



June 20, 2025

The Honorable Ryan Butler
Clerk of Circuit Court & Comptroller
Indian River County
2000 16th Avenue
Vero Beach, FL 32960

Dear Clerk Butler,

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. Please provide a response within five (5) business days.

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



CHIEF FINANCIAL OFFICER STATE OF FLORIDA

Florida Department of Financial Services

INDIAN RIVER COUNTY CLERK OF THE CIRCUIT COURT COMPLIANCE AUDIT

Report No. 2025-142
June 20, 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 (through February 2025). 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.
- 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.

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 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

INDIAN RIVER COUNTY AT A GLANCE

The Indian River County Clerk of the Circuit Court and Comptroller serves a population of 167,781.⁶



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	\$3,029,670	\$2,993,273
CFY 23-24	\$3,198,267	\$3,195,113

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 5.5%. The actual expenditures increased by 6.7% 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	52.15	50.22
CFY 23-24	50.74	52.05

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Indian River County Clerk of the Circuit Court in June 2017, Report No. 2017-14. The auditors noted the following recommendations:

1. We recommended the Clerk's office ensure its court-related expenditures were allowable according to sections 28.35(3)(a) and 29.008(1)(f)1, Florida Statutes (F.S.) related to cell phones. It was determined, based on the results of this audit, that the recommendation has been implemented.
2. We recommended the Clerk's office ensure that expenditures for individual professional membership dues are essential to the statutory duties and responsibilities of the Clerk of Court. It was determined, based on the results of this audit, that the recommendation has been implemented.

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>.

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

Purchasing and Procurement Policy

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

- Procurement policies and procedures.
- The delegation of authority.
- Pre-authorization procedures.

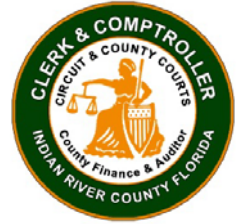
The Clerk's office has a limited written purchasing policy for the expenditure of Court funds. The Clerk's office provided a brief narrative overview of the purchasing process. During our testing of administrative expenditures, we noted the following:

- For one (1) administrative expenditure totaling \$764, the Clerk's office was unable to provide documentation indicating the expenditure was approved prior to purchase.

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

Ryan L. Butler

Clerk of Circuit Court & Comptroller
P.O. Box 1028
Vero Beach, FL 32961-1028
Telephone: (772) 226-3100



June 24, 2025

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

Re: Compliance Audit for County Fiscal Years (CFY) 22-23 and CFY 23-24 (through February 2025), Report Number 2025-142

Dear Ms. Hermeling:

Thank you for providing audit report #2025-142, dated June 20, 2025, to us for our review. We thank your staff for the thorough and professional manner in which they conducted the audit, and especially appreciated their responsiveness when questions arose about the information needed for their work.

We are pleased with the report's finding that, 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. We agree with the report's recommendation for a more detailed procurement and purchasing policy to provide employees with best practices, purchasing guidelines, and adequate internal controls to ensure that Court funds are expended appropriately. The revised policy will specify the need for written, rather than verbal, authorization for expenditures, such as the one instance noted in the report.

Please don't hesitate to contact me or Chief Deputy Comptroller Elissa Nagy should you need our assistance in the future.

Sincerely,

Ryan L. Butler
Clerk of the Circuit Court and Comptroller