



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

May 8, 2023

The Honorable Barbie Higginbotham
Clerk of Circuit Court
Dixie County
214 Northeast Highway 351
Cross City, Florida 32628

Dear Ms. Higginbotham,

We completed our Article V Clerk of the Circuit Court Follow-Up Review Audit in accordance with Florida Statutes (F.S.). 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,


Kim Holland

KH/mow

Enclosure



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

Florida Department of Financial Services

**DIXIE COUNTY CLERK OF THE CIRCUIT COURT
*AUDIT FOLLOW-UP***

Report Number 2023-104/May 4, 2023

BACKGROUND AND CONTEXT

The Department of Financial Services (DFS) has completed a follow-up review of the Dixie County Clerk of the Circuit Court. The Department performed an audit of the Dixie County Clerk of the Circuit Court in September 2019. The audit noted ten (10) audit recommendations. A follow-up review was scheduled to review the implementation status of this audit recommendation.

OBJECTIVE AND SCOPE

The objective of the follow-up review was to determine the implementation status of prior audit observations and recommendations. The approach included interviews with staff members and an analysis of relevant files and supporting documentation.

STATUS OF PRIOR AUDIT OBSERVATIONS & RECOMMENDATIONS

A status letter was issued to the Dixie County Clerk's office staff on March 15, 2023, with a request for a response to be provided electronically via email by April 3, 2023. The Dixie County Clerk's office provided a response on March 21, 2023. An engagement letter was then issued to the Dixie County Clerk's office on April 6, 2023, with a request due date of April 25, 2023. However, no response was received by the due date. Therefore, we are unable to conclude whether all recommendations have been implemented at this time.

The summary of the audit recommendation status is as follows:

#	SUMMARY OF RECOMMENDATION	STATUS
1.	We recommend the Clerk's office ensure that its court-related expenditures are allowable according to section (s.) 28.35(3)(a), Florida Statute (F.S.). We also recommend that the Clerk's office reimburse the Clerks of the Court Trust Fund for the expenditures above totaling \$565.	The Clerk's office status letter response stated, "no expenditures to Sam's have been made and expenditures are distributed to appropriate cost centers. We have no way of determining if the amount of \$565.00 was paid back to the Court Trust Fund." At this time, we are unable to conclude whether these recommendations were implemented; therefore, the status of these recommendations remain incomplete.

2.	We recommend the Clerk's office should 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 Courts Trust Fund for the expenditures above for \$4,060.	The Clerk's office status letter response stated, "since taking office, computers equipment has not been purchased from Court Funds. We have no way of deterring if the amount of \$4,060.00 was paid back to the Court Trust Fund." At this time, we are unable to conclude whether these recommendations were implemented; therefore, the status of these recommendations remain incomplete.
3.	We recommend that the Clerk's office implement procedures to support the balances in the Florida Clerks of Court Operations Corporation (CCOC) Expenditure and Collection (EC) Report and retain these documents for audit purposes.	The Clerk's office status letter response stated, "EC Reports are completed in a timely manner, but we are still working on improving our reconciliation process." Based on the Clerk's response, we did not inquire about these recommendations, as the status of these recommendations remain incomplete.
4.	We recommend that the Clerk's office ensure that their bank signature cards as well as Electronic Funds Transfer (EFT) access authorities appropriately designate only authorized individuals.	The Clerk's office status letter response stated, "Bank signature cards are up to date." At this time, we are unable to conclude whether this recommendation was implemented; therefore, the status of this recommendation remains incomplete.
5.	We recommend that the Clerk's office establish a travel policy whereby travel vouchers are approved by the Clerk or a designated approver.	The Clerk's office status letter response stated, "We have a travel policy, and all Travel is approved by the Clerk of Court." At this time, we are unable to conclude whether this recommendation was implemented; therefore, the status of this recommendation remains incomplete.
6.	While we recognize the small size of the Clerk's office, we recommend the Clerk's office document that all goods ordered were authorized and that a separate individual verify and document that the goods ordered match the goods received. We also recommend that the Clerk's office establish an effective policy that sets a dollar threshold which would require the creation of a purchase order. When a purchase order is not necessary, written documentation of approval such as an email would provide an appropriate control.	The Clerk's office status letter response stated, "The authorized purchases are limited to the Chief Deputy Clerk and a backup. Any purchases over \$500.00 must be approved by the Clerk or The Chief Deputy Clerk. We do not use purchase orders." At this time, we are unable to conclude whether these recommendations were implemented; therefore, the status of these recommendations remain incomplete.

7.	We recommend that time sheets be recalculated upon review and approval by supervisory personnel to ensure the accuracy of the hours worked. We further recommend the Clerk's office ensure that an authorized employee other than the individual preparing the payroll review the payroll registers prior to final release of the payroll to the bank.	The Clerk's office status letter response stated, "Since taking office on Jan. 5, 2021, a time clock system has been implemented. Timesheets are reviewed, approved biweekly. Two separate individuals review the input prior to being transmitted to the bank." At this time, we are unable to conclude whether these recommendations were implemented; therefore, the status of these recommendations remain incomplete.
8.	We recommend the Clerk's office retain current and approved personnel action forms for all employees in their personnel files.	The Clerk's office status letter response stated, "All current & approved personnel action forms are filed in personnel file since 2021." At this time, we are unable to conclude whether this recommendation was implemented; therefore, the status of this recommendation remains incomplete.
9.	We recommend the Clerk's office establish a method for sampling employees' time and effort between court-related and non-court related activities to ensure the allocation of payroll expenditures reflects an accurate appropriation of State funds. The methodology should include a basis for concluding whether the budgetary estimates are accurate. The Clerk's office might consider using a sampling method such as a time study, or guidance such as that found in Code of Federal Regulation (2 CFR 200), Appendix V.	The Clerk's office status letter response stated, "Since taking office in Jan. of 2021 we have reviewed and allocated time per cost center. We have adjusted this annually and base this on discussions of the average time spent on task. In a small Clerks office, there is overlap in activities depending on needs due to staffing and load." At this time, we are unable to conclude whether this recommendation was implemented; therefore, the status of this recommendation remains incomplete.
10.	We recommend that bank reconciliations include documentation of the individual who prepared and reviewed them as well as documentation indicating the date prepared and reviewed. We also recommend the Clerk's office investigate the differences between the book balance and the bank statement balance for the unreconciled bank statement. Additionally, the Clerk's office should prepare reconciliations in a timely manner in the future, and that all reconciliations and bank statements be kept on file for audit purposes. We further recommend that the Clerk's office evaluate its cash management procedures to minimize overdraft fees from the bank.	The Clerk's office status letter response stated, "When taking office in Jan of 2021, no reconciliations had been completed since 2019. We have been working hard to update and reconcile all accounts in a timely manner." At this time, we are unable to conclude whether these recommendations were implemented; therefore, the status of these recommendations noted in Report Number 2019-45 remain incomplete.