

State of Florida
Florida Department of Financial Services

Division of Accounting & Auditing
Bureau of Auditing

Article V Quarterly Audit Report
(July – September 2020)



October 2020

PURPOSE OF REPORT

In accordance with Chapter 2020-21, Laws of Florida, line item 2370, 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, 2020 to September 30, 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 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) and 29.008, 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.

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>.

¹Sections 28.35(3) and 29.008, Florida Statutes.

OBSERVATIONS	
Internal Controls	County
1. No documented authorizations for education salary allowances (3 instances).	Leon
2. Bank reconciliations not timely completed resulting in a write-off of unknown differences. (\$13,062)	Leon
3. No documentation of the individuals who prepared, reviewed or approved the bank reconciliations.	Leon, Holmes
4. Clerical errors in posting and recording (2 instances).	Leon
5. No documented purchasing policy.	Hardee
6. No evidence of reconciliation of goods received with goods ordered prior to payment (3 instances).	Holmes
7. No evidence of review of Travel Reimbursement Form prior to payment (1 instance).	Holmes
8. No evidence of approvals prior to purchase (5 instances).	Holmes
9. Travel policy did not outline the specific requirements of section 112.061, F.S.	Holmes
Unallowable Expenditures	County
1. Drinks and snacks for the Investment Oversight Committee meeting. (\$85)	Leon
2. Coffee, a coffee machine, creamer, sugar and stirrers. (\$6,037)	Leon
3. Classification and compensation study. (\$13,538)	Leon
4. Computer Software (Hardee \$455; Suwannee \$1,472).	Hardee, Suwannee
5. Security camera monitor and supplies (\$239).	Hardee
6. Cell phone expenditures (\$6,196).	Hardee
7. Fax option for copier (\$627).	Suwannee
8. Leased copiers (\$8,212).	Suwannee

9. Bottled water for Court employees (\$1,568).	Suwannee
Financial Reporting and Recording	County
1. Inconsistent use of the expenditure account codes specified in the <u>Uniform Accounting System Manual</u> .	Leon
2. No reconciliations of the general ledger to the Clerks of Court Operations Corporation Expenditure and Collection Report.	Leon, Suwannee
3. No documented methodology for the allocation of payroll or administrative expenditures.	Hardee, Holmes, Suwannee

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 Leon, Hardee, Holmes, and Suwannee audits, the Department completed draft reports for Seminole, Charlotte, and Hendry Counties.

PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

The Department will finalize the reports for Seminole, Charlotte, and Hendry Counties. The Department is planning to conduct desk audits for Jackson, Bay, and Broward Counties in the next quarter.