



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

November 6, 2024

The Honorable Michele Maxwell
Clerk of Circuit Court & Comptroller
Franklin County
33 Market Street #203
Apalachicola, Florida 32320

Dear Clerk Maxwell,

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 large black rectangular redaction box covering the signature of Renée Hermeling.

Renée Hermeling

RH/avg

Enclosure



JIMMY PATRONIS CHIEF FINANCIAL OFFICER STATE OF FLORIDA

Florida Department of Financial Services

FRANKLIN COUNTY CLERK OF THE CIRCUIT COURT COMPLIANCE AUDIT

**Report No. 2024-134
November 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, CFY 23-24 (through July 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.
- 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

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

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

³Sections 28.35(3)(a), 28.37(6), and 29.008, Florida Statutes.

FRANKLIN COUNTY AT A GLANCE

The Franklin County Clerk of the Circuit Court and Comptroller serves a population of 12,971.⁵



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	\$658,287	\$658,287
CFY 22-23	\$674,135	\$674,135
CFY 23-24	\$703,016	\$466,005

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

The budgeted growth from October 2021 through September 2024 was 6.7%. The actual expenditures increased by 2.4% from October 2021 through September 2023. Actual expenditures for CFY 23-24 are through June 2024.

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	10.65	10.98
CFY 22-23	10.70	8.79
CFY 23-24	10.65	8.09

The budgeted FTEs remained the same for the period October 2021 through September 2024. The actual number of FTEs decreased by 20% from October 2021 through September 2023. Actual FTEs for CFY 23-24 are through April 2024.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Franklin County Clerk of the Circuit Court in January 2015, 2015, Report No. 2016-03. The auditors noted the following recommendation:

1. We recommended 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 expenditures reflects an accurate appropriation of State funds. We conducted a follow-up audit in September 2021, Report Number 2021-73, and no action had been taken at that time to correct the recommendation. Based on our recent testing of payroll expenditures, we have concluded that this recommendation has not been implemented. See the Observations and Recommendations section below.

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 2024-2025, October 2024. <http://edr.state.fl.us/Content/local-government/reports/finsal24.pdf>.

OBSERVATIONS AND RECOMMENDATIONS

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

Internal Controls

Travel Documentation

Internal controls require that reimbursement for travel expenditures should be based on actual expenditures incurred rather than a pre-travel estimate. The Clerk's Travel Policy provides general employee travel expenditure reimbursement requirements for meals and mileage. Section (s.) 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(11)(b), F.S., also prescribes a form to be used for the reimbursement of travel expenditures after the travel has occurred. Travel advances are addressed in s. 112.061(12), F.S. Section 69I-42.003, Florida Administrative Code, describes the data elements required on all travel forms. The intent of these forms is to ensure estimated travel costs are itemized and approved prior to travel, and to then reconcile the estimated costs to the actual costs after the travel is completed.

During our testing of travel expenditures, we noted the following:

- For five (5) sampled expenditures, the travelers did not use the proper form for travel reimbursement. The Clerk's office used the Voucher for Reimbursement of Travel Expenses (Form DFS-AA-13) for cash advancement prior to travel. If the traveler is seeking a cash advance prior to travel, the Application for Advance on Travel Expenses (Form DFS-AA-25) should be used. The Clerk's office staff indicated that they provided these travel advances but did not perform any type of documented post-travel review of the travel vouchers to determine the accuracy of the actual expenses incurred.

We recommend that the Clerk update its Travel Policy to include the travel reimbursement guidelines prescribed in Florida Statutes and the Florida Administrative Code. We also recommend that travel expenditures are reconciled and documented after the travel has incurred to ensure the funds advanced were accurate.

Allocation Methodology

As reported in our previous audit, 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 management estimates. Upon inquiry, the Clerk's office was unable to provide supporting documentation for the actual time and effort shared employees spend on court-related and non-court-related functions.

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

We recognize the time constraints of a small office; however, 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 expenditures reflect an accurate appropriation of State funds. The methodology should include a basis for concluding whether the budgetary calculations are accurate.

MICHELE MAXWELL

FRANKLIN COUNTY
CLERK OF THE CIRCUIT COURT

33 MARKET STREET, SUITE 203
APALACHICOLA, FLORIDA 32320-2310



(850) 653-8861
FAX (850) 653-2261

November 14, 2024

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

Dear Mr. Patronis:

This letter is in response to your Compliance Audit Report No. 2024-134 dated November 5, 2024. I have outlined the response below:

Travel Documentation

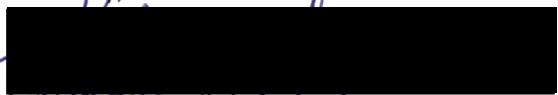
Acknowledged. We will update our travel policy to include the travel reimbursement guidelines prescribed in Florida Statue 112.061 and will reconcile all travel advancements after travel has incurred.

Allocation Methodology

Acknowledged. FTE allocations are estimated on management experience, and I believe the allocations are materially correct and reflect actual duties performed. I do not feel that a time study is feasible at this time.

My staff and I would like to express our thankfulness for your professionalism and help during this process. Should you have any further questions, please contact Linda Phillips at 850-653-8861 ext. 111 or lphillips@franklinclerk.com.

Sincerely,


Michele Maxwell,
Franklin County Clerk of the Court & Comptroller