



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

June 18, 2024

The Honorable Clayton Rooks, III
Clerk of the Court and Comptroller
Jackson County
4445 Lafayette Street
Marianna, Florida 32446

Dear Clerk Rooks,

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

RH/avg

Enclosure

FLORIDA DEPARTMENT OF FINANCIAL SERVICES
Renée Hermeling • Director
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**JIMMY PATRONIS
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA**

Florida Department of Financial Services

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

**Report No. 2024-128
June 18, 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 (Department), 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, CFY 23-24 (through March 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.

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 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.
- 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

JACKSON COUNTY AT A GLANCE

The Jackson County Clerk of the Circuit Court and Comptroller serves a population of 48,395⁵.

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

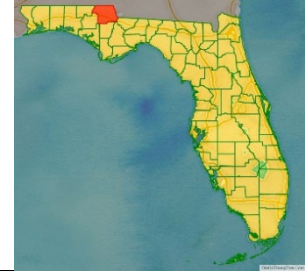


Table 1

Year	Budgeted	Actual
CFY 21-22	\$1,104,348	\$1,086,882
CFY 22-23	\$1,128,978	\$1,187,902

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 2.2%. The actual expenditures increased by 9.2% 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	19.70	19.58
CFY 22-23	19.70	22.55

The budgeted FTEs remained the same for the period October 2021 through September 2023. The actual number of FTEs increased by 15.1% over the same period.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Jackson County Clerk of the Circuit Court in April 2021, Report No. 2021-63. The auditors noted four (4) recommendations.

1. We recommended, per section (s.) 218.33, Florida Statute (F.S.), that the Clerk’s office follow the uniform accounting practices outlined in the DFS Uniform Accounting System

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>

Manual that outlines the requirements for court-related account codes. 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 not been implemented.
3. We recommended the Clerk's office ensure that its court-related expenditures were allowable and reasonable according to s. 29.008(1)(f)1, 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 partially implemented.
4. We recommended the Clerk's office ensure that its court-related expenditures are allowable according to s. 28.35(3)(a), F.S. 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, except for the following items:

Internal Controls

Bank Reconciliations

Bank reconciliations should include documentation of the individual who prepared them, and the date performed. The review of bank reconciliations should also include documentation of who performed the review and the date the review occurred.

During our testing of the bank reconciliations for September and October 2022, and September and October 2023, we noted that each reconciliation included the name of who completed the independent review, but September was missing who prepared the reconciliation. The October reconciliation was missing both who prepared and who reviewed it. Also, the October 2022 reconciliation did not appear to be prepared timely.

To demonstrate proper segregation of duties, we recommend that bank reconciliations include documentation of the individual who prepared and reviewed them as well as documentation indicating the date that the bank reconciliation was prepared and reviewed. We also recommend the bank reconciliations be done timely.

Purchasing Policy

A key internal control at any organization should include a purchasing policy. An effective purchasing policy should include, at a minimum, topics such as the following:

- Contract signing authority.

- Purchasing authority levels.
- The delegation of authority.
- Purchasing process and accepted procedures.
- Invoices and accepted procedures.
- Purchase orders and pre-authorizations.
- Guidelines for the use of the credit card for purchasing.

The Clerk's office has no written purchasing policy for the expenditure of Court funds or for the use of the credit card for purchasing. The Clerk's office provided a brief narrative overview of the purchasing process.

We recommend the Clerk's office establish a written purchasing policy to provide employees with best practices, purchasing guidelines, and include adequate internal controls to ensure that Court funds are expended appropriately.

Allocation Methodology

The allocation of FTEs between court and non-court functions, should be based on an accumulation of relevant, sufficient, reliable data, and compared to subsequent actual data to determine the reliability of the estimate.

The Clerk's office indicated that each year during the budget process, they review the number of cases or filings and the time to complete the cases/filings to calculate the time spent on a case. They were unable to provide, however, the documentation supporting this time analysis. Other personnel allocations were based on estimates.

Administrative expenditures were allocated based on the employee or department using the product or service purchased or, if the used by multiple departments, the allocation was based on the percentage of FTEs in the departments. For three (3) administrative samples that should have been allocated based on the person, according to their policy, the allocation did not match the allocation percentages provided by the Clerk's office.

As recommended in Report No. 2021-63, the Clerk's office should establish a consistent and objective methodology for allocating administrative and personnel expenditures between court-related and non-court related functions to ensure the allocation reflects an accurate appropriation of State funds.

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.

Section 28.37(6), F.S., states that 10% of all court-related fines collected by the Clerk, except for penalties or fines distributed to counties or municipalities under s. 316.0083(1)(b)3, F.S., or s. 318.18(15)(a), F.S., must be deposited into the fine and forfeiture fund to be used exclusively for clerk court-related functions, as provided in s. 28.35(3)(a), F.S.

During our testing of the Clerk's office administrative expenditures, we noted two (2) instances in which the expenditure, contrary to statutory guidance, had been allocated as a court cost. These expenditures were also not paid from the 10% funds.

- In CFY 21-22, the Clerk's office purchased remote desktop management software from Ninja RMM LLC in the amount of \$2,851.
- In CFY 22-23, the Clerk's office purchased a contract for rental of a copier in the amount of \$876.

As recommended in Report No. 2021-63, the Clerk's office should ensure that its court-related expenditures are allowable and reasonable according to section 29.008(1)(f)1, F.S., related to county funding of court expenditures. We also recommend the Clerk's office reimburse the Clerk of the Courts Trust Fund for the expenditures above for \$3,727.



Clayton O. Rooks, III

Clerk of the Circuit Court and Comptroller, Jackson County

Clerk of Courts • County Comptroller • Clerk of the Board of County Commissioners • Recorder • Auditor

Renee Hermeling
Florida Department of Financial Services
Division of Accounting and Auditing
200 East Gaines Street
Tallahassee, FL 32399-0353

RE: Jackson County Article V Clerk of the Circuit Court Compliance Audit
Report No. 2024-128 dated June 18, 2024

Dear Ms. Hermeling:

Our response to the Observations and Recommendations in Audit Report 2024-128 is outlined below:

Bank Reconciliations

We have had issues in hiring a qualified Finance Accountant that could independently prepare the Bank Reconciliation. The Chief Deputy has been assisting in the preparation of the bank reconciliation and thus reviewing the bank reconciliation during this process. We will make sure that this review is documented on future reconciliations.

I am unsure how to respond to “does not appear to be prepared timely”. However, bank reconciliations are prepared and reviewed in what I would consider a timely manner under normal operating situations.

Purchasing Policy

We are in the process of developing a “written purchasing policy” that will provide employees with best practices. It should be noted that the credit card is maintained by the Clerk of Court with the only exception being when the Chief Deputy uses it for travel. All expenditures are pre-approved by the Clerk of Court, then the Clerk reviews all invoices prior to payment.

Allocation Methodology

As offered at the last audit, Report No. 2021-63 we will have a Time Study performed and charge the entire cost to the court side budget. This proposal was not accepted at that time. We use our knowledge of the office and personnel assignments to determine the appropriate allocations. This is normally adjusted during budget preparation. If any processes are changed during the year that would affect the allocations changes are made at that time. We feel any allocation differences that might exist will be far less than the cost of a Time Study.

NAME

DATE

Page 2 of 2

We will exercise caution in allocating administrative expenditures to ensure that the percentages established are used.

County Funding

The questioned expenditure for the rent of a copier has never been an issue in any previous audits. We have charged the use of the copier to court-related expenditures since 2005. This copier is in the Traffic/Criminal Traffic/Misdemeanor Department and is used 100% for court-related purposes. This machine is not on our network as directed by a prior auditor to be able to charge it to the court budget. We disagree with this finding.

We appreciate your staff and the courtesy they extended. If additional information is needed, please let us know.

Sincerely,

Clayton O. Rooks, III
Jackson County Clerk of the Circuit Court and Comptroller