

State of Florida
Florida Department of Financial Services

Division of Accounting & Auditing
Bureau of Auditing

Article V Quarterly Audit Report
(July – September 2023)



October 2023

PURPOSE OF REPORT

In accordance with Chapter 2023-239, Laws of Florida, line item 2431, please allow this report to serve as the Department of Financial Services (DFS) quarterly report to summarize the efforts made by our office to audit court-related expenditures of the Clerks of the Circuit Court pursuant to sections 28.35 and 28.241, Florida Statutes (F.S.), during the quarter July 1, 2023, to September 30, 2023.

CHIEF FINANCIAL OFFICER'S AUTHORITY

Section 28.35(2)(e), F.S., provides that the DFS, Bureau of Auditing (Bureau), will conduct an audit of the Clerks of the Circuit Court (Clerk) by examining court-related expenditures. The Bureau will audit court-related expenditures of State funds to determine compliance with State law¹ and whether the expenditures were properly authorized, recorded, and supported.

AUDIT OBJECTIVES

The following objectives have been established for the audit of court-related expenditures:

- Evaluate the actions taken by the Clerks' offices to correct observations noted in previous reports.
- Evaluate whether court-related expenditures comply with State laws.²
- Evaluate whether court-related expenditures are properly authorized, recorded, and supported.
- Evaluate whether expenditures are within the budgeted appropriations.
- Evaluate the accuracy and completeness of expenditures reported on the Clerk of Court Expenditures and Collections Reports.
- 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 whether ten percent of all court-related fines collected are deposited into the fines and forfeiture fund and used exclusively for court-related functions³.
- Evaluate the Clerk's methodology for allocating payroll costs between court and non-court-related functions.

AUDIT FINDINGS

The Department completed six (6) follow-up audits and two full audits during this quarter. Below is a summary of the observations associated with these audits. The reports can be found on the DFS Website at: <https://www.myfloridacfo.com/division/aa/local-governments/clerk-of-the-circuit-courts-audits>.

¹Sections 28.35(3)(a) and 28.37(5), Florida Statutes.

²Sections 28.35(3), 28.37(6), and 29.008, Florida Statutes.

³Section 28.37(6), Florida Statutes.

Observations	Status of Corrective Actions/ Full Audit Observations
No documented methodology for the allocation of payroll or administrative expenditures.	Citrus – Fully Corrected Washington – Fully Corrected Holmes – Fully Corrected Santa Rosa – No Action Taken
Reimbursements from the county under 29.008, F.S., were not itemized in sufficient detail so expenditures could be traced back to the account where it initially occurred.	Citrus – Fully Corrected
Procedures related to credit cards used for purchasing needs to be enhanced.	Holmes – No Action Taken
Changes to salaries and wages were not being formally documented.	Leon – Fully Corrected
Incomplete reconciliation and support for the numbers reported in the Expenditure & Collection report provided to the Florida Clerk of Courts Corporation.	Leon – Fully Corrected
Bank reconciliations were not completed timely or kept on file; reconciling balances were not resolved.	Leon – Fully Corrected
Inadequate controls over purchasing – documentation, approvals, and verification of goods and services received need to be improved.	Osceola - Partially Corrected
Controls over cash handling and recording need to be improved.	Leon – Fully Corrected
Inconsistent use of the <u>Uniform Accounting System Manual</u> .	Washington – Fully Corrected Leon – Fully Corrected Santa Rosa – No Action Taken
No separation of duties in reconciling bank statements.	Holmes – Fully Corrected
Unallowable Expenditures	Osceola – Fully Corrected Citrus – Fully Corrected Washington – Fully Corrected Leon – Fully Corrected Santa Rosa – No Action Taken Alachua – Full Audit Observation

No separation of duties for verification of goods ordered and goods received	Washington – Fully Corrected Holmes – Fully Corrected Santa Rosa – No Action Taken
Inconsistent adherence to State travel policies	Citrus – No Action Taken Washington – Partially Corrected Holmes – Partially Corrected Santa Rosa – No Action Taken

For more information on the above counties, see the completed reports at:
<https://www.myfloridacfo.com/division/aa/local-governments/clerk-of-the-circuit-courts-audits>.

ACTIVITIES FOR THE REPORTING PERIOD

In addition to completing the Osceola, Citrus, Washington, Holmes, Leon, and Santa Rosa follow-up audits, the Department also completed full compliance audits for Alachua and Suwannee. The Department initiated the full compliance audits for Palm Beach, Calhoun, and Bay Counties.

PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

The Department will finalize the reports for Palm Beach, Calhoun, and Bay Counties. The Department is planning to initiate full compliance audits for Charlotte and Broward Counties in the next quarter.