



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

March 1, 2021

The Honorable Brenda D. Forman
Clerk of Circuit Court
Broward County
201 S.E. 6th Street
Fort Lauderdale, Florida 33301

Dear Ms. Forman,

We completed our Article V Clerk of the Circuit Court Expenditure Compliance Audit in accordance with Florida Statutes. Enclosed is a copy of our final report.

We appreciate your advanced preparation for our audit and the courtesy extended to our team. We look forward to working with your office in the future.

Please contact Kim Holland at (850) 413-5700 or kim.holland@myfloridacfo.com if you have any questions.

Sincerely,


Mark Merry
MM/tw

Enclosure



**JIMMY PATRONIS
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA**

Florida Department of Financial Services

**BROWARD COUNTY
CLERK OF THE CIRCUIT COURT
COMPLIANCE AUDIT
PRELIMINARY REPORT**

**Report No. 2021-61
February 23, 2021**

SUMMARY

The Department of Financial Services (DFS) has completed an audit of the Broward County Clerk of the Circuit Court.¹ The auditors sampled court-related administrative and payroll expenditure accounts and transactions to determine whether, in making such expenditures, the Clerk's office complied with applicable State laws.² The sampled Clerk's office administrative and payroll expenditures generally complied with applicable State laws, and funds were expended for allowable court-related costs. However, as further described in the Observations and Recommendations section, we noted:

- In five (5) instances, the expenditures had been improperly allocated as court-related costs.

BACKGROUND

In 2013, the Florida Legislature passed legislation that removed the Clerks of the Circuit Courts from the State appropriations process.³ The 2013 legislation requires that all court-related functions must be funded from filing fees, service charges, costs, and fines retained by the Clerks. That portion of all fines, fees, service charges, and costs collected by the Clerks for the previous month that exceeds one-twelfth (1/12) of a Clerk's total budget must be remitted to the State. Those funds are deposited into the State of Florida's Clerk of the Court Trust Fund. For those Clerks who collect less than their approved budgets, the shortage is disbursed from the Clerks of the Court Trust Fund. In addition, the DFS' role was changed to providing audits of only the Clerks' court-related expenditures.

The organization that governs the Clerks, the Florida Clerks of Court Operations Corporation (CCOC), was initially formed to review and certify proposed budgets from each Clerk. In 2017, the Florida Legislature passed new legislation⁴ giving the CCOC the duty of approving the proposed budgets submitted by the Clerks of the Circuit Courts as required by State law.⁵ The 2017 legislation provides that the CCOC must ensure that the total combined budgets of the Clerks of the Circuit Courts do not exceed the total estimated revenues available for court-related expenditures as determined by the most recent Revenue Estimating Conference.

The Chief Financial Officer has contracted with the CCOC to establish a process for auditing the court-related expenditures of the individual Clerks pursuant to State law.⁶ The audits are conducted by the DFS

¹Section 34.031, Florida Statutes.

²Sections 28.35(3)(a) and 29.008, Florida Statutes.

³Chapter 2013-44, Laws of Florida.

⁴Chapter 2017-126, Laws of Florida.

⁵Section 28.36, Florida Statutes.

⁶Section 28.35(2)(e), Florida Statutes.

Bureau of Auditing, Article V Section. It is the practice of the Department to conduct these audits every three to five years.

SCOPE

The audit of the Broward County Clerk of the Circuit Court's Office covered County Fiscal Year (CFY) 17-18, CFY 18-19, and CFY 19-20. The audit consisted of a desk review that included an analysis of sample selection with supporting documentation.

OBJECTIVES & METHODOLOGIES

The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether court-related expenditures were in compliance with State laws.⁷
- Evaluate whether court-related expenditures were properly authorized, recorded, and supported.
- 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 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.

Our audit included an examination of accounts, records, and the sampling of various court-related transactions related to administrative and payroll expenditures.

Table 1 shows the court-related budgeted and actual expenditures for each fiscal year reviewed.

Source: CCOC Budget Letter and Expenditure and Collection (EC) reports. CFY 17-18, CFY 18-19, and CFY 19-20 do not include juror expenditures.

Table 1

Year	Budgeted	Actual
CFY 17-18	\$35,355,099	\$35,355,099
CFY 18-19	\$36,705,664	\$36,736,701
CFY 19-20	\$34,962,585	\$34,962,585

The Broward County Clerk of the Circuit Court serves a population of 1,919,644.⁸

The budgeted growth from October 2017 through September 2020 was -1.11%.

⁷Sections 28.35(3)(a) and 29.008, Florida Statutes.

⁸The Florida Legislature's Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officers and School District Officials for Fiscal Year 2020-2021, September 2020.

Table 2 reflects the budgeted and actual full-time equivalent (FTE) positions, who charge either all or a portion of employee time to court-related duties. The budgeted number of FTEs includes vacant positions. The actual number of FTEs includes only filled positions.

Table 2

Year	Budgeted FTEs	Actual FTEs
CFY 17-18	748	656
CFY 18-19	770	649
CFY 19-20	776	616

The budgeted FTEs increased by 3.74% for the period October 2017 through September 2020.

OBSERVATIONS AND RECOMMENDATIONS

Section (s.) 28.35(3)(a), Florida Statutes (F.S.), outlines the list of court-related functions that Clerks may fund from filing fees, service charges, costs, and fines and is limited to those functions expressly authorized by law or court rule. Those functions include the following: case maintenance; records management; court preparation and attendance; processing the assignment, reopening, and reassignment of cases; processing of appeals; collection and distribution of fines, fees, service charges, and court costs; processing of bond forfeiture payments; data collection and reporting; determinations of indigent status; and paying reasonable administrative support costs to enable the Clerk of the court to carry out these court-related functions.

The list of court-related functions that Clerks may not fund from filing fees, service charges, costs, and fines include:

- Those functions not specified above,
- Functions assigned by administrative orders which are not required for the Clerk to perform the functions above,
- Enhanced levels of service which are not required for the Clerk to perform the functions above, and
- Functions identified as local requirements in law or local optional programs.

Financial Reporting and Recording

Unallowable Expenditures

During our testing of the Clerk's office administrative expenditures, we noted four (4) instances in which the expenditure, contrary to statutory guidance, had been allocated as a court cost, or was not authorized of record as a reasonable administrative support cost:

- In CFY 17-18, the Clerk's office purchased a table sponsorship for the TJ Reddick Bar Association Scholarship and Awards Gala, allocating the total amount of \$1,250 to the State.
- In CFY 18-19, the Clerk's office purchased a table sponsorship for attending the Broward County Bar Association gala dinner, allocating the total amount of \$1,300 to the State.
- While the marriage cost center is a non-court related function, in CFY 19-20, the Clerk's office paid for a professional setup service for a mass marriage ceremony, allocating the total amount of \$1,000 to the State.

- In CFY 19-20, the Clerk's office contracted with HR Compensation Consultants LLC., to provide a compensation study, allocating the total amount of \$16,240 to the State.

We recommend the Clerk's office ensure that its court-related expenditures are allowable and reasonable according to s. 28.35(3)(a), F.S. We also recommend that the Clerk's office reimburse the Clerks of the Courts Trust Fund for the expenditures above totaling \$19,790.

County Funding

Section 29.008(1)(f)1., and 2., F.S., require counties to fund the cost of communications services which include wireless communications, cellular telephones, all computer networks, systems, and equipment, including computer hardware and software, modems, printers, wiring, network connections, and maintenance.

- In CFY 19-20, the Clerk's office contracted with Pioneer Technology Group to develop and implement an Evidence Management System software. Upon proposal acceptance, the Clerk's office paid \$56,250 allocating the total amount to the State.

We recommend the Clerk's office ensure that its court-related expenditures are allowable according to s. 29.008, F.S. We also recommend the Clerk's office reimburse the Clerks of the Court Trust Fund for the expenditures above totaling \$56,250.



BRENDA D. FORMAN
CLERK OF CIRCUIT AND COUNTY COURT
17TH JUDICIAL CIRCUIT

March 4, 2021

The Honorable Jimmy Patronis
Florida Chief Financial Officer
Florida Department of Financial Services
200 East Gaines Street
Tallahassee, FL 32399-0301

Dear Mr. Patronis,

This letter is in response to your Compliance Audit Report No. 2021-61 dated 2/23/21. The following is offered in response to your observations and recommendations.

- *DFS Recommendation:* We recommend the Clerk's office ensure that its court-related expenditures are allowable and reasonable according to Section 28.35(3)(a), F.S. We also recommend that the Clerk's office reimburse the Clerks of the Courts Trust Fund for the expenditures above totaling \$19,790.

Response: Acknowledged as to \$3,550 of the expenditures. We will continue to review our processes to ensure we properly allocate costs.

In regard to the \$16,240 expenditure for a compensation study, we believe there is justification for this to be considered a court related expense. We are the second largest county in Florida. Recruiting and retaining court related employees when salaries are well below the market average puts the clerk in a position of not being able to perform the court related functions outlined in Section 28.35 (3)(a), F.S. In order to perform an adequate study in-house as suggested would have required us to supplement our Human Resources staffing level by at least one additional FTE at an expense of approximately \$40,000 which would have been much more costly. Outsourcing was the most economical method to conduct the study.

- *DFS Recommendation:* We recommend the Clerk's office ensure that its court-related expenditures are allowable according to Section 29.008, F.S. We also recommend the Clerk's office reimburse the Clerks of the Court Trust Fund for the expenditures above totaling \$56,250.

Response: Acknowledged. We will continue to review our processes to ensure we properly allocate costs.

We would like to thank your staff for the courtesy and professionalism extended to our staff during the course of the audit.

Should there be any questions or if additional information is required, please feel free to contact me at 954-831-7019 or bforman@browardclerk.org.

Sincerely,



Brenda D. Forman
Clerk of the Circuit and County Courts
Broward County, Florida