



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

October 22, 2020

The Honorable Roger D. Eaton
Clerk of Circuit Court
Charlotte County
350 East Marion Avenue
Punta Gorda, Florida 33950

Dear Mr. Eaton,

We completed our Article V Clerk of the Circuit Court Expenditure 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 if you have any questions.

Sincerely,

A large black rectangular redaction box covering the signature area.

Mark Merry
MM/jhf

Enclosure



JIMMY PATRONIS
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

Florida Department of Financial Services

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

**Report No. 2020-59
October 23, 2020**

SUMMARY

The Department of Financial Services (DFS) has completed an audit of the Charlotte County Clerk of the Circuit Court.¹ The auditors sampled court-related administrative and payroll expenditure accounts and transactions to determine whether, in making such expenditures, the Clerk's office complied with applicable State laws.² The sampled Clerk's office administrative and payroll expenditures generally complied with applicable State laws, and funds were expended for allowable court-related costs. However, as further described in the Observations and Recommendations section, we noted:

- In five (5) instances, the expenditures had been improperly allocated as court-related costs.

BACKGROUND

In 2013, the Florida Legislature passed legislation that removed the Clerks of the Circuit Courts from the State appropriations process.³ The 2013 legislation requires that all court-related functions must be funded from filing fees, service charges, costs, and fines retained by the Clerks. That portion of all fines, fees, service charges, and costs collected by the Clerks for the previous month that exceeds one-twelfth (1/12) of a Clerk's total budget must be remitted to the State. Those funds are deposited into the State of Florida's Clerk of the Court Trust Fund. For those Clerks who collect less than their approved budgets, the shortage is disbursed from the Clerks of the Court Trust Fund. In addition, the DFS' role was changed to providing audits of only the Clerks' court-related expenditures.

The organization that governs the Clerks, the Florida Clerks of Court Operations Corporation (CCOC), was initially formed to review and certify proposed budgets from each Clerk. In 2017, the Florida Legislature passed new legislation⁴ giving the CCOC the duty of approving the proposed budgets submitted by the Clerks of the Circuit Courts as required by State law.⁵ The 2017 legislation provides that the CCOC must ensure that the total combined budgets of the Clerks of the Circuit Courts do not exceed the total estimated revenues available for court-related expenditures as determined by the most recent Revenue Estimating Conference.

The Chief Financial Officer has contracted with the CCOC to establish a process for auditing the court-related expenditures of the individual Clerks pursuant to State law.⁶ The audits are conducted by the DFS Bureau of Auditing, Article V Section. It is the practice of the Department to conduct these audits every three to five years.

¹Section 34.031, Florida Statutes.

²Sections 28.35(3)(a) and 29.008, Florida Statutes.

³Chapter 2013-44, Laws of Florida.

⁴Chapter 2017-126, Laws of Florida.

⁵Section 28.36, Florida Statutes.

⁶Section 28.35(2)(e), Florida Statutes.

SCOPE

The audit of the Charlotte County Clerk of the Circuit Court's Office covered County Fiscal Year (CFY) 17-18, CFY 18-19, and CFY 19-20 (through April 30, 2020). The audit consisted of a desk review that included an analysis of sample selection with supporting documentation.

OBJECTIVES & METHODOLOGIES

The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether court-related expenditures were in compliance with State laws.⁷
- 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.

Our audit included an examination of accounts, records, and the sampling of various court-related transactions related to administrative and payroll expenditures.

Table 1 shows the court-related budgeted and actual expenditures for each fiscal year reviewed.

Source: CCOC Budget Letter and Expenditure and Collection (EC) reports. CFY 17-18, CFY 18-19, and CFY 19-20 do not include juror expenditures.

Table 1

Year	Budgeted	Actual
CFY 17-18	\$3,163,839	\$3,163,839
CFY 18-19	\$3,284,698	\$3,284,698
CFY 19-20	\$3,092,243	\$1,904,513 ⁸

The Charlotte County Clerk of the Circuit Court serves a population of 177,987.⁹

The budgeted growth from October 2017 through September 2020 was -2.26%.

Table 2 reflects 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.

⁷Sections 28.35(3)(a) and 29.008, Florida Statutes.

⁸Actual through April 30, 2020.

⁹The Florida Legislature's Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officers and School District Officials for Fiscal Year 2019-2020, September 2019.

Table 2

Year	Budgeted FTEs	Actual FTEs
CFY 17-18	57.76	49.24
CFY 18-19	55.86	50.70
CFY 19-20	55.48	52.48

The budgeted FTEs decreased by -3.95% for the period October 2017 through September 2020.

OBSERVATIONS AND RECOMMENDATIONS

Section (s.) 28.35(3)(a), Florida Statutes (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. Those functions include the following: case maintenance; records management; court preparation and attendance; processing the assignment, reopening, and reassignment of cases; processing of appeals; collection and distribution of fines, fees, service charges, and court costs; processing of bond forfeiture payments; data collection and reporting; determinations of indigent status; and paying reasonable administrative support costs to enable the Clerk of the court to carry out these court-related functions.

The list of court-related functions that Clerks may not fund from filing fees, service charges, costs, and fines include:

- Those functions not specified above,
- Functions assigned by administrative orders which are not required for the Clerk to perform the functions above,
- Enhanced levels of service which are not required for the Clerk to perform the functions above, and
- Functions identified as local requirements in law or local optional programs.

Financial Reporting and Recording

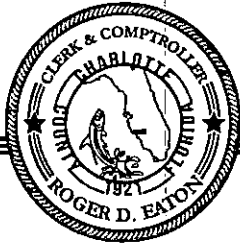
County Funding

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.

- In CFY 17-18, the Clerk's office purchased a Xerox copier/fax for \$3,278, allocating the total amount to the State.
- In CFY 17-18, the Clerk's office purchased an annual software maintenance fee by Pioneer Technology Group for \$10,000, allocating the total amount to the State.
- In CFY 17-18, the Clerk's office purchased a multi-function printer for \$10,408, allocating \$6,787 to the State.

- In CFY 17-18, the Clerk's office was charged by Pioneer Technology Group LLC for Pioneer Benchmark annual software maintenance for \$59,715, allocating \$29,092 to the State.
- In CFY 18-19, the Clerk's office purchased a HP ProBook from CDWG for \$841, allocating \$841 to the State.

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



ROGER D. EATON
Clerk of the Circuit Court and County Comptroller

350 E. Marion Ave. Punta Gorda, FL 33950 • 941.505.4716

October 30, 2020

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

RE: Charlotte County Article V Clerk of the Circuit Court Compliance Audit
Report No. 2020-59 dated October 23, 2020

Dear Mr. Merry:

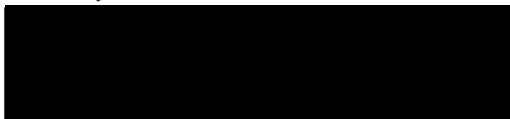
Our response to the Observations and Recommendations in Audit Report 2020-59 is outlined below.

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

Response: The Charlotte County Clerk's Office has received and reviewed the final Article V Expenditure Compliance Audit report issued by the Florida Department of Financial Services on October 23, 2020 (Report No. 2020-59). We concur with your recommendation and, going forward, we will indicate on invoices whether court related expenditures are being paid from the County or State funds, as allowable. Thank you for the opportunity to respond and for the time, effort, and courtesy of your team who performed the audit.

If you have any additional questions, please do not hesitate to contact us.

Sincerely,



Honorable Roger D. Eaton
Charlotte County Clerk of the Circuit Court and County Comptroller