33.83	30.02
CFY 22-23	35.18	30.50

The budgeted FTEs increased by 3.9% for the period October 2021 through September 2023. The actual number of FTEs increased by 1.5% over the same period.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Highlands County Clerk of the Circuit Court in May 2021, Report No. 2021-65. The auditors noted three (3) recommendations.

1. We recommended, per section (s.) 28.35(3)(a), Florida Statute (F. S.), that the Clerk’s office ensure that its court-related expenditures are allowable and reasonable. Based on our recent testing of administrative expenditures, we have concluded that this recommendation has been implemented.
2. We recommended the Clerk’s office establish a method for sampling employees’ time and effort between court-related and non-court related activities to ensure the allocation of payroll and administrative expenditures reflects an accurate appropriation of State funds. Based on our recent review of the Clerk’s allocation methodology, this recommendation has been implemented.

⁴ Section 28.37(6), Florida Statutes.

⁵ The Florida Legislature’s Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officers and School District Officials for Fiscal Year 2023-2024, September 2023. <http://edr.state.fl.us/Content/local-government/reports/finsal23.pdf>

3. We recommended the Clerk's office ensure that its court-related expenditures were allowable and reasonable according to s. 29.008, F. S., related to county funding of court expenditures. Based on our recent testing of administrative expenditures, we have concluded that this recommendation has been implemented.

OBSERVATIONS AND RECOMMENDATIONS

Overall, the Clerk's court-related expenditures were in compliance with sections 28.35(3)(a) and 29.008, F.S., and internal controls and procedures were in place for proper reporting. There are no recommendations.