

State of Florida
Florida Department of Financial Services

Division of Accounting & Auditing
Bureau of Auditing

Article V Quarterly Audit Report
(January – March 2020)



April 2020

PURPOSE OF REPORT

In accordance with Chapter 2019-20, Laws of Florida, line item 2403, 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 28.241 and 28.35, Florida Statutes (F.S.), during the quarter January 1, 2020 to March 31, 2020.

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 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 sections 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.

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

AUDIT FINDINGS

The Department completed four (4) audits during this quarter. Below is a summary of the observations associated with these audits. The audit reports can be found on the DFS Website at: <http://www.myfloridacfo.com/Division/AA/AuditsReviews/default.htm>.

OBSERVATIONS	
Internal Controls	County
1. Travel policy did not outline the specific requirements of Section 112.061, F.S.	Washington, Santa Rosa
2. Incomplete Travel Reimbursement Form elements.	Washington, Santa Rosa
3. No evidence of review of Travel Reimbursement Form prior to payment.	Washington
4. Incomplete supporting documentation for travel.	Washington, Santa Rosa
5. No evidence of reconciliation of goods received with goods ordered prior to payment.	Washington, Santa Rosa, Osceola
6. No method for documenting time worked by non-exempt employees (no timesheets).	Taylor
7. Authorized signors of the payroll checks signed his/her own paycheck (7 instances).	Taylor
8. No approved travel authorizations prior to attendance at conferences (6 instances).	Santa Rosa
Unallowable Expenditures	County
1. Computer software (\$1,638)	Washington
2. Copier rentals (\$318)	Santa Rosa
3. Firmware (\$325)	Osceola
Financial Reporting and Recording	County
1. Inconsistent use of the expenditure account codes specified in the <u>Uniform Accounting System Manual</u> .	Washington, Santa Rosa
2. No documented methodology for the allocation of payroll or administrative expenditures.	Washington, Santa Rosa, Taylor

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 Washington, Santa Rosa, Taylor and Osceola County audits, the Department completed field work for Holmes and Hardee Counties.

PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

Due to COVID-19, the Department will continue reviewing documentation for Holmes, Hardee, and Leon Counties but will not issue any reports until Fiscal year 20-21. In addition, the remaining audits for Seminole and Suwannee Counties will be moved to Fiscal year 20-21.