



CHIEF FINANCIAL OFFICER
BLAISE INGOGLIA
STATE OF FLORIDA

August 13, 2025

The Honorable Tom Bexley
Clerk of Circuit Court & Comptroller
Flagler County
1769 East Moody Boulevard, Building 1
Bunnell, Florida 32110

Dear Clerk Bexley,

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



**BLAISE INGOGLIA
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA**

Florida Department of Financial Services

**FLAGLER COUNTY
CLERK OF THE CIRCUIT COURT
COMPLIANCE AUDIT**

**Report No. 2025-144
August 13, 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 (through April 2025). 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

FLAGLER COUNTY AT A GLANCE

The Flagler County Clerk of the Circuit Court and Comptroller serves a population of 130,756.⁶



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	\$1,857,621	\$1,648,292
CFY 23-24	\$1,981,952	\$1,981,909

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 6.6%. The actual expenditures increased by 20.2% 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	27.42	23.33
CFY 23-24	28.62	24.34

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Flagler County Clerk of the Circuit Court in January 2017, Report No. 2016-09. A follow-up audit was conducted in April 2022, Report No. 2022-89 and the recommendation had not been implemented. The auditors noted the following recommendation:

1. We recommended the Clerk's office establish a method for tracking employees' time and effort between court related and non-court related activities to ensure accuracy in the budgeting process and the appropriation of State funds. The methodology should include a basis for concluding whether the budgetary estimates are accurate. 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>.

OBSERVATIONS AND RECOMMENDATIONS

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

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 purchase 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 six (6) administrative expenditures totaling \$1,890, the Clerk's office was unable to provide documentation indicating the expenditures were approved prior to purchase.
- For three (3) administrative expenditures totaling \$490, the Clerk's office was unable to provide documentation indicating the expenditures were received after purchase.

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, received, and documented.

Allocation Methodology

As mentioned in our previous audit, the Clerk's office was unable to provide documentation demonstrating a subjective methodology for allocating expenditures for employees who work on both court and non-court-related functions. The Clerk's office indicated it uses its full-time equivalents percentage breakdown between court and non-court employees for the allocation of overhead expenditures between court and non-court related functions. Without an accurate basis for allocating personnel expenditures, 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.

We recommend the clerk establish a method for sampling employees' time and effort between court related and non-court related activities such as a time study to ensure accuracy in the budgeting process and the appropriation of State funds. The methodology should also include a basis for concluding whether the budgetary estimates are accurate.

Unallowable Expenditures

Section (s.) 29.008(1)(f)1, 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.

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 to record as a reasonable administrative support cost. The Clerk's office was unable to provide documentation showing the expenditures below were paid from the 10% funds.

- In CFY 22-23, the Clerk's office paid cell phone allowances in the amount of \$1,560, all of which was allocated to the court.
- In CFY 23-24, the Clerk's office paid cell phone allowances in the amount of \$1,560, all of which was allocated to the court.
- In CFY 24-25, the Clerk's office paid cell phone allowances in the amount of \$1,300, all of which 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. We also recommend that the Clerk's office reimburse the Clerks of Court Trust Fund for the expenditures above totaling \$4,420.



TOM BEXLEY, Clerk of the Circuit Court & Comptroller

1769 East Moody Blvd., Building #1 • Bunnell, Florida 32110
Phone: (386) 313-4400 • Website: flaglerclerk.com

August 21, 2025

Blaise Ingoglia, Chief Financial Officer
State of Florida, Department of Financial Services
200 East Gaines Street
Tallahassee, FL 32399-0301

Ref: Flagler County, Clerk of the Circuit Court Compliance Audit Report No. 2025-144 for the County Fiscal Years (CFY)22-23, CFY 23-24 and CFY 24-25 through A

Dear Mr. Ingoglia,

Thank you for the opportunity to respond to the recommendations made by your staff, in connection with their Compliance Audit of the Flagler County Clerk of the Circuit Court & Comptroller covering County Fiscal years (CFY) 22-23, CFY 23-24 and CFY 24-25.

Purchasing and Procurement Policy

Observation: The Clerk's office has no purchasing and procurement policy for the expenditure of court-related funds.

Recommendation: The Clerk's office to 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.

Response: The Clerk understands the importance of strong internal controls and intends on fortifying current procedures to ensure uniformity and completeness for all disbursement related transactions; documenting pre-approval and receipt for goods and services.

Allocation Methodology

Observation: The Clerk's office was unable to provide documentation demonstrating a subjective methodology for allocating expenditures for employees who work on both court and non-court-related functions.

Recommendation: The Clerk to establish a method for sampling employees' time and effort between court-related and non-court related activities such as a time study to ensure accuracy in the budgeting process and the appropriation of State funds. The methodology should include a basis for concluding whether the budgetary estimates are accurate.

Response: The Clerk is interested in and understands the importance of accurate information and is very much in favor of applying the result of a time study to its process. The Clerk intends to review existing allocation methodology tools that have been approved by the Department of Financial Services; to determine which is best suited and applicable to Flagler.



TOM BEXLEY, Clerk of the Circuit Court & Comptroller

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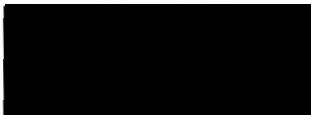
Unallowable Expenditures

Issue: Cell phone expenditures were mistakenly paid as court costs and noted during the audit process; FY 2023, \$1,560; FY 2024, \$1,560 and FY 2025, \$1,300; totaling \$4,420.

Action Taken: The Clerk has reimbursed the Court Trust Fund for the amounts noted. Changes have been made to the Financial System to ensure Non-Court Funds are used for all future communication expenditures.

We appreciate working with your team and will continue to apply every effort and available resources to achieving quality and accurate information.

Sincerely,



Jennifer Barker, CGFO
Chief Financial Officer
Flagler County