

State of Florida
Florida Department of Financial Services

Division of Accounting & Auditing
Bureau of Auditing

Article V Quarterly Audit Report
(July – September 2019)



October 2019

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 (ss.) 28.241 and 28.35, Florida Statutes (F.S.), during the quarter July 1, 2019 to September 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 audits 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 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.

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

AUDIT FINDINGS

The Department completed seven (7) 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. No separation of duties between the preparer and the approver of the bank reconciliations.	Dixie, Lafayette
2. No reconciliation of the monthly Expenditure and Collection Report to the general ledger.	Dixie
3. Employee timesheets calculated incorrectly.	Dixie
4. Employee pay rates not documented and approved.	Dixie
5. Administrative expenditures not supported by adequate documentation.	Dixie, Duval, Lafayette
6. Travel vouchers not approved.	Dixie, Lafayette
7. No approved travel authorizations prior to attendance at conferences.	Lafayette
8. Access authority to EFT not timely terminated.	Dixie
Unallowable Expenditures	County
1. Sam's Club memberships, communication services (\$4,625)	Dixie
2. Candy, balloons, flags, bracelets, communication services, professional membership (\$117,201)	Duval
3. Retirement gift exceeding the \$100 limit.	Duval
4. Continuing Professional Education expenditures (\$1,558)	Sarasota
5. Leadership training and a salary aggregator subscription (\$17,985)	Sarasota
6. Communications services (\$19,893)	Sarasota
7. Magazine subscriptions and birthday cards (\$312)	Clay
8. Artwork, polo shirts, microwave (\$354).	Volusia
9. Office equipment maintenance (\$1,835)	Volusia
10. Employee was paid per diem for Class C travel.	Lafayette
11. Communication services (\$242)	Gadsden

Financial Reporting and Recording	County
1. Inconsistent use of the Uniform Accounting System Manual.	Duval
2. No documented basis for the payroll allocation methodology.	Duval, Volusia, Gadsden, Dixie

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

ACTIVITIES FOR THE REPORTING PERIOD

In addition to completing the seven (7) audits listed above, the Department completed field work for Manatee and Orange counties.

PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

The Department will finalize the reports for Manatee and Orange counties.

The Department is planning to conduct audits for Citrus, Washington, Santa Rosa, and Leon counties in the next quarter.