



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

March 15, 2024

The Honorable Brenda Forman
Clerk of the Court
Broward County
201 Southeast 6th Street
Fort Lauderdale, Florida 33301

Dear Clerk Forman,

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 Kim Holland.

Kim Holland

KH/tlw

Enclosure

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Kim Holland • Bureau Chief

Division of Accounting and Auditing

200 East Gaines Street • Tallahassee, Florida 32399-0353 • Tel. 850-413-5700 • Fax. 850-413-5553

Email • Kim.Holland@myfloridacfo.com

AFFIRMATIVE ACTION • EQUAL OPPORTUNITY EMPLOYER



JIMMY PATRONIS CHIEF FINANCIAL OFFICER STATE OF FLORIDA

Florida Department of Financial Services

BROWARD COUNTY CLERK OF THE CIRCUIT COURT COMPLIANCE AUDIT

**Report No. 2024-127
March 15, 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 the periods county fiscal year (CFY) 21-22 and CFY 22-23. The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether court-related expenditures were in compliance with State laws³.
- 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 of all court-related fines collected are deposited into the fines and forfeiture fund and used exclusively for court-related functions⁴.

BROWARD COUNTY AT A GLANCE

The Broward County Clerk of the Circuit Court and Comptroller serves a population of 1,969,099⁵.

The CCOC is required to prepare a cost comparison of similarly situated clerks of the court based on county population and numbers of case filings⁶. These clerks' offices are then placed into one (1) of eight (8) peer groups based on their populations and case filings. Broward County falls into Peer Group 8. **Table 1** shows a **2022-23 Budget Comparison to Peer Group Average**.

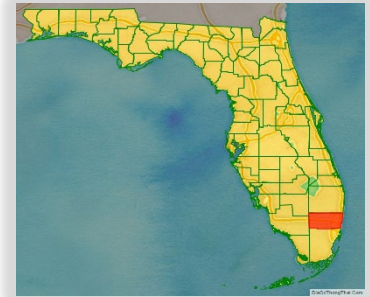


Table 1

Budget Comparison to the Peer Group (PG) Average						
County	Peer Group	CFY 2022-23 Operating & Capital Budget	CFY 2022-23 Personnel Budget	CFY 2022-23 Revenue-Limited Budget	CFY 2022-23 Percent Above/ Below PG Avg.	CFY 2022-23 Budgeted FTEs
Broward	8	\$ 3,264,614	\$ 36,399,766	\$ 39,664,380	-2.20%	586.00
Palm Beach	8	\$ 1,058,956	\$ 29,721,329	\$ 30,780,285	-24.10%	418.60
Hillsborough	8	\$ 1,273,725	\$ 29,551,866	\$ 30,825,591	-23.99%	433.63
Miami-Dade	8	\$ 3,410,189	\$ 68,580,506	\$ 71,990,695	77.51%	847.14
Orange	8	\$ 2,129,569	\$ 27,391,472	\$ 29,521,041	-27.21%	379.50
Peer Group 8 Average		\$ 2,227,411	\$ 38,328,988	\$ 40,556,398		532.97

Source: CCOC Operational Budgets and Peer Group Report. Juror expenditures are not included.

Table 2 shows the budgeted and actual expenditures for each fiscal year reviewed. Juror expenditures are not included.

Table 2

Year	Budgeted	Actual
CFY 21-22	\$38,928,487	\$37,437,180
CFY 22-23	\$39,664,380	\$37,861,358

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 1.8%.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Broward County Clerk of the Circuit Court in March 2021, Report No. 2021-61. The auditors noted two (2) audit recommendations.

1. We recommended the Clerk's office ensure that its court-related expenditures were allowable according to Section 28.35(3)(a), F.S. Based on our recent testing of administrative expenditures,

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 2022-2023, September 2022. <http://edr.state.fl.us/Content/local-government/reports/finsal22.pdf>

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

we have concluded that this recommendation has not been implemented. See the Observations and Recommendations section below.

2. We recommended the Clerk's office ensure that its court-related expenditures were allowable and reasonable according to Section 29.008(1)(f)1, and 2, F.S. related to 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. Based on our recent testing of administrative expenditures, we have concluded that this recommendation has not been implemented. See the Observations and Recommendations section below.

OBSERVATIONS AND RECOMMENDATIONS

Overall, the Clerk's court-related expenditures were in compliance with Section 28.35(3)(a) and Section 29.008, Florida Statutes, and internal controls and procedures were in place for proper reporting, except for the following items:

Internal Controls

Travel Policy

Effective internal controls require the implementation of a travel policy to provide clear policies and procedures that are compliant with Section 112.061, F. S., and allow for reasonable and manageable travel expenditures, while maintaining the required controls and accountability. The Clerk's office Employee Handbook, page P-10, refers employees to the Clerk's policy on Travel and Reimbursement; however, the Clerk's office was unable to provide this policy.

Section 112.061(14)(a)2, F. S., states that county constitutional officers may establish rates that differ from the rates specified in other sections of the statute; however, there must be an established written policy stating those rates. In addition to per diem, subsistence, and mileage rates, an effective travel policy should include the following:

- Authorization process
- Policy related to the booking of hotels, airlines, rental cars, and other modes of transportation
- Appropriate use of the Clerk's office credit card for purchase while traveling
- Reimbursement procedures including types of expenditures allowed/unallowed; supporting documentation required

We recommend the Clerk's office implement a formal travel policy as referenced in their Employee Handbook and provide training to the employees regarding the policy to ensure the appropriate use of State Funds.

Unallowable Expenditures

Travel (1)

The Clerk's office stated that their travel is in accordance with Section 112.061, F. S. Section 112.061(6)(b), F. S., specifies the meal reimbursement rates, and Section 112.061(6)(c) F. S., states that "no one, whether traveling out of state or in state, shall be reimbursed for any meal or lodging included in a convention or conference registration fee paid by the state". Section 112.061(14), F. S., also states that a county constitutional officer may establish their own subsistence rates "by the establishment of written policy." As mentioned above, the Clerk's office does not have a written travel policy.

During our testing of the Clerk's administrative expenditures, we noted five (5) instances where the traveler attended a conference and was reimbursed for meals that the conference provided. These reimbursement rates also exceeded the meal allowance rates allowed by statute. Additionally, we noted one (1) instance where the traveler attended a conference and did not receive reimbursement at the meal allowance rates allowed by statute.

- In CFY 2021-2022, the Clerk's office reimbursed the traveler for meals that were provided by the conference. Two (2) of the meals reimbursed included alcoholic beverages. The amount overpaid to the traveler totaled \$102.
- In CFY 2021-22, the Clerk's office reimbursed the traveler for meals that were provided by the conference. This did not result in an overpayment to the traveler, however, because the traveler did not claim meals on some days. The overall reimbursement resulted in an underpayment to the traveler of \$55.
- In CFY 2022-2023, the Clerk's office reimbursed the traveler for meals that were provided by the conference. The amount overpaid to the traveler totaled \$51.
- In CFY 2022-2023, the Clerk's office reimbursed the traveler for meals that were provided by the conference. One (1) of the meals reimbursed included room service. The amount overpaid to the traveler totaled \$63.
- In CFY 2022-2023, the Clerk's office reimbursed the traveler for meals that were provided by the conference. The amount overpaid to the traveler totaled \$74.

We recommend the Clerk's office establish a written travel policy and provide training to the employees regarding the policy. We also recommend that each travel reimbursement form is carefully reviewed for accuracy prior to payment to ensure all reimbursements are in accordance with State law.

Travel (2)

Section 112.061(7)(c), F. S., states, in part, that "In the event transportation other than the most economical class as approved by the agency head is provided by a common carrier on a flight check or credit card, the charges in excess of the most economical class shall be refunded by the traveler to the agency charged with the transportation provided in this manner."

During our testing of the Clerk's administrative expenditures, we noted five (5) instances where the traveler had upgraded charges in excess of the most economical class. The Clerk's office purchased the following, all of which were charged to the state:

- In CFY 2021-2022, two (2) First Class airline tickets to California totaling \$2,239.
- In CFY 2021-2022, one (1) Southwest airline ticket to Chicago upgraded to an "anytime passage" ticket totaling \$592.
- In CFY 2022-2023, one (1) Delta airline ticket to Destin upgraded to Delta "Comfort Plus" totaling \$1003.
- In CFY 2022-2023, one (1) Delta airline ticket to Charleston upgraded to Delta "Comfort Plus" totaling \$464.
- In CFY 2022-2023, one (1) United airline ticket to Las Vegas upgraded to an "Economy Plus" ticket totaling \$814.

Again, we recommend the Clerk's office establish a written travel policy based on the provisions of Section 112.061, F. S. We also recommend training for the employees regarding the policy. Emphasis should be placed on selecting the most economical means of travel. If an upgrade is chosen, the employee shall refund the charges to the Clerk's office that are in excess of the most economical means.

Unallowable Expenditures - Memberships

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.

During our testing of the Clerk's office administrative expenditures, we noted three (3) instances in which the expenditure, contrary to statutory guidance, had been allocated as a court cost, or was not authorized of record as a reasonable administrative support cost. The documentation provided by the Clerk's office did not demonstrate that the expenditures were essential to the statutory duties and responsibilities of the Clerk's office.

- In CFY 22-23, the Clerk's office purchased a Justice Unit Jewish Association Membership for \$100, all of which was charged to the State.
- In CFY 22-23, the Clerk's office purchased a Towers Club Membership for \$3,172 all of which was charged to the State.
- In CFY 22-23, the Clerk's office purchased a Kiwanis Club Membership for \$150 all of which was charged to the State.

Subsequent to our inquiry, the Clerk's office reclassified these charges to non-court.

We recommend the Clerk's office review its expenditures to ensure they are allowable according to Sections 28.35(3)(a), F. S.

County Funding

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

During our testing of the Clerk's office administrative expenditures, we noted two (2) instances in which the expenditures, contrary to statutory guidance, had been allocated as court costs, or were not authorized of record as reasonable administrative support costs.

- In CFY 2021-2022, the Clerk's office had expenditures for Copier Maintenance from Canon in the amount of \$2,195 of which \$405 was allocated to the State.
- In CFY 2021-2022, the Clerk's office had expenditures for rentals from Canon for an image press and copier in the amount of \$12,652, all of which was allocated to the State.

We recommend that the Clerk's office ensure that its court-related expenditures are allowable according to Section 29.008, Florida Statutes. We also recommend the Clerk's office reimburse the state for \$13,057.



BRENDA D. FORMAN
CLERK OF CIRCUIT AND COUNTY COURT
17TH JUDICIAL CIRCUIT

March 15, 2024

The Honorable Jimmy Patronis
Florida Chief Financial Officer
Florida Department of Financial Services
200 East Gaines Street
Tallahassee, FL 32399-0301

Dear Mr. Patronis,

This letter is in response to your Compliance Audit Report No. 2024-127 dated 03/15/24. The following is offered in response to your observations and recommendations.

- *DFS Recommendation:* We recommend the Clerk's office establish a written travel policy and provide training to the employees regarding the policy. We also recommend that each travel reimbursement form is carefully reviewed for accuracy prior to payment to ensure all reimbursements are in accordance with State law.

Response: Acknowledged. We will continue to review our travel policies and processes to ensure we properly allocate costs in accordance with Section 112.061, F.S.

- *DFS Recommendation:* We recommend that the Clerk's office ensure that its court-related expenditures are allowable according to Section 29.008, Florida Statutes. We also recommend the Clerk's office reimburse the state for \$13,057.

Response: Acknowledged. We will continue to work with Broward County regarding funding related to Section 29.008, F.S.

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

Should there be any questions or if additional information is required, please feel free to contact me at 954-831-7019 or bforman@browardclerk.org.

Sincerely,

Brenda D. Forman
Clerk of the Circuit and County Courts
Broward County, Florida