

**State of Florida**  
**Florida Department of Financial Services**

**Division of Accounting & Auditing**  
**Bureau of Auditing**

**Article V Quarterly Audit Report**  
**(April – June 2019)**



**July 2019**

## PURPOSE OF REPORT

In accordance with Chapter 2018-9, Laws of Florida, line item 2314, 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 all court-related expenditures of the Clerks of the Circuit Court pursuant to sections (ss.) 28.241 and 28.35, Florida Statutes (F.S.), during the quarter April 1, 2019 to June 30, 2019.

## CHIEF FINANCIAL OFFICER'S AUTHORITY

Section (s.) 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 law<sup>1</sup> 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 whether the Clerk used other funding sources (from the County or any of the 10% of fines from the Public Records Modernization Trust Fund) to subsidize the court-related budget and/or expenditures (for audit periods prior to July 1, 2017).
- 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 court-related expenditures were in compliance with ss. 28.35(3)(a) and 28.37(5), F.S.
- Evaluate whether court-related expenditures were properly authorized, recorded, and supported.
- 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.

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<sup>1</sup>Sections 28.35(3)(a) and 28.37(5), Florida Statutes.

## AUDIT FINDINGS

The Department completed one (1) audit during this quarter. Below is a summary of the observations and recommendations associated with this audit. The audit report can be found on the DFS Website at: <http://www.myfloridacfo.com/Division/AA/AuditsReviews/default.htm>.

### GILCHRIST COUNTY CLERK OF THE CIRCUIT COURT

On May 15, 2019, the Department released its report (Report 2019-38) for the Gilchrist County Clerk of the Circuit Court. The following observations and recommendations were noted:

1. The Clerk's office incurred an expenditure for \$278 for software system maintenance that had been allocated as a court-related cost, or was not authorized as being a reasonable administrative support cost.

We recommend the Clerk's office allocate as court-related expenditures only those costs authorized by Statute.

2. The Clerk's office was unable to provide documentation indicating verification and approval that the goods received matched the goods ordered.

We recommend the Clerk's office document that all goods ordered were authorized and that a separate individual verify and document that the goods ordered matched the goods received.

3. The Clerk's office methodology for allocating payroll and administrative expenditures between court-related and non-court related functions was not based on a documented time-keeping methodology.

We recommend the Clerk's office establish a method for tracking employees' time and effort between court-related and non-court related activities to ensure accuracy in the budgeting process and the appropriation of State funds.

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

## ACTIVITIES FOR THE REPORTING PERIOD

In addition to completing the Gilchrist County audit, the Department completed field work for Duval, Sarasota, Clay, and Volusia Counties.

## PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

The Department will finalize the reports for Duval, Sarasota, Clay, and Volusia Counties.

The Department is planning to conduct audits for Gadsden, Lafayette, Dixie, Orange, Manatee, and Washington Counties in the next quarter.