



CHIEF FINANCIAL OFFICER  
JIMMY PATRONIS  
STATE OF FLORIDA

November 21, 2024

The Honorable Greg Godwin  
Clerk of Circuit Court & Comptroller  
Hamilton County  
207 North East First Street, Room 106  
Jasper, Florida 32052

Dear Clerk Godwin,

We completed our Article V Clerk of the Circuit Court 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](mailto:Kim.Holland@myfloridacfo.com) if you have any questions.

Sincerely,

Renée Hermeling

RH/avg

Enclosure



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

Florida Department of Financial Services

## **HAMILTON COUNTY CLERK OF THE CIRCUIT COURT COMPLIANCE AUDIT**

**Report No. 2024-136  
November 20, 2024**

### **WHY WE DID THIS AUDIT**

The Florida State Constitution requires that selected salaries, costs, and expenses of the state courts system and court-related functions shall be funded from a portion of the revenues derived from statutory fines, fees, service charges, and court costs collected by the clerks of the court and from adequate and appropriate supplemental funding from state revenues as appropriated by the Legislature.<sup>1</sup>

In order to ensure compliance, the Chief Financial Officer (CFO) has contracted with the Florida Clerk of Court Operations Corporation (CCOC) to establish a process for auditing the court-related<sup>2</sup> expenditures of the individual Clerks pursuant to State law.<sup>3</sup> The audits are conducted by the Department of Financial Services (DFS), Bureau of Auditing, Article V Section. It is the practice of the Department to conduct these audits every three to five years.

### **WHAT WE FOUND**

We concluded that, overall, the sampled Clerk's office administrative and payroll expenditures generally complied with applicable State laws, and funds were expended for allowable court-related costs, and that transactions were accurate, properly approved and recorded, and served a public purpose. Exceptions are noted in the Observations and Recommendations section below.

### **WHAT WE DID**

Our audit included an examination of accounts and records and the sampling of various court-related transactions related to administrative and payroll expenditures for County Fiscal Years (CFY) 21-22, CFY 22-23, CFY 23-24 (through August 2024). Court-related transactions may be funded by the State, or the county, or both. The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether court-related expenditures were in compliance with State laws.<sup>4</sup>
- 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.

<sup>1</sup>Section 14(b), Art. V, Florida Constitution.

<sup>2</sup>Court-related expenditures may be funded from county, State, or Federal sources.

<sup>3</sup>Section 28.35(2)(e), Florida Statutes.

<sup>4</sup>Sections 28.35(3)(a), 28.37(6), and 29.008, Florida Statutes.

- Evaluate whether ten percent (10%) of all court-related fines collected are deposited into the fines and forfeiture fund and used exclusively for court-related functions.<sup>5</sup>

## HAMILTON COUNTY AT A GLANCE

The Hamilton County Clerk of the Circuit Court and Comptroller serves a population of 13,671.<sup>6</sup>



**Table 1** shows the budgeted and actual expenditures for each fiscal year reviewed. Juror expenditures are not included.

**Table 1**

Year	Budgeted	Actual
CFY 21-22	\$596,303	\$580,429
CFY 22-23	\$609,839	\$602,366
CFY 23-24	\$630,879	\$550,573

Source: CCOC Budget Letter and Expenditure and Collection (EC) reports. Juror expenditures are not included.

The budgeted growth from October 2021 through September 2024 was 5.7%. The actual expenditures increased by 3.7% from October 2021 through September 2023. Actual expenditures for CFY 23-24 are through August 2024.

**Table 2** shows 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 21-22	9.00	9.00
CFY 22-23	9.00	9.00
CFY 23-24	9.00	9.00

The budgeted FTEs remained the same for the period October 2021 through September 2024. The actual number of FTEs remained the same from October 2021 through August 2024. Actual FTEs for CFY 23-24 are through August 2024.

## STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Hamilton County Clerk of the Circuit Court in June 2016, Report No. 2016-05. The auditors noted the following recommendation:

1. We recommended the Clerk's office establish a method for sampling employees' time and effort between court-related and non-court related functions to ensure the allocation of expenditures reflects an accurate appropriation of State funds. We conducted a follow-up audit in August 2021,

<sup>5</sup> Section 28.37(6), Florida Statutes.

<sup>6</sup> The Florida Legislature's Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officers and School District Officials for Fiscal Year 2024-2025, October 2024. <http://edr.state.fl.us/Content/local-government/reports/finsal24.pdf>.

Report No. 2021-69. It was determined, based on the follow-up audit testing, that this recommendation has been implemented.

## **OBSERVATIONS AND RECOMMENDATIONS**

Overall, the Clerk's court-related expenditures were in compliance with sections 28.35(3)(a) and 29.008, Florida Statutes (F.S.), and internal controls and procedures were in place for proper reporting, except for the following items:

### **Internal Controls**

#### **Purchasing Policy**

Key internal controls at any organization should include a purchasing policy. An effective purchasing policy should include, at a minimum, topics such as the following:

- Contract signing authority.
- Purchasing authority levels.
- The delegation of authority.
- Purchasing process and accepted procedures.
- Invoices and accepted procedures.
- Purchase orders and pre-authorizations.
- Credit Card for Purchasing Process and Procedures.

The Clerk's office has no written purchasing policy for the expenditure of court-related funds. During our testing, we noted the following:

- For two (2) sampled invoices totaling \$2,427, of which \$1,324 was allocated to the State, the Clerk's office was unable to provide documentation indicating the expenditures were approved prior to the purchase.

While we recognize the small office environment, we recommend the Clerk's office establish a written purchasing policy to provide employees with best practices, detailed procurement and purchasing guidelines, and include adequate internal controls to ensure that court-related funds are expended appropriately. Additionally, we recommend the Clerk's office make sure goods and services are properly approved and documented.

#### **Travel Documentation**

Section (s.) 112.061(6)(c), F.S., states that "no one, whether traveling out of state or in state, shall be reimbursed for any meal or lodging included in a convention or conference registration fee paid by the State." Section 69I-42.003, Florida Administrative Code, describes the data elements required on all travel forms. Although the Hamilton Clerk's office stated that their travel is in accordance with s. 112.061, F.S., they do not have a written travel policy.

During our testing of administrative expenditures, we noted the following:

- For four (4) sample items, the Clerk's office paid meal allowances when the meals were provided by the conference, resulting in an overpayment of \$234, of which \$117 was charged to the State.
- For one (1) sample item, the Clerk's office did not pay a traveler for their mileage or meal allowances in the amount of \$221.

- For three (3) samples items, the travel voucher was not signed by the traveler or was not properly filled out by the traveler as required by Florida Statute and rules.

We recommend the Clerk's office review all travel reimbursement forms carefully prior to payment to ensure all travel is in accordance with State law and travel forms are completed accurately. We also recommend that the Clerk's office remind its employees that meals provided at a conference or convention must not be requested as part of the employees' reimbursement.

## **Unallowable Expenditures**

### **County Funding**

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

Section 28.37(6), F.S., states that 10% of all court-related fines collected by the Clerk, except for penalties or fines distributed to counties or municipalities under s. 316.0083(1)(b)3. or s. 318.18(15)(a), F.S., must be deposited into the fine and forfeiture fund to be used exclusively for clerk court-related functions, as provided in s. 28.35(3)(a), F.S.

During our testing of the Clerk's office administrative expenditures, we noted three (3) instances in which the expenditures, contrary to statutory guidance, had been allocated as court-related costs, or was not authorized of record as a reasonable administrative support cost. The Clerk's office was able to provide documentation showing a methodology to track the expenditures against the revenues for the following:

- In CFY 21-22, the Clerk's office leased copiers, allocating \$346 to the State.
- In CFY 21-22 the Clerk's office purchased an OptiPlex Replacement Computer for \$1499, allocating \$501 to the State.

We recommend the Clerk's office ensure that its court-related expenditures are allowable according to s. 29.008(1)(f)1, F.S. We also recommend that the Clerk's office reimburse the State for the expenditures above totaling \$847 which were paid from the Clerks of the Court Trust Fund.

**GREG GODWIN**  
**CLERK OF CIRCUIT COURT OF HAMILTON COUNTY**



ROOM 106 \* 207 NORTHEAST FIRST STREET \* JASPER, FLORIDA 32052 \* (386) 792-1288

December 3, 2024

Florida Department of Financial Services  
Division of Accounting and Auditing  
200 East Gaines Street  
Tallahassee, FL 32399-0353

Thank you for the opportunity to respond to the Article V Clerk of Court Compliance Audit observations and recommendations. The following will serve as our response to the observations / recommendations outlined per the audit report:

**Purchasing Policy** – Our office would accept this finding without question if our office was a large office; however, our office has never implemented or needed a written purchasing policy since all purchases and expenditures are reviewed and approved by the Clerk of Court. As to purchases, all purchases are requested through the Clerk of Court who makes the final decision on all purchases. As to expenditures, all Clerk of Court expenditures are submitted to the Clerk's Finance Department, scanned and sent to the Clerk of Court by email to be approved prior to being paid. Therefore, all goods and services are properly approved and documented without the need of a written purchasing policy. To be in compliance with future DFS audits, our office will establish a written purchasing policy.

**Travel Documentation** – The only travel paid by the Clerk of Court's office is to the Clerk of Court for conferences or out of town meetings. The first finding "that the Clerk's office paid meal allowances when the meals were provided by the conference, resulting in an overpayment" was explained during the exit interview. For years the only lunch provided was on the first day of the conference with all other lunches being the responsibility of the individual. The other finding relating to travel was "that the Clerk's office did not pay a traveler for their mileage or meal allowance". Again, the traveler was the Clerk of Court, and chose not to submit a travel voucher for the meeting. Other instances where a travel voucher would not be submitted would be when the Clerk of Court travels with other Clerks. The final travel finding stated "that the travel voucher was not signed by the traveler or not properly filled out as required by Florida Statute". In the future, our office will ensure that all travel vouchers are completed accurately and signed by the traveler.

**County Funding** – Our office will accept the recommendation ensuring that all future court-related expenditures are allowable in accordance with F.S. 29.008(1)(f)1. Our office will also reimburse the State in the amount of \$847 as recommended. As to future DFS audits, this finding will be immaterial due to recent Legislative changes.

We would like to acknowledge the professionalism of your staff during the audit. If you have any questions in regards to our response, please contact me.

Sincerely,



Greg Godwin  
Clerk of Circuit Court  
Hamilton County, Florida