

State of Florida
Florida Department of Financial Services

Division of Accounting & Auditing
Bureau of Auditing

Article V Quarterly Audit Report
(April – June 2023)



July 2023

PURPOSE OF REPORT

In accordance with Chapter 2022-156, Laws of Florida, line item 2376, 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 (COCC) pursuant to sections 28.35 and 28.241, Florida Statutes (F.S.), during the quarter April 1, 2023, to June 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 conduct follow-up audits of prior audit findings of court-related expenditures of State funds to determine whether corrective actions have been taken.

AUDIT OBJECTIVES

The following objectives have been established for the follow-up audits of court-related expenditures:

- Evaluate the actions taken by the Clerks' offices to correct observations noted in previous reports.

AUDIT FINDINGS

The Department completed ten (10) follow-up 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>.

Observations	Status of Corrective Actions
No documented methodology for the allocation of payroll or administrative expenditures.	Taylor – Unable to Determine if Action Taken Gadsden – Unable to Determine if Action Taken Dixie – Unable to Determine if Action Taken Volusia – No Action Taken Duval – Partially Corrected Manatee – Partially Corrected
No timesheets were required for non-exempt employees.	Taylor – Unable to Determine if Action Taken

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Paper timesheets were not verified for accuracy and approved before processing for payroll. No separation of duties for payroll processing.	Dixie – Unable to Determine if Action Taken
No internal controls over segregation of duties to prohibit authorized signers from signing their own paychecks.	Taylor – Unable to Determine if Action Taken
Incomplete reconciliation and support for the numbers reported in the Expenditure & Collection report provided to the Florida Clerk of Courts Corporation.	Dixie – Unable to Determine if Action Taken
Bank reconciliations were not completed timely or kept on file; reconciling balances were not resolved.	Dixie – Unable to Determine if Action Taken
Inadequate controls over purchasing – documentation, approvals, and verification of goods and services received need to be improved.	Dixie – Unable to Determine if Action Taken
No purchasing policy to establish thresholds for the creation of a purchase order and appropriate approvals.	Dixie – Unable to Determine if Action Taken
Internal controls over bank signature cards and Electronic Funds Transfer (EFT) access authorities need to be improved.	Dixie – Unable to Determine if Action Taken
Inaccurate allocation of an employee’s salary between court and non-court accounts.	Orange – Fully Corrected
Inconsistent use of the Uniform Accounting System Manual.	Duval – Fully Corrected Baker – No Action Taken
No separation of duties in reconciling bank statements.	Dixie – Unable to Determine if Action Taken Lafayette – Partially Corrected
Travel policy needs updates to include a requirement that all travel reimbursements must be approved prior to payment and that employees should not be reimbursed for meals if the meal was provided at a conference.	Lafayette – No Action Taken
Supporting documentation for City overhead allocations was not maintained.	Duval – Fully Corrected

City overhead allocations for Fleet were not reviewed for accuracy.	Duval – Fully Corrected
Unallowable Expenditures	Gadsden – Partially Corrected Dixie – Unable to Determine if Action Taken Volusia – Fully Corrected Orange – Partially Corrected Sarasota – Fully Corrected Duval – Partially Corrected Manatee – Fully Corrected
No separation of duties for verification of goods ordered and goods received	Lafayette – Partially Corrected
Inconsistent adherence to State travel policies	Dixie – Unable to Determine if Action Taken Sarasota – No Action Taken

For more information on the above counties, see the completed reports at:
<http://www.myfloridacfo.com/Division/AA/AuditsReviews/default.htm>

ACTIVITIES FOR THE REPORTING PERIOD

In addition to completing the Taylor, Gadsden, Dixie, Volusia, Baker, Lafayette, Orange, Sarasota, Duval, and Manatee follow-up audits, the Department also initiated the follow-up audits for Leon, Holmes, Santa Rosa, Citrus, Washington, and Osceola and the full compliance audit for Alachua County.

PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

The Department will finalize the reports for Leon, Holmes, Santa Rosa, Alachua, Citrus, Washington, and Osceola Counties. The Department is planning to initiate full compliance audits for Calhoun and Palm Beach Counties in the next quarter.