



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

January 28, 2025

The Honorable Rebecca L. Norris
Clerk of Circuit Court & Comptroller
Gulf County
1000 Cecil G. Costin, Sr. Boulevard
Port St. Joe, Florida 32456

Dear Clerk Norris,

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,

Renée Hermeling

RH/avg

Enclosure



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

Florida Department of Financial Services

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

**Report No. 2025-138
January 21, 2025**

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 State funded portion of court-related² expenditures of the individual Clerks pursuant to State law.³ 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) 22-23 and CFY 23-24. The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether court-related expenditures were in compliance with State laws.⁴
- 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.

²Court-related expenditures may be funded from county, State, or Federal sources.

³Section 28.35(2)(e), Florida Statutes.

⁴Sections 28.35(3)(a), 28.37(6), 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.⁵

GULF COUNTY AT A GLANCE

The Gulf County Clerk of the Circuit Court and Comptroller serves a population of 16,323.⁶



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

Table 1

Year	Budgeted	Actual
CFY 22-23	\$502,570	\$453,939
CFY 23-24	\$526,970	\$526,970

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

The budgeted growth from October 2022 through September 2024 was 4.8%. The actual expenditures increased by 16% from October 2022 through September 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 22-23	7.65	8.40
CFY 23-24	7.30	7.40

The budgeted FTEs decreased for the period October 2022 through September 2024 by 4.5%. The actual number of FTEs decreased by 11.9% for the period October 2022 through September 2024.

⁵ Section 28.37(6), Florida Statutes.

⁶ 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>.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Gulf County Clerk of the Circuit Court in April 2017, Report No. 2017-12. 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 November 2021, Report No. 2021-76, and no action had been taken. It was determined, based on the results of this audit, that the recommendation has not been implemented.

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

Purchasing and Procurement Policy

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

- Procurement procedures
- Contract signing authority.
- Purchasing authority levels.
- The delegation of authority.
- Purchasing process and accepted procedures.
- Invoices and accepted procedures.
- Purchase orders and pre-authorizations.
- Credit Card for Purchasing Process and Procedures.

The Clerk's office has no written purchasing and procurement policy for the expenditure of court-related funds. They did provide a brief narrative for the processing of invoices. During our testing, we noted the following:

- For four (4) sampled items totaling \$13,857 the Clerk's office was unable to provide documentation indicating the expenditures were approved prior to the purchase.

The Clerk's office stated that they are currently in the process of developing a purchasing policy similar to what the county uses. We recommend the Clerk's office continue working to develop and implement a written purchasing and procurement policy to provide employees with best practices, purchasing guidelines, and include adequate internal controls to ensure that court-related funds are expended appropriately. Additionally, we recommend the Clerk's office make sure goods and services are properly approved and documented.

Travel Documentation

Section (s.) 112.061(11)(a), F. S., requires that travel to a conference or convention must have prior authorization and approval before the travel occurs. The Clerk's travel policy also requires approval by the Clerk prior to the travel. Additionally, the Clerk's travel policy states: "mileage will be equal to the Standard Federal Mileage Rate, as determined by the IRS."

During our administrative expenditure testing, we noted the following:

- In CFY 2023 and CFY 2024, we noted two (2) instances where the Clerk's office did not obtain prior authorization for travel. One of these travel occurrences was for a conference.
- In CFY 2024, we noted one (1) instance where the travel mileage exceeded the IRS rate by \$49.00. Additionally, the traveler's hotel receipt shows the Clerk's office paid for valet parking at the hotel in addition to self-parking in the amount of \$131. No receipts were provided for the self-parking.

Absent prior travel authorization, the Clerk's office cannot demonstrate full compliance with s. 112.061(11)(a), F. S. The Clerk's office stated that they are currently in the process of developing a more detailed travel policy. We recommend the Clerk's office adhere to s. 112.061, F. S., and the travel policy for travel reimbursements. We also recommend the Clerk's office review all travel reimbursement forms carefully prior to payment to ensure all travel is in accordance with State law and travel forms are completed accurately.

Allocation Methodology

As reported in our previous audit, the Clerk's office does not have a clear methodology for allocating expenditures between court and non-court-related functions. Without an accurate basis for allocating costs, the Clerk's office has limited assurance that the estimates used for budgeting purposes are accurate or need to be revised for the next budget cycle.

During our testing, we noted the following:

- For three (3) sample items totaling \$13,792, it could not be determined if the allocation was correct based on the information provided.
- For two (2) sample items totaling \$927, the Clerk's office did not use the allocation percentages provided for the fiscal year.

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. This will allow the allocation of expenditures to reflect the appropriation of State funds more accurately. The methodology should also include a basis for concluding whether the budgetary calculations are accurate.