



June 3, 2025

The Honorable Jace Ford
Clerk of Circuit Court & Comptroller
Liberty County
10818 Florida-20
Bristol, Florida 32321

Dear Clerk Ford,

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. Please provide a response within five (5) business days.

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,

A black rectangular redaction box covers the signature of Renée Hermeling.

Renée Hermeling

RH/avg

Enclosure



CHIEF FINANCIAL OFFICER STATE OF FLORIDA

Florida Department of Financial Services

LIBERTY COUNTY CLERK OF THE CIRCUIT COURT COMPLIANCE AUDIT

**Report No. 2025-141
June 2, 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.¹

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-related² expenditures of the individual Clerks pursuant to State law.³ 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.⁴
- 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.

¹Section 14(b), Art. V, Florida Constitution.

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

³Section 28.35(2)(e), Florida Statutes.

⁴Sections 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.⁵

LIBERTY COUNTY AT A GLANCE

The Liberty County Clerk of the Circuit Court and Comptroller serves a population of 7,977.⁶



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	\$322,497	\$322,497
CFY 23-24	\$339,456	\$339,456

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 5.2% 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	5.39	5.39
CFY 23-24	5.39	5.49

The budgeted FTEs for the period October 2022 through September 2024 remained the same. The actual number of FTEs increased by 1.8% for the period October 2022 through September 2024.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Liberty County Clerk of the Circuit Court in October 2017, Report No. 2017-19. The auditors noted the following recommendations:

1. We recommended that the Clerk's office bank reconciliations be prepared and reviewed by separate individuals. It was determined, based on the results of this audit, that the recommendation has not been implemented.

⁵ Section 28.37(6), Florida Statutes.

⁶ 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>.

2. We recommended that employee timesheets be approved and signed by a supervisor verifying that the hours worked, and leave taken are correct. 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 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. It was determined, based on the results of this audit, that the recommendation has not 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 and Procurement 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:

- Procurement policies and procedures.
- The delegation of authority.
- Purchasing process and accepted procedures.
- Invoices and accepted procedures.
- Pre-authorization procedures.

The Clerk's office has no written purchasing policy for the expenditure of Court funds. The Clerk's office provided a brief narrative overview of the purchasing process. During our testing of fifteen (15) administrative expenditures, we noted the following:

- For fourteen (14) sampled items totaling \$7,221, the Clerk's office was unable to provide documentation indicating the expenditures were approved by the Clerk prior to purchase.
- For eleven (11) sample items totaling \$5,160, the Clerk's office was unable to provide documentation indicating the goods were received.

While we recognize the small size of the Clerk's office, we recommend they establish a written purchasing policy to provide employees with best practices, purchasing guidelines, and include adequate internal controls to ensure that Court funds are expended appropriately.

Separation of Duties

A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or all phases of a transaction.

Even though the Clerk's office has more than one signor on the operating bank accounts, the same individual signed a travel reimbursement check written to themselves.

Although we recognize the small size of the office, we recommend the Clerk's office have the alternate signor sign checks written to themselves. This internal control practice avoids the possibility of errors of irregularities.

Bank Reconciliations

Bank reconciliations should be prepared monthly and any differences between the bank balances and general ledger accounts should be researched and explained. In addition, the preparer and approver should initial and date the reconciliations.

The bank reconciliations for Clerk of the CCOC Account did not reconcile to the general ledger for September 2023 or September 2024. The Clerk's office provided a reconciliation that balanced at some point during the year, however, they were unable to provide sufficient documentation that tied back to general ledger. Additionally, the September 2024 bank reconciliation for the Operating Account was missing who prepared and who approved it along with the date it was completed.

We recommend the Clerk's office investigate and reconcile the differences between the general ledger balance and the bank statement balances monthly. Monthly reconciliations help identify any unusual transactions that might be caused by irregularities or accounting errors. We also recommend that all documentation used to prepare monthly bank reconciliations be saved for audit purposes.

Accounting Records Do Not Agree with Expenditure and Collections Report

The Expenditure and Collection Report (the "EC Report") reported monthly to the CCOC should be prepared so that it agrees with the underlying accounting records. A monthly reconciliation of the EC Report should be performed by the Clerk's office to ensure that the amounts reported to the CCOC are accurate.

The Clerk's office was unable to provide supporting documentation explaining the basis of the numbers in the EC Reports we reviewed and was unable to provide evidence of their reconciliations.

We recommend that the Clerk's office implement procedures to reconcile and support the balances in the CCOC EC report on a monthly basis and retain these documents for audit purposes.

Unallowable Expenditures

Cell Phones

Section (s.) 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. Or s. 318.18(15)(a), 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 cell phone expenditures, 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 unable to provide documentation supporting the use of 10% fines for these expenditures.

- In CFY 22-23, the Clerk's office paid cell phone allowances in the amount of \$4,101 of which \$3,130 was allocated to the court.
- In CFY 23-24, the Clerk's office paid cell phone allowances in the amount of \$3,981 of which \$3,544 was allocated 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.

Furniture

Section 29.008(1)(a), F.S., states counties are required to fund the cost of facilities, which include office space and appurtenant equipment and furnishings and structures for the offices of the Clerk of the Circuit Court. Section 29.008(1)(a)1, F.S., states that as of July 1, 2005, equipment and furnishings shall be limited to that appropriate and customary for courtrooms, hearing rooms, jury facilities, and other public areas in courthouses and any other facility occupied by the courts, state attorneys, public defenders, guardians ad litem, and criminal conflict and civil regional counsel.

During our testing of the Clerk's office administrative expenditures, we noted one (1) instance in which the expenditure, contrary to statutory guidance, was 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 10 folding chairs for the courtroom, allocating the total amount of \$277 to the State.

We recommend the Clerk's office ensure that its court-related expenditures are allowable according to s. 29.008(1)(a), F.S.

Allocation Methodology

As reported in our previous audit, the Clerk's office does not have a clear methodology for allocating expenditures between court and non-court-related functions. While we recognize the small size of the office, without an accurate basis for allocating costs, the Clerk's office has limited assurance that the estimates used for budgeting purposes are accurate or need to be revised for the next budget cycle.

During our testing of four (4) payroll expenditures, we noted the following:

- For four (4) sample items totaling \$173,618, it could not be determined if the allocations were correct based on the information provided.

During our testing of fifteen (15) administrative expenditures, we noted the following:

- For one (1) sample items totaling \$668, the Clerk's office did not use the allocation percentages provided for the fiscal year.

We recommend the Clerk's office establish a method for sampling all employees' time and effort between court-related and non-court-related functions. This will allow the allocation of expenditures to reflect the appropriation of State funds more accurately. The methodology should also include a basis for concluding whether the budgetary calculations are accurate.



OFFICE OF THE
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AND COMPTROLLER
SECOND JUDICIAL CIRCUIT | LIBERTY COUNTY

Jace Ford
Clerk

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(850) 643-2215 | *FAX:* (850) 643-2866 | jford@libertyclerk.com

June 11, 2025

Renee Hermeling
Division of Accounting and Auditing
200 E. Gaines Street
Tallahassee, FL 32399-0353

Thank you for the opportunity to respond to your observations and recommendations and your staff's professionalism and courtesy during the recent audit of our court-related expenditures. The Clerk's office acknowledges the audit recommendations and is committed to enhancing our internal controls, financial practices, and compliance efforts.

1. **Check Signatory Controls:**

Although we recognize the small size of our office, we will ensure that the alternate signor does not sign checks made payable to themselves. This segregation of duties will strengthen internal controls and reduce the potential for errors or irregularities.

2. **Monthly Bank Reconciliations:**

We will implement procedures to investigate and reconcile any discrepancies between the general ledger and bank statement balances monthly. These reconciliations will help identify unusual transactions that may result from accounting errors or irregularities. All supporting documentation used in this process will be retained for audit purposes.

3. **CCOC EC Report Reconciliation:**

The Clerk's office will implement procedures to reconcile and support the balances in the CCOC Expenditure and Collection (EC) report monthly. Supporting documentation will be maintained and made available for audit verification.

4. **Allowable Expenditures:**

We will take steps to ensure that all court-related expenditures are allowable under s. 29.008(1)(f)1, F.S. Internal review procedures will be strengthened to confirm compliance with this statute before expenditures are made.

5. **Employee Time Allocation Methodology:**

The Clerk's office will develop a method for sampling and documenting employee time and effort across court-related and non-court-related functions. This will improve the accuracy of expenditure allocation and ensure state fund appropriations are appropriately justified. The methodology will also include a verification component to ensure budgetary calculations are reliable.

6. **Sales Tax:**

We will carefully review all expenditure invoices prior to payment to ensure sales taxes are not paid, in compliance with applicable tax-exempt status requirements.



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7. Meal Reimbursements:

The Clerk's office will review all travel reimbursement forms carefully prior to payment to ensure all travel is in accordance with State law. Additionally, the Clerk's office will remind its employees that meals provided at a conference or convention must not be requested as part of the employees' reimbursement.

8. Purchasing and Procurement Policy:

We acknowledge the recommendation and agree that establishing a written purchasing policy is important for ensuring proper internal controls and accountability. While the Clerk's office is small and purchasing needs are limited, we recognize that a documented policy will support consistency, transparency, and compliance with best practices.

We are committed to implementing these recommendations promptly and to maintaining transparency and accountability in all aspects of our financial operations.

Sincerely,

Jace Ford
Clerk of the Circuit Court and Comptroller