

State of Florida
Florida Department of Financial Services

Division of Accounting & Auditing
Bureau of Auditing

Article V Quarterly Audit Report
(October – December 2019)



January 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 October 1, 2019 to December 31, 2019.

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 three (3) audits during this quarter. Below is a summary of the observations and recommendations associated with these audits. The audit reports can be found on the DFS Website at: <http://www.myfloridacfo.com/Division/AA/AuditsReviews/default.htm>.

ORANGE COUNTY CLERK OF THE CIRCUIT COURT

On October 8, 2019, the Department released its report (Report 2019-46) for the Orange County Clerk of the Circuit Court. The following observations and recommendations were noted:

1. The Clerk's office incurred the following expenditures that, contrary to statutory guidance, had been allocated as court-related costs: \$254 for postcard passport applications; \$728 for a subscription renewal; and \$835 for room signs in public areas.

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

2. The Clerk's office employs a Manager of Facilities and Vendor Relationships whose time is charged 100 percent to the State. The employee's job description includes the oversight and management of facilities projects, security, and safety, which should be funded by the county pursuant to section 29.008, F.S.

We recommend the Clerk's office conduct a time study to sample this position's time spent between court and non-court related activities to ensure accuracy in the budgeting process and the appropriation of State funds.

MANATEE COUNTY CLERK OF THE CIRCUIT COURT

On October 28, 2019, the Department released its report (Report 2019-47) for the Manatee County Clerk of the Circuit Court. The following observations and recommendations were noted:

1. The Clerk's office incurred the following expenditures that were, contrary to statutory guidance, charged to the State as court-related expenditures: \$2,739 for cell phones; and copier rentals totaling \$372.

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

2. 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.

CITRUS COUNTY CLERK OF THE CIRCUIT COURT

On December 11, 2019, the Department released its report (Report 2019-48) for the Citrus County Clerk of the Circuit Court. The following observations and recommendations were noted:

1. The Clerk’s office incurred the following expenditures that were, contrary to statutory guidance, charged to the State as court-related expenditures: \$20 for office display lettering; \$679 for a room divider; and \$100 for cell phone subsidies.

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

2. For three (3) travel instances to attend conferences, there were no travel authorization forms or other documentation indicating approvals prior to attendance.

We recommend the Clerk’s office adhere to section 112.061, F.S. and its internal travel policy and obtain prior authorization prior to attendance at conferences or conventions.

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 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 Orange, Manatee, and Citrus County audits, the Department completed field work for Washington, Santa Rosa, and Leon Counties.

PLANNED ACTIVITIES FOR THE NEXT REPORTING PERIOD

The Department will finalize the reports for Washington, Santa Rosa, and Leon Counties.

The Department is planning to conduct audits for Taylor, Osceola, Holmes, Seminole, and Suwannee Counties in the next quarter.