



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

February 15, 2024

The Honorable Roger Eaton
Clerk of the Court & Comptroller
Charlotte County
350 East Marion Avenue
Punta Gorda, Florida 33950

Dear Clerk Eaton,

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 if you have any questions.

Sincerely,


Kim Holland

KH/tlw

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. 2024-123
February 16, 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.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 court-related expenditures of the individual Clerks pursuant to State law.² 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. We do offer recommendations for improvement.

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 the periods county fiscal year (CFY) 20-21, CFY 21-22, and CFY 22-23. The following objectives have been established for the audit of court-related expenditures:

- Evaluate whether court-related expenditures were in compliance with State laws³.
- 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.

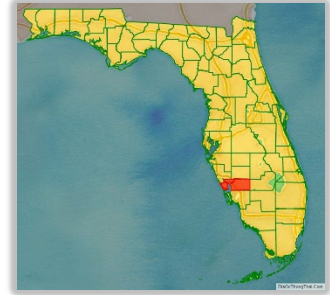
²Section 28.35(2)(e), Florida Statutes.

³Sections 28.35(3)(a), 28.37(5), and 29.008, Florida Statutes.

- Evaluate whether ten percent of all court-related fines collected are deposited into the fines and forfeiture fund and used exclusively for court-related functions⁴.

CHARLOTTE COUNTY AT A GLANCE

The Charlotte County Clerk of the Circuit Court and Comptroller serves a population of 196,742⁵.



The CCOC is required to prepare a cost comparison of similarly situated clerks of the court based on county population and numbers of case filings⁶. These clerks' offices are then placed into one (1) of eight (8) peer groups based on their populations and case filings. Charlotte County falls into Peer Group 5. **Table 1** shows a **2022-23 Budget Comparison to Peer Group Average**.

Table 1

Budget Comparison to the Peer Group (PG) Average						
County	Peer Group	CFY 2022-23 Operating & Capital Budget	CFY 2022-23 Personnel Budget	CFY 2022-23 Revenue-Limited Budget	CFY 2022-23 Percent Above/ Below PG Avg. for Revenues	CFY 2022-23 Budgeted FTEs
Charlotte	5	\$ 185,335	\$ 3,422,014	\$ 3,607,349	-5.96%	53.66
Clay	5	\$ 106,057	\$ 3,631,496	\$ 3,737,553	-2.56%	54.59
Hernando	5	\$ 52,737	\$ 3,435,190	\$ 3,487,927	-9.07%	60.98
Martin	5	\$ 118,181	\$ 3,454,184	\$ 3,572,365	-6.87%	49.62
Monroe	5	\$ 432,575	\$ 3,145,154	\$ 3,577,729	-6.73%	51.22
Okaloosa	5	\$ 685,058	\$ 3,031,837	\$ 3,716,895	-3.10%	52.22
Saint Johns	5	\$ 99,051	\$ 3,556,534	\$ 3,655,585	-4.70%	58.00
Santa Rosa	5	\$ 112,069	\$ 3,131,520	\$ 3,243,589	-15.44%	56.01
Alachua	5	\$ 285,707	\$ 5,638,551	\$ 5,924,258	54.44%	83.09
Peer Group 5 Average		\$ 230,752	\$ 3,605,164	\$ 3,835,917		57.71

Source: CCOC Operational Budgets and Peer Group Report. Juror expenditures are not included.

Table 2 shows the budgeted and actual expenditures for each fiscal year reviewed. Juror expenditures are not included.

Table 2

Year	Budgeted	Actual*
CFY 20-21	\$3,263,255	\$3,263,255
CFY 21-22	\$3,537,405	\$3,537,405
CFY 22-23	\$3,607,349	\$2,993,118

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

The budgeted growth from October 2020 through September 2023 was 10.5%. *Actuals are through August 2023.

⁴ Section 28.37(6), Florida Statutes.

⁵ The Florida Legislature's Office of Economic and Demographic Research Report Salaries of Elected County Constitutional Officers and School District Officials for Fiscal Year 2023-2024, September 2023. <http://edr.state.fl.us/Content/local-government/reports/finsal23.pdf>

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

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The Department performed an audit of the Charlotte County Clerk of the Circuit Court in October 2020, Report No. 2020-59. The auditors noted one (1) recommendation.

We recommended the Clerk's office ensure that its court-related expenditures are allowable and reasonable according to Section 29.008(1)(f)1 and 2, F.S. related to county funding of communication services such as wireless communications, cellular telephones, facsimile equipment, all computer networks, systems and equipment, including computer hardware and software, modems, printers, wiring, network connections, and maintenance. Based on our recent testing of administrative expenditures, we were unable to determine whether this recommendation has been implemented based on the information provided. See the recommendation below.

OBSERVATIONS AND RECOMMENDATIONS

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

Internal Controls

Purchasing Policy

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

- Requirements for competitive and noncompetitive solicitations.
- Contract signing authority.
- The delegation of authority.

The Clerk's office has a purchasing policy for the expenditure of court funds; however, it does not include specific guidelines related to procurement and purchasing thresholds or solicitations. Additionally, the current purchasing card policy does not include a signed agreement between employees and the Clerk acknowledging guidelines for the use of credit cards for purchase.

We recommend the Clerk's office enhance its purchasing policy to provide employees with best practices, detailed procurement and purchasing guidelines, and include adequate internal controls to ensure that Court funds are expended appropriately.

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.

Section 28.37(6), F. S., states that ten percent 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 five (5) instances in which the expenditure, contrary to statutory guidance, had been allocated as a court cost. The Clerk's office stated that these expenditures were paid from the 10% fund; however, they were unable to provide documentation showing a methodology to track the expenditures against the revenues.

- In CFY 20-21, the Clerk's office purchased parts and labor for repair/maintenance of a speaker in reception from Pro Audio Services Inc in the amount of \$193.
- In CFY 20-21, the Clerk's office purchased a fuser kit for a HP Lazer Jet from CDWG in the amount of \$203.
- In CFY 21-22, the Clerk's office purchased parts and labor for a Canon copier from Canon Solutions America Inc in the amount of \$1,045.
- In CFY 21-22, the Clerk's office purchased Benchmark software maintenance from Pioneer Technology in the amount of \$63,085.
- In CFY 21-22, the Clerk's office purchased AI Software Subscription from Computing System Innovations in the amount of \$13,869.

We recommend the Clerk's office use a tracking methodology to track the 10% revenues and 10% expenditures to ensure the expenditures do not exceed the revenues. An Excel spreadsheet would be a simple tool to use for tracking.

Travel

The Charlotte County Clerk of Court Travel Policy 1.12 and 2.0, states that travel is in accordance with Section 112.061, F.S. Section 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 112.061(14), F. S., states that a county constitutional officer may establish their own subsistence rates "by the establishment of written policy."

During our testing of the Clerk's administrative expenditure, we noted two (2) instances where the travel reimbursements for subsistence rates were not in accordance with Section 112.061, F. S. and were not stated in the Clerk's office travel policy.

- CFY 21-22, the Clerk's office paid \$268 in meal reimbursements which was \$96 more than the allowable State rate.
- CFY 21-22, the Clerk's office paid \$268 in meal reimbursements which was \$96 more than the allowable State rate.

We recommend the Clerk's office revise their travel policy to include their established rates as required by Section 112.061, F. S.



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

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

February 27, 2024

Tammy Williams, Financial Administrator
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. 2024-123 dated February 16, 2024

Dear Ms. Williams:

Our response to the Observations and Recommendations in Audit Report 2024-123 is outlined below.

Internal Control Recommendation: We recommend the Clerk's office enhance its purchasing policy to provide employees with best practices, detailed procurement and purchasing guidelines, and include adequate internal controls to ensure that Court funds are expended appropriately.

Response: We will review our purchasing policy to enhance internal controls and to ensure Court funds are expended appropriately.

Financial Reporting and Recording Recommendation: We recommend the Clerk's office use a tracking methodology to track the 10% revenues and 10% expenditures to ensure the expenditures do not exceed the revenues. An Excel spreadsheet would be a simple tool to use for tracking

Response: We will review our process and enhance controls as necessary for tracking the 10% revenues and 10% expenditures.

Travel Recommendation: We recommend the Clerk's office revise their travel policy to include their established rates as required by Section 112.061, F.S.

Response: We will review our travel policy and include established rates for subsistence.

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