



April 9, 2025

The Honorable Lora Bell  
Clerk of Circuit Court & Comptroller  
Washington County  
1293 Jackson Avenue, Suite 101  
Chipley, Florida 32428

Dear Clerk Bell,

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,

  
Renee Hermeling

RH/avg

Enclosure



# **CHIEF FINANCIAL OFFICER STATE OF FLORIDA**

Florida Department of Financial Services

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

**Report No. 2025-139**

**April 8, 2025**

### **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 State funded portion of 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) 22-23 and CFY 23-24. 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>

## WASHINGTON COUNTY AT A GLANCE

The Washington County Clerk of the Circuit Court and Comptroller serves a population of 25,497.<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 22-23	\$805,838	\$805,838
CFY 23-24	\$847,488	\$835,021

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

The budgeted growth from October 2022 through September 2024 was 5.2%. The actual expenditures increased by 3.6% from October 2022 through September 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 22-23	11.83	11.96
CFY 23-24	11.60	11.60

The budgeted FTEs increased for the period October 2022 through September 2024 by 1.9%. The actual number of FTEs decreased by 3.0% for the period October 2022 through September 2024.

## STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Marion County Clerk of the Circuit Court in January 2020, Report No. 2020-49. The auditors noted the following recommendations:

1. We recommended the Clerk's office allocate as court-related expenditures only those costs authorized by Statute. It was determined, based on the results of this audit, that the recommendation has not been implemented.
2. We recommended the Clerk's office record administrative expenditures in the general ledger using the expenditure account codes provided in the Uniform Accounting System Manual in a

<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>.

manner that properly allocates the expenditure to the cost center benefited. It was determined, based on the results of this audit, that the recommendation has been implemented.

3. We recommended the Clerk's office establish a travel policy and travel forms in accordance with section (s.) 112.061, Florida Statutes (F.S.), to ensure the appropriate use of State funds. We further recommended that all travel reimbursements be reviewed by a secondary person prior to payment. It was determined, based on the results of this audit, that the recommendation has been partially implemented.
4. We recommended the Clerk's office have a separate individual verify and document that all goods received matched the goods ordered. It was determined, based on the results of this audit, that the recommendation has been implemented.
5. 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. Based on our testing, the recommendation has been fully implemented. It was determined, based on the results of this audit, that the 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, F.S., and internal controls and procedures were in place for proper reporting, except for the following items:

### Unallowable Expenditures

#### County Funding

Section 29.008(1)(f)1, and 2, F.S., requires counties to fund the cost of communications 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, F.S. 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. The Clerk's office stated, "since the 10% fees are being put into Fine & Forfeitures, we believe the tracking of expenditures from the 10% fees will not be applicable."

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 court 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 10% revenues collected for the following:

- In CFY 22-23, the Clerk's office purchased Clericus Software Maintenance for FY 22-23, allocating \$21,483 to the Court.
- In CFY 22-23, the Clerk's office purchased Internet Hosting, allocating \$71 to the Court.
- In CFY 22-23, the Clerk's office purchased Security Suite Renewal and Software Upgrades, allocating \$4,132 to the Court.

- In CFY 22-23, the Clerk's office purchased Munis Software Maintenance, allocating \$17,532 to the Court.

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 \$43,218, which were paid from the Clerks of the Court Trust Fund.

### **Statutory Compliance**

Section 28.35(3)(a), 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.

During our testing of the Clerk's office administrative expenditures, we note one (1) instance 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 22-23, the Clerk's office purchased K-Cups, sugar, and creamer for office employees, allocating the total amount of \$119 to the State.

We recommend that 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 Courts Trust Fund in the amount of \$119.

### **Grand Jury**

Section 125.59, F.S., outlines an authorization to budget and expend county funds for the creation and use of a special grand jury fund. The money of the special grand jury fund may be used by any grand jury in the county, in their discretion, in investigating crime and enforcing the criminal laws.

During our testing of the Clerk's office administrative expenditures, we note one (1) instance 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 23-24, the Clerk's office paid for Professional Court Reporting Services for grand jury proceedings, allocating \$240 to the court.

We recommend that the Clerk's office ensures grand jury related charges are purchased with the special grand jury fund as outlined in s. 125.59, F.S. We also recommend that the Clerk's office reimburse the Clerks of Courts Trust Fund in the amount of \$240.

## **Internal Controls**

### **Purchasing and Procurement Policy**

A key internal control at any organization should include a purchasing and procurement policy. An effective purchasing and procurement policy should include, at a minimum, topics such as the following:

- Procurement procedures.
- Contract signing authority.
- Purchasing authority levels.
- The delegation of authority.

- Purchasing process and accepted procedures.
- Purchase orders and pre-authorizations.
- Credit Card for Purchasing Process and Procedures.

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

- For three (3) administrative expenditures totaling \$1,249, the Clerk's office was unable to provide documentation indicating the expenditures were approved prior to purchase.
- There was no evidence of reconciliation of the credit cards for purchasing statements such as a signature or date of review and approval. Upon inquiry, the Clerk's office stated that the credit card statements were reviewed by two staff members before payment; however, there was no evidence of this review provided.

We recommend the Clerk's office develop and implement a written purchasing and procurement policy to provide employees with best practices, 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 Policy:**

The travel guidance provided to employees is limited and does not contain sufficient guidance related to s. 112.061, F.S. The *Personnel Policies and Procedures Manual* contains a statement directing the use of the mileage and per diem rates established under Chapter 112.061, F.S. and the current Federal mileage rate along with a copy of the travel reimbursement form. Also, the Clerk's office does not use the Travel Authorization Request Form prior to travel to conferences and does not provide guidance for meal allowances.

During our testing, we noted the following:

- For one (1) sample item, the two (2) travelers did not complete the arrival and departure times which inhibits an effective audit of the travel voucher.
- For one (1) sample item, the Clerk's office did not pay two (2) travelers for their meal allowances.
- For one (1) sample item, the traveler signed her own reimbursement check.

We recommend the Clerk's office enhance their travel policy to provide more detailed guidance related to s. 112.061, F.S. We also recommend that they review all travel reimbursement forms carefully prior to payment to ensure all travel is in accordance with State law. We also recommend that the Clerk's office consider reimbursing its employees for meals while traveling overnight.