

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

Operational Audit

For the Period
July 1, 2007 through January 31, 2009



STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION EXECUTIVE COUNCIL AND EXECUTIVE DIRECTOR

The Executive Council and Executive Director for the Florida Clerks of Court Operations Corporation who served during the period July 1, 2007, through January 31, 2009, are listed below:

Current Members

	County
Honorable Howard Forman, Chair	Broward County Clerk of Court
Honorable Harvey Rubin, Vice-Chair	Miami-Dade Clerk of Court
Honorable Richard Weiss, Secretary/Treasurer	Polk County Clerk of Court
Honorable John Crawford	Nassau County Clerk of Court
Honorable Bob Inzer-Replaced James Watkins on 2-05-08	Leon County Clerk of Court
Honorable Tim Sanders	Madison County Clerk of Court
Honorable Marsha Ewing	Martin County Clerk of Court
Honorable Scott Ellis - Replaced Charlie Green on 3-16-09	Brevard County Clerk of Court

Former Members

James Watkins	Lake County Clerk of Court
Charlie Green	Lee County Clerk of Court

CCOC Staff

John Dew, Executive Director

The audit team leader was Jodi Sullivan and the audit was supervised by Hardee Ratliff, CPA. Please address inquiries regarding this report to Marilyn D. Rosetti, CPA, Audit Manager, by e-mail at marilynrosetti@aud.state.fl.us or by telephone at (850) 487-9031.

This report and other reports prepared by the Auditor General can be obtained on our Web site (www.myflorida.com/audgen); by telephone (850 487-9024); or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

SUMMARY

Section 28.35(6)(a), Florida Statutes¹, requires the Auditor General to conduct an annual audit of the operations of the Florida Clerks of Court Operations Corporation (CCOC). The summary of our findings for the period July 1, 2007, through January 31, 2009, is as follows:

Finding No. 1: CCOC did not timely monitor revenue, expenditure, and remittance information reported by the clerks in monthly tracking reports to ensure that moneys due to the State were accurately and timely remitted.

Finding No. 2: Although the accuracy of revenue projections used in clerks' proposed budgets had improved over previous audits, budgeted expenditures exceeded actual expenditures by more than 10 percent, ranging from 10.09 to 28.18 percent, for 26 clerks.

Finding No. 3: Several clerks reported incomplete or inconsistent performance measure data and, although CCOC investigated the differences, it did not require corrected reports.

Finding No. 4: Contracts were entered into without the use of a competitive selection process for two consultants. Potential payments on these contracts totaled \$505,610, although only \$12,122 had been paid through January 2009.

Finding No. 5: Instances were noted where employees used CCOC credit cards for personal reasons, contrary to CCOC policy.

BACKGROUND

Section 28.35(1)(a), Florida Statutes, created the Florida Clerks of Court Operations Corporation (CCOC), which is comprised of all clerks of the courts (clerks) as members, with an executive council composed of eight clerks of the circuit courts elected by the members. Sections 28.35 and 28.36, Florida Statutes, prescribe the CCOC's functions and duties which include:

- Adopting a plan of operation;
- Conducting an election of directors;
- Recommending to the Legislature changes in various court-related fines, fees, service charges, and court costs established by law to ensure reasonable and adequate funding of the clerks in the performance of their court-related functions;
- Pursuant to a contract with the State Chief Financial Officer, establishing a process for the review and certification of proposed court-related budgets submitted by the clerks for completeness and compliance with Sections 28.36 and 28.37, Florida Statutes;
- Developing and certifying a uniform system of performance measures and applicable performance standards, and reviewing and certifying proposed budgets submitted by clerks utilizing the process approved by the State Chief Financial Officer; and
- Developing and conducting clerk education programs.

¹ All references to Florida Statutes are to the 2008 statutes unless otherwise noted.

During the 2009 Legislative session, the Legislature passed Chapter No. 2009-204, Laws of Florida, which significantly changed the operations of both the CCOC and the clerks. The more significant provisions, effective July 1, 2009, include:

- CCOC shall be administratively housed within the Justice Administrative Commission (JAC). CCOC will be a budget entity within the JAC and its employees shall be considered State employees. CCOC will not be subject to control, supervision, or direction by JAC in the performance of its duties.
- The executive council shall be composed of eight clerks elected by the clerks for a term of 2 years with two clerks from each of four designated population ranges. The executive council shall also include, as ex officio members, a designee of the President of the Senate and a designee of the Speaker of the House of Representatives. The Chief Justice of the Supreme Court shall designate one additional member to represent the State Court System.
- CCOC shall prepare a Legislative budget request for the resources necessary to perform its duties pursuant to Chapter 216 and be funded as a budget entity in the General Appropriations Act.
- CCOC is to establish a budget procedure for preparing budget requests for funding for the court-related functions of the clerks. Each clerk shall prepare a proposed budget and submit it to the CCOC in the manner and form prescribed by CCOC. Clerks shall also forward a copy of their budget requests to the Supreme Court.
- The Legislature shall appropriate the total amount for the budgets of the clerks in the General Appropriations Act.
- For the 2009-10 fiscal year, CCOC shall release appropriations in an amount equal to one-twelfth of each clerk's approved budget each month. Beginning in the 2010-11 fiscal year, CCOC shall release appropriations to each clerk quarterly and the amount released will be based on the performance of the clerk in the preceding quarter.
- Except as otherwise provided in Sections 28.241 and 34.041, Florida Statutes, all court-related fines, fees, service charges, and costs are considered State funds and shall be remitted by the clerks to the Department of Revenue for deposit into the Clerks of the Court Trust Fund within the JAC. However, 10 percent of all court-related fines collected by the clerks shall be deposited into the clerks' Public Records Modernization Trust Funds to be used exclusively for additional clerk court-related operational needs and program enhancements.
- CCOC is responsible for developing and certifying a uniform system of performance measures and applicable performance standards for court-related functions and the service unit costs required in Section 28.36, Florida Statutes, and measures for clerk performance in meeting the performance standards. CCOC shall develop the performance measures and standards in consultation with the Legislature and the Supreme Court. The Legislature may modify the clerk performance measures and performance standards in legislation implementing the General Appropriations Act.

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Monitoring of Clerk Remittances

In consultation with the Chief Financial Officer (CFO), CCOC developed a process for the review and certification of proposed court-related budgets submitted by clerks in accordance with the requirements of Section 28.35(2)(d), Florida Statutes. Based on court-related budgets submitted by the clerks and approved by CCOC, clerks were determined by CCOC to be either "surplus clerks" (i.e., projected revenues exceeded budgeted expenditures) or "deficit clerks" (i.e., budgeted expenditures exceeded projected revenues). For the 2007-08 fiscal year, the CCOC determined 40 clerks to be surplus clerks, 25 clerks to be deficit clerks, and 2 clerks to be neither.

Each clerk was sent a letter from the Executive Director of CCOC, dated September 12, 2007, which informed the clerk of his or her certified budget for the 2007-08 fiscal year. Surplus clerks were instructed by CCOC to remit one-twelfth of their projected surplus monthly to the Department of Revenue (DOR) for deposit in the DOR Clerks of the Court Trust Fund (Trust Fund). Section 28.37(2), Florida Statutes, required DOR to make a monthly transfer of

the funds in the Trust Fund that were not needed to resolve clerk deficits to the General Revenue Fund. Section 28.36(4), Florida Statutes, provided that deficit clerks may receive monthly remittances from the Trust Fund after certain requirements were met and upon approval of the Executive Office of the Governor. Pursuant to Section 28.37(4), Florida Statutes, each January 1, clerks were required to remit to the General Revenue Fund the cumulative excess of all fees, service charges, court costs, and fines retained by the clerks, plus any funds received by the clerks over the amount needed to meet the approved budget amounts.

CCOC developed tracking reports that were to be completed by the clerks and submitted to CCOC on a monthly basis. The tracking reports were designed to report the initial CCOC approved budgets, actual monthly revenues and expenditures, actual remittances to or from the Trust Fund, and other pertinent data. This information was to be used by CCOC to monitor the activities of the clerks on a monthly basis throughout the year. The tracking reports were the CCOC's primary mechanism to ensure clerks' compliance with Section 28.37, Florida Statutes, and that all amounts due the Trust Fund and the General Revenue Fund, as applicable, were remitted. Our review of the tracking reports and DOR receipts records disclosed the following:

- We compared total remittances to the Trust Fund reported by the clerks on the tracking reports to DOR receipts records and found differences in 16 of the reports. For example, the Duval County Clerk reported that \$4,609,679 had been remitted to the DOR during the 2007-08 fiscal year whereas DOR's records indicated that the Clerk only remitted \$2,718,463 during the same period. The Martin County Clerk reported that \$460,518 had been remitted to DOR whereas DOR's records indicated that \$166,623 was remitted.
- Based on our review of DOR receipts records, we noted that several of the 40 surplus clerks did not remit the required monthly amounts in accordance with CCOC's September 12, 2007, approved budget notification letter. Further, the differences between the directed remittance and the actual remittance amounts did not appear to be related to the clerks' actual surplus or deficit in a given month or cumulatively year-to-date. For example, based on DOR remittance reports, the Baker County Clerk made 8 of 12 remittances and the St. Lucie County Clerk only remitted 4 of 12 required remittances to the DOR. The Taylor County Clerk submitted only 2 of the 12 remittances that CCOC directed it to remit. Additionally, for several clerks, the amounts remitted were not in accordance with CCOC directives. For example, the Bradford County Clerk was directed by CCOC to remit \$28,225 per month to the Trust Fund during the 2007-08 fiscal year; however, the Clerk remitted amounts ranging from \$7,000 to \$31,658.
- Our review of actual revenues and expenditures reported on the monthly tracking reports and DOR's receipts records disclosed that moneys were not always timely remitted to the Trust Fund. Of the \$81.7 million remitted by clerks, only \$48.6 million (59 percent) was remitted during the 2007-08 fiscal year, with the remaining \$33.1 million remitted by January 1, 2009. Additionally, although several clerks over-remitted funds, totaling \$791,000, to the Trust Fund, several also under-remitted funds, totaling \$3,126,000, to the Trust Fund. The largest under-remitted amounts were attributable to Duval (\$1,872,000), Martin (\$285,000), Sumter (\$179,000), Levy (\$170,000), Okaloosa (\$144,000), St. Johns (\$124,000), Miami-Dade (\$111,000), and Hernando (\$109,000) Counties.

We noted similar differences in report No. 2009-016, finding No. 1. CCOC provided information in August 2009 showing that reconciliations of clerk remittances to DOR receipt records had been performed for the 2007-08 fiscal year and for the 2008-09 fiscal year through May 2009. While CCOC had made progress in reconciling the clerk remittances to DOR receipt records, improvement was still needed in the timeliness of the reconciliations. However, CCOC did not compare clerk's remittances established in the budget certification process to remittances made by the clerks as reported on the monthly tracking reports to ensure that the clerks were remitting funds as directed by CCOC. Without accurate information, CCOC could not determine whether all amounts due the Trust Fund and General Revenue Fund were accurately or timely remitted.

Effects of New Legislation. Chapter 2009-204, Laws of Florida, revised the remittance requirements that were in effect in previous fiscal years. The new legislation states that, except as otherwise provided in Sections 28.241 and

34.041, Florida Statutes, all court-related fines, fees, service charges, and costs are considered State funds and shall be remitted monthly by the clerks to DOR for deposit into the Clerks of the Court Trust Fund within JAC. However, 10 percent of all court-related fines collected by the clerks shall be deposited into the clerks' Public Records Modernization Trust Funds to be used exclusively for additional clerk court-related operational needs and program enhancements.

Recommendation: To monitor remittances to the Trust Fund effectively, CCOC should consider continuing the use of monthly tracking reports for court-related revenues collected by clerks and remittances to DOR in the development of the new procedures to be followed by the clerks. In doing so, CCOC should also compare the remittance amounts reported by clerks to DOR receipts records to ensure that clerks are timely and accurately recording remittances and remitting amounts due to the Trust Fund.

Finding No. 2: Budget vs. Actual Expenditures

As discussed in finding No. 1, the CCOC certified clerks' budgets for the 2007-08 fiscal year. Such budgets required a projection of revenues and an estimate of expenditures, and excess revenues over expenditures were to be remitted to DOR for deposit into the Trust Fund. Although we noted that actual revenues exceeded projected revenues by 10 percent or more for 12 clerks, we noted an overall improvement in the revenue projections as compared to previous audits. However, as also noted in previous audits, budgeted expenditures exceeded actual expenditures by more than 10 percent, ranging from 10.09 to 28.18 percent, for 26 clerks. The ten largest percentage differences are noted below in Table 1:

Table 1
Budgeted vs. Actual Expenditures

Clerk	Budgeted Expenditures	Actual Expenditures	Percent Difference
Levy	\$ 1,325,989	\$ 952,266	28.18
Gilchrist	639,571	472,145	26.18
Liberty	318,168	243,504	23.47
Franklin	668,812	534,220	20.12
Hernando	3,892,025	3,141,235	19.29
Putnam	2,385,763	1,943,398	18.54
Monroe	4,109,502	3,448,899	16.08
Nassau	2,431,236	2,043,545	15.95
Washington	791,636	672,568	15.04
Jackson	1,196,681	1,016,917	15.02

We analyzed budgeted and actual revenues and expenditures for all 67 clerks over the past three fiscal years (2005-06, 2006-07, and 2007-08 fiscal years - see Exhibits A and B) and noted that 9 clerks (Bay, Franklin, Hendry, Hernando, Jackson, Levy, Liberty, Nassau, and Putnam Counties) reported budgeted expenditures in excess of actual expenditures by more than 10 percent for all three years. Further, 4 of the 9 clerks (Bay, Franklin, Hendry, and Jackson Counties) also underestimated projected revenues for all three fiscal years. We noted that 10 clerks reported budgeted expenditures in excess of actual expenditures by more than 10 percent for two of the three years, and 14 clerks reported budgeted expenditures in excess of actual expenditures by more than 10 percent for one year.

These results indicate that expenditure estimates were likely unnecessarily high when initially budgeted, or circumstances changed during the fiscal year that should have prompted a reduction in the expenditure estimates.

Effects of New Legislation. Pursuant to Chapter 2009-204, Laws of Florida, CCOC is responsible for establishing a new budget procedure for funding the court-related functions of the clerks for the 2009-10 and subsequent fiscal years. Clerks will be responsible for preparing, summarizing, and submitting their budget requests to CCOC in the manner and form prescribed by CCOC. Chapter 2009-204, Laws of Florida, requires clerks to include in their budget requests a projection of court-related fees, service charges, and any other clerk fees that will be collected during the proposed budget period. The proposed budget must also include the number of personnel and the proposed budget for each of the following core services: case processing, financial processing, jury management, and information and reporting. The budget request must identify the service units to be provided within each core service, and the unit cost for each service unit.

CCOC, in consultation with the Supreme Court, the Chief Financial Officer, and the appropriation committees of the Senate and the House of Representatives, is responsible for developing the service units. CCOC is also responsible for reviewing each clerk's prior-year expenditures, projected revenues, proposed unit costs, and the proposed budget for each core service and comparing each clerk's prior-year expenditures and unit costs for core services with a peer group of clerks having a similar population and similar number of case filings. Clerks with higher expenditures, unit costs, or proposed budgets than the peer group will be required to document and justify the differences. Upon review, and amendment if necessary, of clerks' budgets, CCOC is required to make its recommendations to the Legislature and Supreme Court.

Actual expenditures for all 67 clerks totaled \$478.6 million (budget totaled \$503.8 million for expenditures and reserves) for the 2007-08 fiscal year and expenditures and reserves were budgeted at \$539.3 million for the 2008-09 fiscal year. Given that the Legislature appropriated a Statewide total of \$451 million for the 2009-10 fiscal year, it is imperative for clerks to be as accurate and conservative as possible when preparing proposed 2009-10 fiscal year budgets. Likewise, it is imperative for CCOC to carefully consider historical data and the reasonableness of proposed budgets submitted by each clerk, particularly in comparison with similarly sized clerk offices.

Recommendation: CCOC should, in the development of the new budget procedures, use the knowledge gained in reviewing previous court-related budgets and actual results (beginning in the 2003-04 fiscal year) to the extent possible.

Finding No. 3: Performance Measures and Standards

Section 28.35(2)(e), Florida Statutes, required CCOC to develop and certify a uniform system of performance measures and applicable performance standards for the court-related functions that clerks may fund from filing fees, service charges, court costs, and fines, as specified in Section 28.35(4)(a), Florida Statutes, and the clerks' performance in meeting the performance standards. The performance measures and standards were required to be designed to facilitate an objective determination of the performance of each clerk in accordance with minimum standards for fiscal management, operational efficiency, and effective collection of fines, fees, service charges, and court costs. Section 28.36(6), Florida Statutes, required evidence that a clerk met or exceeded established performance standards prior to the Legislative Budget Commission's consideration for increasing maximum budget amounts.

Performance measure results were compiled by CCOC and reported to the Legislature in CCOC's 2008-09 Article V Budgets Report, dated October 15, 2008. This report included timeliness data for the period October 2007 through

June 2008 and collection rate data for the period July 2006 through June 2008. The information contained in this report is summarized in Table 2:

Table 2
2007-08 Performance Measure Results

Timeliness Standard		Collection Rate Standard	
Number of Criteria Achieved	Number of Clerks	Number of Criteria Achieved	Number of Clerks
20	40	36	10
19	10	35	10
18	7	34	7
17	3	33	8
16	3	32	6
15	0	31	7
14 or Less	4	30 or less	19

Timeliness Standards

The timeliness standards adopted by CCOC related to the percent of new cases opened within a specified number of days for each of four categories (circuit, county, juvenile delinquency, and traffic) for criminal court and the percent of new cases where documents are docketed within a specified number of days for each of six categories (circuit, county, traffic, probate, family, and juvenile dependency) for civil court. The data was summarized and reported for the entire period for each standard, by category, resulting in 20 specific criteria (two standards for ten categories).

Timeliness data was to be collected and reported by all 67 clerks on a quarterly basis. In summary, 63 clerks (94 percent) met 15 or more of the 20 criteria, while 4 clerks met 14 or less (ranging from 9 to 14).

Collection Rate Standard

Clerks are required to submit collection data, including assessments (amounts imposed by the court), collections, and a calculated collection rate, on a quarterly basis. Assessments in a given quarter are tracked over five quarters (a 15-month period). The collection rate standard adopted by CCOC consisted of collection rates for each of four categories (circuit, county, juvenile delinquent, and traffic) of criminal court and five categories (circuit, county, traffic, probate, and family) of civil court and reported for each of four 15-month periods (nine categories over four periods, or a total of thirty-six criteria). As to the collection rate standard, 48 clerks (72 percent) met 31 or more of the 36 criteria, while 19 clerks met 30 or less of the 36 criteria.

Collection rate data was collected and reported by all 67 clerks; however, 6 clerks reported only partial data for collection rates. For example, the Palm Beach County Clerk did not report collection rate data for the first quarter in criminal circuit, criminal county, criminal traffic, or civil traffic; the Duval County Clerk did not report any collection rate data for any of the civil measures in the first quarter. The remaining 4 clerks failed to report data for one to seven of the 36 criteria.

As noted above, clerks were required to submit collection data on a quarterly basis. The assessments for a given quarter, and collections thereon, were tracked over five quarters (a 15-month period). Our review of the quarterly collection data reported by the clerks to CCOC disclosed instances where the data reported were inconsistent or fluctuated significantly within the reporting period. Similar inconsistencies and fluctuations were also noted in report

No. 2009-016, finding No. 3. For example, several clerks reported large increases in assessments for particular categories during the 15-month (or five quarters) reporting period, as shown in Table 3:

Table 3
Collection Rate Performance Data

Clerk	Category	Quarter End Date	1st Quarter Assessment	2nd Quarter Assessment	3rd Quarter Assessment	4th Quarter Assessment	5th Quarter Assessment
DeSoto	Circuit Criminal	9-30-08	\$ 126,781	\$ 738,330	\$ 178,722	\$ 178,154	\$ 205,804
Broward	Juvenile Delinquency	9-30-08	72,405	72,525	72,565	224,464	327,696
Hamilton	County Criminal	9-30-08	9,876	9,370	13,192	12,631	15,079
Jackson	Circuit Civil	9-30-08	18,438	18,438	182,723	248,337	248,822
Madison	Circuit Criminal	9-30-08	3,076	9,497	50,624	51,177	51,177
St. Lucie	Family	3-31-08	142,617	144,231	221,552	287,628	364,991

Table 3 describes the various assessment amounts reported by the clerk for a single quarter. For example, the DeSoto County Clerk initially reported that assessments for the quarter ending September 30, 2008, totaled \$126,781; however, the next quarterly report submitted indicated that assessments for the quarter ending September 30, 2008, totaled \$738,330. As the quarter had already passed, it is not evident how assessments for that quarter could have increased subsequently unless there was an error in the initial reporting.

Section 28.35(2)(e), Florida Statutes, provided that when CCOC finds a clerk has not met the performance standards, CCOC shall identify the nature of each deficiency and any corrective action recommended and taken by the affected clerk. While CCOC has contacted some clerks that reported either inconsistent data or data containing significant fluctuations in an effort to ensure that accurate and complete data is submitted, improvement is still needed, in many instances, in the reporting of performance measure data and in more timely review and follow-up by CCOC staff. For example, CCOC provided us information showing that contacts had been made with four of the six clerks listed in Table 3. However, in each of these instances the information provided indicated that there were potential problems with the information provided but documentation did not include indications of methods provided to resolve the issues noted and subsequent reports continued to include the inconsistent information.

Effects of New Legislation. Chapter 2009-204, Laws of Florida, requires CCOC to develop and certify a uniform system of performance measures and applicable performance standards for court-related functions and the service unit costs required in Section 28.36, Florida Statutes, and measures for clerk performance in meeting the performance standards. CCOC is required to develop the performance measures and standards in consultation with the Legislature and the Supreme Court. The Legislature may modify the clerk performance measures and performance standards in legislation implementing the General Appropriations Act. When CCOC finds a clerk has not met the performance standards, it is still required to identify the nature of the deficiency and any corrective action recommended and taken by the affected clerk. Effective July 1, 2009, CCOC is also required to notify the Legislature and Supreme Court of any clerk not meeting performance standards and provide a copy of any corrective action plans. Beginning in the 2010-11 fiscal year, CCOC is required to release State appropriations to each clerk quarterly, with the amount based on the prior quarter's performance of service units identified in the four core services and the established unit costs for each clerk.

Recommendation: CCOC should, in the development of performance measures and standards to be used in future years, use the knowledge gained in developing the previous measures and standards (beginning in the 2003-04 fiscal year) to the extent possible. CCOC should also take steps to ensure all required data is reported, and reported accurately, by clerks. When CCOC notes deficiencies in data not reported or as reported by clerks, CCOC should take those actions required by law.

Finding No. 4: Consultant Contracts

CCOC is responsible for establishing internal controls that provide assurance that the process of acquiring services is effectively administered. As a matter of good business practice, procurement of services should be done using a competitive selection process to provide an effective means of equitably procuring the best quality services at the lowest possible costs.

CCOC issued a Request for Proposals (RFP) on August 7, 2008, for services related to research and reporting; education and training; and reporting of performance and financial information. Two responses were received and CCOC entered into contracts with each of the responding consultants for the period October 24, 2008, through September 30, 2009. During this period, the Executive Director identified needed tasks, decided which of the consultants was best able to provide the needed service, entered into a negotiation process with the selected consultant, and agreed on both the hourly rate to be paid to the consultant and the estimated hours needed to complete the assignment. The consultant then completed the assignment and submitted an invoice for payment. This process did not include adequate consideration of the relevant elements of competition generally evaluated in a competitive selection process. For example, proposals including competitive price and performance factors were not solicited from available competing firms for each occasion in which the services were needed.

The contracts entered into by the consultants who responded to the RFP were identical and each provided for payments not to exceed \$252,805. Payments made pursuant to these contracts through January 2009 totaled \$12,122. A similar finding was noted in report No. 2008-010, dated August 2007.

Effects of New Legislation. Pursuant to Chapter 2009-204, Laws of Florida, effective July 1, 2009, CCOC was administratively housed within JAC and made subject to the requirements of Chapter 287, Florida Statutes, which governs the procurement of goods and services. Section 287.057, Florida Statutes, requires the use of competitive sealed bidding for the purchase of commodities or contractual services over \$25,000.

Recommendation: When applicable, CCOC should comply with the requirements of Section 287.057, Florida Statutes.

Finding No. 5: Improper use of Corporation Credit Cards

During our audit period CCOC had two credit card accounts (one had been in existence for several years and the other was opened in November 2007). The credit cards were assigned to the Executive Director and the Administrative Assistant. CCOC's credit card policy, Section II –Policies and Procedures, states that, "The purchasing card is to be used for Corporation authorized purchases only. The purchasing card IS NOT to be used for any personal use and any such use will require immediate reimbursement." We found instances where these cards were used for personal charges as noted in Table 4:

Table 4
Personal Use of Corporate Credit Cards

Card	Date of Charge	Date of Repayment	Amount
Discover	12/21/2007	1/9/2008	\$135.65
Visa	8/7/2007	9/9/2007	\$339.60
Visa	8/7/2007	9/10/2007	\$339.60
Visa	8/8/2007	8/15/2007	\$20.00(1)
Visa	9/24/2007	10/5/2007	\$227.29
Visa	9/24/2007	10/8/2007	\$227.29
Visa	2/9/2008	3/5/2008	\$480.00(1)
Visa	2/17/2008	3/5/2008	\$121.00(1)
Visa	4/4/2008	4/29/2008	\$299.43

(1) Taxes not paid

Examples of purchases include airline tickets for spouses, upgraded hotel rooms for family members, and personal items from Sam's Club and Lowe's. Based on a review of the documentation, vendors did not include sales tax on 3 of the 9 personal purchases listed in Table 4. CCOC staff, in response to our inquiry dated May 21, 2009, stated that reimbursements were made as soon as the credit card bill arrived. However, use of these cards for personal charges is contrary to the established policy. We also noted that while the original credit card and related credit card policy was authorized by the Executive Council in March 2006, the approval of the second credit card was not, of record, approved by the Executive Council. This card was subsequently canceled in January 2009.

Recommendation: CCOC purchasing cards should be used for CCOC authorized purchases only as required by the credit card policy adopted by the Executive Council. Also, any subsequent credit cards obtained by CCOC should have prior approval of the Executive Council.

SCOPE, OBJECTIVES, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit in accordance with applicable generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on CCOC activities related to the budgeting processing for clerks; the performance measure systems of the clerks; remittance of court-related fines, fees, service charges, and costs; and CCOC operations including competitive selections of contractors, timely depositing of moneys received by CCOC, use of credit cards, and follow-up on prior audit findings. The overall objectives of the audit were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic

and efficient administration of the functions assigned to CCOC; the relevance and reliability of records and reports; and the safeguarding of assets.

- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic and efficient administration of the functions assigned to CCOC; the relevance and reliability of records and reports; and the safeguarding of assets.
- To determine whether management had corrected, or was in the process of correcting, all applicable deficiencies disclosed in report No. 2009-016.

Also, pursuant to Section 11.45(7)(h), Florida Statutes, our audit may identify statutory and fiscal changes to be recommended to the Legislature.

Our audit included examinations of various transactions, as well as events and conditions occurring during the period July 1, 2007, through January 31, 2009. In conducting our audit, we:

- Interviewed selected CCOC personnel.
- Obtained an understanding of internal controls and tested processes and procedures related to areas within the scope of the audit, including, as appropriate, a walk-through of relevant internal controls through observation and examination of supporting documentation and records.
- Tested the court-related budgets submitted by the 67 clerks to CCOC to determine compliance with CCOC adopted budget submission, review, and certification procedures.
- Tested the performance measure reports prepared and submitted by the 67 clerks to determine compliance with uniform system of performance measures and applicable performance standards developed and approved by CCOC for the court-related functions of clerks.
- Tested the timely remittances of fines, fees, service charges, and costs collected by the clerks and remitted to the Department of Revenue.
- Reviewed the monthly revenue and expenditure tracking reports required to be completed by the clerks and submitted to CCOC on a monthly basis.
- Tested the timely depositing of moneys received by CCOC from the Department of Financial Services to fund the operations of CCOC.
- Tested requests filed by CCOC with the Department of Financial Services to receive the funds needed by CCOC to fund its daily operations to determine compliance with the contractual provisions requiring CCOC to file such request within specified timeframes.
- Tested credit card purchases made by CCOC to determine compliance with the provisions of the CCOC credit card policies and procedures.
- Reviewed CCOC procedures for acquiring contractual services to determine whether CCOC, as a matter of good business practices, had used a competitive selection process in the acquisition of such services.
- Evaluated CCOC's actions taken to correct the deficiencies disclosed in audit report No. 2009-016.
- Performed various other auditing procedures as necessary to accomplish the objectives of the audit.

Specific information describing the work conducted to address audit objectives is also included in the individual findings.

AUTHORITY

Section 28.35(6)(a), Florida Statutes, requires the Auditor General to conduct an annual audit of the operations of the Florida Clerks of Court Operations Corporation. Pursuant to the provisions of Sections 28.35(6)(a) and 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our audit.



David W. Martin, CPA
Auditor General

MANAGEMENT'S RESPONSE

In a letter dated October 1, 2009, the Chair of the CCOC provided a response to our preliminary and tentative findings. The letter is included in this report as Exhibit C.

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EXHIBIT A
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
PROJECTED TO ACTUAL REVENUES COMPARISON BY CLERKS
FOR THE 2005-06, 2006-07, AND 2007-08 FISCAL YEARS

County	2005-06 FY					2006-07 FY					2007-08 FY			
	Projected Revenue	2005-06 FY Actual Revenue	Difference	% Difference		Projected Revenue	2006-07 FY Actual Revenue	Difference	% Difference		Projected Revenue	2007-08 FY Actual Revenue	Difference	% Difference
Alachua	\$ 6,173,778	\$ 6,665,146	\$ 491,368	7.96%		\$ 6,622,518	\$ 6,378,796	\$ (243,722)	-3.68%		\$ 6,915,000	\$ 6,498,411	\$ (416,589)	-6.02%
Baker	\$ 571,376	\$ 582,039	\$ 10,663	1.87%		\$ 626,333	\$ 616,034	\$ (10,299)	-1.64%		\$ 621,550	\$ 610,378	\$ (11,172)	-1.80%
Bay	\$ 4,425,075	\$ 4,710,191	\$ 285,116	6.44%		\$ 4,655,133	\$ 5,265,249	\$ 610,116	13.11%		\$ 5,224,650	\$ 5,395,759	\$ 171,109	3.28%
Bradford	\$ 672,264	\$ 802,607	\$ 130,343	19.39%		\$ 822,341	\$ 930,924	\$ 108,583	13.20%		\$ 1,043,931	\$ 897,620	\$ (146,311)	-14.02%
Brevard	\$ 11,928,854	\$ 13,360,007	\$ 1,431,153	12.00%		\$ 13,018,135	\$ 13,476,617	\$ 458,482	3.52%		\$ 13,186,614	\$ 13,849,277	\$ 662,663	5.03%
Broward	\$ 37,581,200	\$ 37,644,947	\$ 63,747	0.17%		\$ 39,727,077	\$ 40,861,355	\$ 1,134,278	2.86%		\$ 42,328,000	\$ 43,193,237	\$ 865,237	2.04%
Calhoun	\$ 381,100	\$ 424,165	\$ 43,065	11.30%		\$ 412,000	\$ 440,693	\$ 28,693	6.96%		\$ 442,900	\$ 378,439	\$ (64,461)	-14.55%
Charlotte	\$ 3,900,588	\$ 3,804,258	\$ (96,330)	-2.47%		\$ 3,705,571	\$ 4,437,184	\$ 731,613	19.74%		\$ 4,365,274	\$ 4,847,008	\$ 481,734	11.04%
Citrus	\$ 2,832,533	\$ 3,108,895	\$ 276,362	9.76%		\$ 2,890,000	\$ 3,322,512	\$ 432,512	14.97%		\$ 3,171,600	\$ 3,341,283	\$ 169,683	5.35%
Clay	\$ 3,191,918	\$ 3,659,964	\$ 468,046	14.66%		\$ 3,647,494	\$ 4,189,258	\$ 541,764	14.85%		\$ 4,394,859	\$ 3,884,244	\$ (510,615)	-11.62%
Collier	\$ 11,117,800	\$ 11,278,040	\$ 160,240	1.44%		\$ 12,053,400	\$ 11,976,331	\$ (77,069)	-0.64%		\$ 12,060,300	\$ 12,779,752	\$ 719,452	5.97%
Columbia	\$ 1,829,077	\$ 2,009,115	\$ 180,038	9.84%		\$ 2,021,290	\$ 1,991,524	\$ (29,766)	-1.47%		\$ 1,965,645	\$ 1,978,523	\$ 12,878	0.66%
Dade	\$ 72,245,800	\$ 68,407,043	\$ (3,838,757)	-5.31%		\$ 71,188,000	\$ 76,333,495	\$ 5,145,495	7.23%		\$ 76,674,000	\$ 86,147,404	\$ 9,473,404	12.36%
DeSoto	\$ 800,000	\$ 898,375	\$ 98,375	12.30%		\$ 898,750	\$ 952,680	\$ 53,930	6.00%		\$ 940,000	\$ 927,085	\$ (12,915)	-1.37%
Dixie	\$ 331,645	\$ 384,814	\$ 53,169	16.03%		\$ 351,000	\$ 459,618	\$ 108,618	30.95%		\$ 360,000	\$ 497,031	\$ 137,031	38.06%
Duval	\$ 19,404,549	\$ 20,460,883	\$ 1,056,334	5.44%		\$ 21,427,488	\$ 21,504,336	\$ 76,848	0.36%		\$ 22,761,591	\$ 23,136,140	\$ 374,549	1.65%
Escambia	\$ 7,049,875	\$ 7,082,313	\$ 32,438	0.46%		\$ 7,133,064	\$ 7,260,723	\$ 127,659	1.79%		\$ 7,418,483	\$ 7,022,734	\$ (395,749)	-5.33%
Flagler	\$ 1,445,409	\$ 1,636,755	\$ 191,346	13.24%		\$ 1,978,517	\$ 1,753,081	\$ (225,436)	-11.39%		\$ 1,766,675	\$ 2,011,107	\$ 244,432	13.84%
Franklin	\$ 359,695	\$ 368,518	\$ 8,823	2.45%		\$ 377,825	\$ 424,831	\$ 47,006	12.44%		\$ 382,019	\$ 401,430	\$ 19,411	5.08%
Gadsden	\$ 1,046,174	\$ 1,110,527	\$ 64,353	6.15%		\$ 1,274,463	\$ 1,420,545	\$ 146,082	11.46%		\$ 1,491,744	\$ 1,379,364	\$ (112,380)	-7.53%
Gilchrist	\$ 284,415	\$ 317,544	\$ 33,129	11.65%		\$ 320,563	\$ 410,369	\$ 89,806	28.02%		\$ 415,628	\$ 386,480	\$ (29,148)	-7.01%
Glades	\$ 417,375	\$ 475,486	\$ 58,111	13.92%		\$ 421,719	\$ 770,441	\$ 348,722	82.69%		\$ 568,974	\$ 547,207	\$ (21,767)	-3.83%
Gulf	\$ 346,558	\$ 354,187	\$ 7,629	2.20%		\$ 354,451	\$ 394,340	\$ 39,889	11.25%		\$ 389,642	\$ 402,675	\$ 13,033	3.34%
Hamilton	\$ 600,000	\$ 567,355	\$ (32,645)	-5.44%		\$ 560,000	\$ 571,796	\$ 11,796	2.11%		\$ 536,000	\$ 517,640	\$ (18,360)	-3.43%
Hardee	\$ 744,201	\$ 733,152	\$ (11,049)	-1.48%		\$ 776,522	\$ 918,048	\$ 141,526	18.23%		\$ 903,500	\$ 821,028	\$ (82,472)	-9.13%
Hendry	\$ 775,000	\$ 926,937	\$ 151,937	19.60%		\$ 920,000	\$ 1,034,822	\$ 114,822	12.48%		\$ 1,065,000	\$ 1,131,932	\$ 66,932	6.28%
Hernando	\$ 4,030,625	\$ 4,874,984	\$ 844,359	20.95%		\$ 5,233,295	\$ 5,095,395	\$ (137,900)	-2.64%		\$ 5,300,000	\$ 5,217,785	\$ (82,215)	-1.55%

EXHIBIT A (CONTINUED)
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
PROJECTED TO ACTUAL REVENUES COMPARISON BY CLERKS
FOR THE 2005-06, 2006-07, AND 2007-08 FISCAL YEARS

County	2005-06 FY				2006-07 FY				2007-08 FY			
	Projected Revenue	2005-06 FY Actual Revenue	Difference	% Difference	Projected Revenue	2006-07 FY Actual Revenue	Difference	% Difference	Projected Revenue	2007-08 FY Actual Revenue	Difference	% Difference
Highlands	\$ 2,231,550	\$ 2,553,068	\$ 321,518	14.41%	\$ 2,565,509	\$ 2,620,660	\$ 55,151	2.15%	\$ 2,675,405	\$ 2,599,784	\$ (75,621)	-2.83%
Hillsborough	\$ 36,850,000	\$ 34,823,148	\$ (2,026,852)	-5.50%	\$ 37,342,891	\$ 34,283,144	\$ (3,059,747)	-8.19%	\$ 36,176,675	\$ 37,421,034	\$ 1,244,359	3.44%
Holmes	\$ 661,779	\$ 649,902	\$ (11,877)	-1.79%	\$ 688,893	\$ 560,943	\$ (127,950)	-18.57%	\$ 587,059	\$ 607,753	\$ 20,694	3.53%
Indian River	\$ 2,968,226	\$ 3,134,404	\$ 166,178	5.60%	\$ 3,222,900	\$ 3,976,059	\$ 753,159	23.37%	\$ 3,998,688	\$ 3,853,098	\$ (145,590)	-3.64%
Jackson	\$ 931,000	\$ 1,129,344	\$ 198,344	21.30%	\$ 1,080,095	\$ 1,189,252	\$ 109,157	10.11%	\$ 1,147,758	\$ 1,196,946	\$ 49,188	4.29%
Jefferson	\$ 675,540	\$ 573,362	\$ (102,178)	-15.13%	\$ 609,935	\$ 524,163	\$ (85,772)	-14.06%	\$ 604,920	\$ 577,824	\$ (27,096)	-4.48%
Lafayette	\$ 176,211	\$ 158,900	\$ (17,311)	-9.82%	\$ 165,315	\$ 168,613	\$ 3,298	1.99%	\$ 174,593	\$ 180,840	\$ 6,247	3.58%
Lake	\$ 5,042,700	\$ 6,186,588	\$ 1,143,888	22.68%	\$ 6,089,426	\$ 6,609,153	\$ 519,727	8.53%	\$ 6,300,825	\$ 7,532,515	\$ 1,231,690	19.55%
Lee	\$ 12,373,941	\$ 14,164,460	\$ 1,790,519	14.47%	\$ 15,523,072	\$ 17,203,759	\$ 1,680,687	10.83%	\$ 17,531,225	\$ 21,038,601	\$ 3,507,376	20.01%
Leon	\$ 6,336,970	\$ 7,427,701	\$ 1,090,731	17.21%	\$ 7,359,563	\$ 7,555,671	\$ 196,108	2.66%	\$ 8,068,550	\$ 7,176,581	\$ (891,969)	-11.05%
Levy	\$ 850,000	\$ 848,087	\$ (1,913)	-0.23%	\$ 850,000	\$ 1,023,390	\$ 173,390	20.40%	\$ 908,000	\$ 935,918	\$ 27,918	3.07%
Liberty	\$ 193,596	\$ 190,435	\$ (3,161)	-1.63%	\$ 177,312	\$ 249,340	\$ 72,028	40.62%	\$ 192,000	\$ 167,065	\$ (24,935)	-12.99%
Madison	\$ 979,800	\$ 1,072,421	\$ 92,621	9.45%	\$ 1,116,353	\$ 964,874	\$ (151,479)	-13.57%	\$ 962,471	\$ 981,961	\$ 19,490	2.02%
Manatee	\$ 5,504,450	\$ 5,583,569	\$ 79,119	1.44%	\$ 5,690,165	\$ 5,906,178	\$ 216,013	3.80%	\$ 5,932,000	\$ 6,915,580	\$ 983,580	16.58%
Marion	\$ 7,184,200	\$ 7,675,934	\$ 491,734	6.84%	\$ 7,344,000	\$ 8,253,494	\$ 909,494	12.38%	\$ 7,711,200	\$ 8,719,214	\$ 1,008,014	13.07%
Martin	\$ 4,558,422	\$ 4,268,731	\$ (289,691)	-6.36%	\$ 4,117,221	\$ 4,694,135	\$ 576,914	14.01%	\$ 4,602,952	\$ 4,570,120	\$ (32,832)	-0.71%
Monroe	\$ 2,968,480	\$ 3,025,425	\$ 56,945	1.92%	\$ 2,910,000	\$ 3,677,461	\$ 767,461	26.37%	\$ 3,500,000	\$ 3,438,424	\$ (61,576)	-1.76%
Nassau	\$ 1,408,122	\$ 1,357,465	\$ (50,657)	-3.60%	\$ 1,290,394	\$ 1,419,867	\$ 129,473	10.03%	\$ 1,453,187	\$ 1,408,132	\$ (45,055)	-3.10%
Okaloosa	\$ 5,007,281	\$ 5,386,099	\$ 378,818	7.57%	\$ 5,555,235	\$ 5,824,474	\$ 269,239	4.85%	\$ 5,989,003	\$ 5,336,760	\$ (652,243)	-10.89%
Okeechobee	\$ 860,378	\$ 822,714	\$ (37,664)	-4.38%	\$ 800,000	\$ 942,192	\$ 142,192	17.77%	\$ 905,115	\$ 966,309	\$ 61,194	6.76%
Orange	\$ 26,188,000	\$ 28,552,775	\$ 2,364,775	9.03%	\$ 29,300,584	\$ 34,013,619	\$ 4,713,035	16.09%	\$ 34,565,596	\$ 36,957,569	\$ 2,391,973	6.92%
Osceola	\$ 7,981,933	\$ 8,375,923	\$ 393,990	4.94%	\$ 9,557,130	\$ 10,195,772	\$ 638,642	6.68%	\$ 10,097,247	\$ 12,325,301	\$ 2,228,054	22.07%
Palm Beach	\$ 27,692,505	\$ 30,044,279	\$ 2,351,774	8.49%	\$ 31,924,001	\$ 31,249,980	\$ (674,021)	-2.11%	\$ 35,534,919	\$ 35,774,214	\$ 239,295	0.67%
Pasco	\$ 8,112,332	\$ 8,622,803	\$ 510,471	6.29%	\$ 9,077,920	\$ 9,549,341	\$ 471,421	5.19%	\$ 9,810,590	\$ 10,424,849	\$ 614,259	6.26%
Pinellas	\$ 21,491,504	\$ 23,068,395	\$ 1,576,891	7.34%	\$ 23,735,136	\$ 24,133,279	\$ 398,143	1.68%	\$ 24,574,249	\$ 24,748,128	\$ 173,879	0.71%
Polk	\$ 13,048,255	\$ 15,413,888	\$ 2,365,633	18.13%	\$ 15,902,954	\$ 15,766,072	\$ (136,882)	-0.86%	\$ 15,538,195	\$ 16,826,180	\$ 1,287,985	8.29%
Putnam	\$ 1,649,362	\$ 1,801,498	\$ 152,136	9.22%	\$ 1,810,000	\$ 1,741,829	\$ (68,171)	-3.77%	\$ 1,900,500	\$ 1,614,483	\$ (286,017)	-15.05%
Santa Rosa	\$ 2,985,000	\$ 3,150,488	\$ 165,488	5.54%	\$ 3,340,000	\$ 3,462,766	\$ 122,766	3.68%	\$ 3,517,300	\$ 3,445,023	\$ (72,277)	-2.05%

EXHIBIT A (CONTINUED)
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
PROJECTED TO ACTUAL REVENUES COMPARISON BY CLERKS
FOR THE 2005-06, 2006-07, AND 2007-08 FISCAL YEARS

County	2005-06 FY					2006-07 FY					2007-08 FY			
	Projected Revenue	2005-06 FY Actual Revenue	Difference	% Difference		Projected Revenue	2006-07 FY Actual Revenue	Difference	% Difference		Projected Revenue	2007-08 FY Actual Revenue	Difference	% Difference
Sarasota	\$ 7,880,738	\$ 8,613,297	\$ 732,559	9.30%		\$ 8,742,523	\$ 9,570,240	\$ 827,717	9.47%		\$ 9,179,000	\$ 10,185,887	\$ 1,006,887	10.97%
Seminole	\$ 8,826,425	\$ 9,219,322	\$ 392,897	4.45%		\$ 9,178,860	\$ 10,035,011	\$ 856,151	9.33%		\$ 9,760,100	\$ 11,100,104	\$ 1,340,004	13.73%
Saint Johns	\$ 3,578,114	\$ 4,141,228	\$ 563,114	15.74%		\$ 4,200,000	\$ 4,504,054	\$ 304,054	7.24%		\$ 4,900,000	\$ 4,490,523	\$ (409,477)	-8.36%
Saint Lucie	\$ 6,813,766	\$ 6,484,991	\$ (328,775)	-4.83%		\$ 6,691,309	\$ 7,478,289	\$ 786,980	11.76%		\$ 6,774,000	\$ 8,799,746	\$ 2,025,746	29.90%
Sumter	\$ 2,329,500	\$ 2,415,143	\$ 85,643	3.68%		\$ 2,481,000	\$ 2,498,065	\$ 17,065	0.69%		\$ 2,567,900	\$ 2,542,761	\$ (25,139)	-0.98%
Suwannee	\$ 1,043,365	\$ 1,049,388	\$ 6,023	0.58%		\$ 1,019,893	\$ 1,225,334	\$ 205,441	20.14%		\$ 1,255,734	\$ 1,134,088	\$ (121,646)	-9.69%
Taylor	\$ 651,522	\$ 651,399	\$ (123)	-0.02%		\$ 643,985	\$ 746,827	\$ 102,842	15.97%		\$ 748,521	\$ 710,552	\$ (37,969)	-5.07%
Union	\$ 213,148	\$ 182,218	\$ (30,930)	-14.51%		\$ 193,602	\$ 186,325	\$ (7,277)	-3.76%		\$ 190,197	\$ 186,025	\$ (4,172)	-2.19%
Volusia	\$ 10,962,067	\$ 10,561,524	\$ (400,543)	-3.65%		\$ 10,999,171	\$ 11,480,300	\$ 481,129	4.37%		\$ 11,844,160	\$ 11,742,475	\$ (101,685)	-0.86%
Wakulla	\$ 819,900	\$ 820,307	\$ 407	0.05%		\$ 856,622	\$ 915,293	\$ 58,671	6.85%		\$ 949,836	\$ 944,469	\$ (5,367)	-0.57%
Walton	\$ 1,504,597	\$ 1,631,400	\$ 126,803	8.43%		\$ 1,542,802	\$ 2,038,626	\$ 495,824	32.14%		\$ 1,976,000	\$ 2,009,010	\$ 33,010	1.67%
Washington	\$ 601,163	\$ 929,616	\$ 328,453	54.64%		\$ 1,018,449	\$ 953,171	\$ (65,278)	-6.41%		\$ 990,916	\$ 878,233	\$ (112,683)	-11.37%
Totals	\$446,622,726	\$ 463,409,886	\$ 16,787,160	3.76%		\$480,131,169	\$502,582,012	\$ 22,450,843	4.68%		\$ 512,790,165	\$ 540,665,052	\$ 27,874,887	5.44%

EXHIBIT B
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
BUDGETED TO ACTUAL EXPENDITURE COMPARISON
FOR THE 2005-06, 2006-07, AND 2007-08 FISCAL YEARS

County	2005-06 FY					2006-07 FY					2007-08 FY			
	Budgeted Expenditures	2005-06 FY Actual Expenditures	Difference	% Difference		Budgeted Expenditures	2006-07 FY Actual Expenditures	Difference	% Difference		Budgeted Expenditures	2007-08 FY Actual Expenditures	Difference	% Difference
Alachua	\$ 5,806,348	\$ 5,822,401	\$ 16,053	0.28%		\$ 6,558,296	\$ 6,275,706	\$ (282,590)	-4.31%		\$ 6,690,776	\$ 6,296,182	\$ (394,594)	-5.90%
Baker	\$ 585,072	\$ 561,953	\$ (23,119)	-3.95%		\$ 623,628	\$ 590,890	\$ (32,738)	-5.25%		\$ 620,603	\$ 589,198	\$ (31,405)	-5.06%
Bay	\$ 3,206,321	\$ 2,868,468	\$ (337,853)	-10.54%		\$ 3,661,321	\$ 3,158,760	\$ (502,561)	-13.73%		\$ 3,997,488	\$ 3,590,706	\$ (406,782)	-10.18%
Bradford	\$ 537,687	\$ 537,687	\$ -	0.00%		\$ 576,145	\$ 576,145	\$ -	0.00%		\$ 705,230	\$ 691,242	\$ (13,988)	-1.98%
Brevard	\$ 14,252,330	\$ 14,252,330	\$ -	0.00%		\$ 15,794,478	\$ 15,794,478	\$ -	0.00%		\$ 16,494,154	\$ 16,494,154	\$ -	0.00%
Broward	\$ 36,835,120	\$ 36,433,727	\$ (401,393)	-1.09%		\$ 39,367,674	\$ 37,685,311	\$ (1,682,363)	-4.27%		\$ 41,484,555	\$ 41,046,949	\$ (437,606)	-1.05%
Calhoun	\$ 378,421	\$ 408,913	\$ 30,492	8.06%		\$ 446,908	\$ 446,908	\$ -	0.00%		\$ 498,561	\$ 425,064	\$ (73,497)	-14.74%
Charlotte	\$ 3,616,550	\$ 3,532,339	\$ (84,211)	-2.33%		\$ 3,658,985	\$ 3,535,858	\$ (123,127)	-3.37%		\$ 4,110,937	\$ 3,893,648	\$ (217,289)	-5.29%
Citrus	\$ 2,017,163	\$ 1,914,061	\$ (103,102)	-5.11%		\$ 2,070,584	\$ 2,039,098	\$ (31,486)	-1.52%		\$ 2,147,029	\$ 2,147,027	\$ (2)	0.00%
Clay	\$ 3,082,922	\$ 2,946,387	\$ (136,535)	-4.43%		\$ 3,771,048	\$ 3,744,242	\$ (26,806)	-0.71%		\$ 4,398,576	\$ 3,882,560	\$ (516,016)	-11.73%
Collier	\$ 8,122,593	\$ 7,512,039	\$ (610,554)	-7.52%		\$ 9,734,502	\$ 8,961,148	\$ (773,354)	-7.94%		\$ 9,745,211	\$ 9,017,029	\$ (728,182)	-7.47%
Columbia	\$ 1,349,301	\$ 1,385,313	\$ 36,012	2.67%		\$ 1,559,108	\$ 1,522,727	\$ (36,381)	-2.33%		\$ 1,545,427	\$ 1,468,680	\$ (76,747)	-4.97%
Dade	\$ 63,816,400	\$ 63,019,885	\$ (796,515)	-1.25%		\$ 71,160,586	\$ 70,183,863	\$ (976,723)	-1.37%		\$ 75,350,300	\$ 71,190,707	\$ (4,159,593)	-5.52%
DeSoto	\$ 815,681	\$ 652,993	\$ (162,688)	-19.95%		\$ 855,054	\$ 760,742	\$ (94,312)	-11.03%		\$ 937,898	\$ 873,324	\$ (64,574)	-6.88%
Dixie	\$ 430,311	\$ 330,211	\$ (100,100)	-23.26%		\$ 404,371	\$ 384,664	\$ (19,707)	-4.87%		\$ 466,335	\$ 407,301	\$ (59,034)	-12.66%
Duval	\$ 14,425,187	\$ 14,620,649	\$ 195,462	1.36%		\$ 17,087,991	\$ 17,078,944	\$ (9,047)	-0.05%		\$ 18,187,444	\$ 17,986,898	\$ (200,546)	-1.10%
Escambia	\$ 7,064,645	\$ 7,064,603	\$ (42)	0.00%		\$ 7,595,081	\$ 7,593,877	\$ (1,204)	-0.02%		\$ 8,018,212	\$ 7,622,458	\$ (395,754)	-4.94%
Flagler	\$ 1,224,547	\$ 1,277,047	\$ 52,500	4.29%		\$ 1,675,902	\$ 1,626,980	\$ (48,922)	-2.92%		\$ 1,633,125	\$ 1,633,125	\$ -	0.00%
Franklin	\$ 636,224	\$ 426,520	\$ (209,704)	-32.96%		\$ 652,465	\$ 481,600	\$ (170,865)	-26.19%		\$ 668,812	\$ 534,220	\$ (134,592)	-20.12%
Gadsden	\$ 1,046,174	\$ 998,783	\$ (47,391)	-4.53%		\$ 1,270,313	\$ 1,270,225	\$ (88)	-0.01%		\$ 1,494,804	\$ 1,406,710	\$ (88,094)	-5.89%
Gilchrist	\$ 446,717	\$ 418,653	\$ (28,064)	-6.28%		\$ 517,249	\$ 486,539	\$ (30,710)	-5.94%		\$ 639,571	\$ 472,145	\$ (167,426)	-26.18%
Glades	\$ 452,628	\$ 354,246	\$ (98,382)	-21.74%		\$ 444,061	\$ 413,548	\$ (30,513)	-6.87%		\$ 534,605	\$ 460,860	\$ (73,745)	-13.79%
Gulf	\$ 421,290	\$ 378,264	\$ (43,026)	-10.21%		\$ 432,944	\$ 430,259	\$ (2,685)	-0.62%		\$ 475,273	\$ 405,253	\$ (70,020)	-14.73%
Hamilton	\$ 475,292	\$ 457,740	\$ (17,552)	-3.69%		\$ 427,703	\$ 381,807	\$ (45,896)	-10.73%		\$ 438,264	\$ 394,055	\$ (44,209)	-10.09%
Hardee	\$ 880,139	\$ 833,756	\$ (46,383)	-5.27%		\$ 1,003,876	\$ 897,295	\$ (106,581)	-10.62%		\$ 1,125,314	\$ 1,004,259	\$ (121,055)	-10.76%
Hendry	\$ 916,846	\$ 760,614	\$ (156,232)	-17.04%		\$ 1,154,493	\$ 885,400	\$ (269,093)	-23.31%		\$ 1,233,583	\$ 1,087,008	\$ (146,575)	-11.88%
Hernando	\$ 2,990,156	\$ 2,474,369	\$ (515,787)	-17.25%		\$ 3,704,030	\$ 2,824,684	\$ (879,346)	-23.74%		\$ 3,892,025	\$ 3,141,235	\$ (750,790)	-19.29%

EXHIBIT B (CONTINUED)
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
BUDGETED TO ACTUAL EXPENDITURE COMPARISON
FOR THE 2005-06, 2006-07, AND 2007-08 FISCAL YEARS

County	2005-06 FY Budgeted Expenditures	2005-06 FY Actual Expenditures	Difference	% Difference	2006-07 FY Budgeted Expenditures	2006-07 FY Actual Expenditures	Difference	% Difference	2007-08 FY Budgeted Expenditures	2007-08 FY Actual Expenditures	Difference	% Difference
Highlands	\$ 1,748,902	\$ 1,743,344	\$ (5,558)	-0.32%	\$ 2,204,746	\$ 1,985,987	\$ (218,759)	-9.92%	\$ 2,209,817	\$ 2,063,187	\$ (146,630)	-6.64%
Hillsborough	\$ 31,560,088	\$ 26,967,005	\$ (4,593,083)	-14.55%	\$ 36,273,220	\$ 30,673,235	\$ (5,599,985)	-15.44%	\$ 34,469,220	\$ 32,713,551	\$ (1,755,669)	-5.09%
Holmes	\$ 420,610	\$ 419,591	\$ (1,019)	-0.24%	\$ 443,822	\$ 439,922	\$ (3,900)	-0.88%	\$ 400,862	\$ 395,266	\$ (5,596)	-1.40%
Indian River	\$ 2,899,243	\$ 2,950,407	\$ 51,164	1.76%	\$ 3,552,014	\$ 3,404,213	\$ (147,801)	-4.16%	\$ 4,013,660	\$ 3,537,942	\$ (475,718)	-11.85%
Jackson	\$ 967,380	\$ 808,437	\$ (158,943)	-16.43%	\$ 1,126,068	\$ 930,142	\$ (195,926)	-17.40%	\$ 1,196,681	\$ 1,016,917	\$ (179,764)	-15.02%
Jefferson	\$ 344,557	\$ 228,902	\$ (115,655)	-33.57%	\$ 326,756	\$ 302,074	\$ (24,682)	-7.55%	\$ 322,648	\$ 299,554	\$ (23,094)	-7.16%
Lafayette	\$ 263,390	\$ 226,896	\$ (36,494)	-13.86%	\$ 270,459	\$ 250,923	\$ (19,536)	-7.22%	\$ 259,644	\$ 259,644	\$ -	0.00%
Lake	\$ 5,402,050	\$ 5,270,666	\$ (131,384)	-2.43%	\$ 6,640,682	\$ 6,112,885	\$ (527,797)	-7.95%	\$ 7,273,915	\$ 6,663,729	\$ (610,186)	-8.39%
Lee	\$ 7,609,928	\$ 7,713,003	\$ 103,075	1.35%	\$ 11,013,062	\$ 10,767,046	\$ (246,016)	-2.23%	\$ 12,570,049	\$ 12,569,310	\$ (739)	-0.01%
Leon	\$ 6,477,136	\$ 6,039,672	\$ (437,464)	-6.75%	\$ 7,211,113	\$ 6,194,828	\$ (1,016,285)	-14.09%	\$ 7,439,586	\$ 6,580,739	\$ (858,847)	-11.54%
Levy	\$ 1,020,217	\$ 872,288	\$ (147,929)	-14.50%	\$ 1,147,851	\$ 886,297	\$ (261,554)	-22.79%	\$ 1,325,989	\$ 952,266	\$ (373,723)	-28.18%
Liberty	\$ 320,386	\$ 260,869	\$ (59,517)	-18.58%	\$ 303,321	\$ 253,991	\$ (49,330)	-16.26%	\$ 318,168	\$ 243,504	\$ (74,664)	-23.47%
Madison	\$ 439,199	\$ 439,106	\$ (93)	-0.02%	\$ 493,840	\$ 493,517	\$ (323)	-0.07%	\$ 429,284	\$ 429,036	\$ (248)	-0.06%
Manatee	\$ 6,155,290	\$ 5,810,272	\$ (345,018)	-5.61%	\$ 6,657,659	\$ 6,110,565	\$ (547,094)	-8.22%	\$ 6,969,107	\$ 6,459,720	\$ (509,387)	-7.31%
Marion	\$ 5,175,299	\$ 5,281,964	\$ 106,665	2.06%	\$ 5,903,549	\$ 5,760,157	\$ (143,392)	-2.43%	\$ 6,605,692	\$ 6,508,235	\$ (97,457)	-1.48%
Martin	\$ 3,677,190	\$ 3,852,187	\$ 174,997	4.76%	\$ 3,883,840	\$ 3,883,840	\$ -	0.00%	\$ 4,142,432	\$ 4,118,160	\$ (24,272)	-0.59%
Monroe	\$ 3,270,973	\$ 3,270,923	\$ (50)	0.00%	\$ 3,346,198	\$ 3,346,198	\$ -	0.00%	\$ 4,109,502	\$ 3,448,899	\$ (660,603)	-16.08%
Nassau	\$ 2,221,873	\$ 1,802,318	\$ (419,555)	-18.88%	\$ 2,229,397	\$ 1,825,507	\$ (403,890)	-18.12%	\$ 2,431,236	\$ 2,043,545	\$ (387,691)	-15.95%
Okaloosa	\$ 3,380,048	\$ 3,210,744	\$ (169,304)	-5.01%	\$ 3,819,208	\$ 3,613,437	\$ (205,771)	-5.39%	\$ 4,207,290	\$ 4,141,608	\$ (65,682)	-1.56%
Okeechobee	\$ 1,205,217	\$ 1,155,095	\$ (50,122)	-4.16%	\$ 1,273,817	\$ 1,273,148	\$ (669)	-0.05%	\$ 1,489,322	\$ 1,311,572	\$ (177,750)	-11.93%
Orange	\$ 24,432,501	\$ 24,677,219	\$ 244,718	1.00%	\$ 28,604,021	\$ 28,604,021	\$ -	0.00%	\$ 33,448,272	\$ 33,315,801	\$ (132,471)	-0.40%
Osceola	\$ 6,067,962	\$ 5,586,756	\$ (481,206)	-7.93%	\$ 7,151,580	\$ 6,472,359	\$ (679,221)	-9.50%	\$ 7,728,366	\$ 6,843,175	\$ (885,191)	-11.45%
Palm Beach	\$ 31,681,641	\$ 29,232,318	\$ (2,449,323)	-7.73%	\$ 33,891,782	\$ 33,209,392	\$ (682,390)	-2.01%	\$ 38,326,350	\$ 36,787,671	\$ (1,538,679)	-4.01%
Pasco	\$ 10,959,367	\$ 10,939,866	\$ (19,501)	-0.18%	\$ 13,193,541	\$ 11,857,239	\$ (1,336,302)	-10.13%	\$ 14,382,638	\$ 13,795,283	\$ (587,355)	-4.08%
Pinellas	\$ 23,238,951	\$ 22,269,087	\$ (969,864)	-4.17%	\$ 25,273,356	\$ 23,459,809	\$ (1,813,547)	-7.18%	\$ 26,387,382	\$ 25,740,848	\$ (646,534)	-2.45%
Polk	\$ 12,484,570	\$ 11,687,096	\$ (797,474)	-6.39%	\$ 15,005,869	\$ 12,661,528	\$ (2,344,341)	-15.62%	\$ 15,502,817	\$ 13,442,713	\$ (2,060,104)	-13.29%
Putnam	\$ 2,018,726	\$ 1,731,969	\$ (286,757)	-14.20%	\$ 2,279,616	\$ 1,849,445	\$ (430,171)	-18.87%	\$ 2,385,763	\$ 1,943,398	\$ (442,365)	-18.54%
Santa Rosa	\$ 2,984,900	\$ 2,887,915	\$ (96,985)	-3.25%	\$ 3,339,955	\$ 3,168,914	\$ (171,041)	-5.12%	\$ 3,534,179	\$ 3,443,876	\$ (90,303)	-2.56%

EXHIBIT B (CONTINUED)
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
BUDGETED TO ACTUAL EXPENDITURE COMPARISON
FOR THE 2005-06, 2006-07, AND 2007-08 FISCAL YEARS

County	2005-06 FY				2006-07 FY				2007-08 FY			
	Budgeted Expenditures	Actual Expenditures	Difference	% Difference	Budgeted Expenditures	Actual Expenditures	Difference	% Difference	Budgeted Expenditures	Actual Expenditures	Difference	% Difference
Sarasota	\$ 7,926,951	\$ 7,549,089	\$ (377,862)	-4.77%	\$ 8,741,905	\$ 8,468,291	\$ (273,614)	-3.13%	\$ 9,207,606	\$ 8,804,261	\$ (403,345)	-4.38%
Seminole	\$ 8,605,498	\$ 7,871,632	\$ (733,866)	-8.53%	\$ 9,097,115	\$ 8,483,901	\$ (613,214)	-6.74%	\$ 9,756,253	\$ 9,107,178	\$ (649,075)	-6.65%
Saint Johns	\$ 3,559,047	\$ 3,180,562	\$ (378,485)	-10.63%	\$ 4,200,000	\$ 3,824,441	\$ (375,559)	-8.94%	\$ 4,716,801	\$ 4,071,602	\$ (645,199)	-13.68%
Saint Lucie	\$ 7,155,450	\$ 6,767,839	\$ (387,611)	-5.42%	\$ 7,574,768	\$ 7,235,389	\$ (339,379)	-4.48%	\$ 8,522,333	\$ 8,511,312	\$ (11,021)	-0.13%
Sumter	\$ 1,526,270	\$ 1,561,270	\$ 35,000	2.29%	\$ 1,691,236	\$ 1,691,236	\$ -	0.00%	\$ 1,772,614	\$ 1,772,614	\$ -	0.00%
Suwannee	\$ 1,088,941	\$ 1,047,775	\$ (41,166)	-3.78%	\$ 1,092,074	\$ 1,026,228	\$ (65,846)	-6.03%	\$ 1,200,327	\$ 1,066,062	\$ (134,265)	-11.19%
Taylor	\$ 547,308	\$ 541,198	\$ (6,110)	-1.12%	\$ 571,473	\$ 571,430	\$ (43)	-0.01%	\$ 637,059	\$ 621,094	\$ (15,965)	-2.51%
Union	\$ 447,790	\$ 402,935	\$ (44,855)	-10.02%	\$ 426,377	\$ 419,101	\$ (7,276)	-1.71%	\$ 409,645	\$ 405,238	\$ (4,407)	-1.08%
Volusia	\$ 11,681,955	\$ 10,940,514	\$ (741,441)	-6.35%	\$ 12,125,150	\$ 11,891,434	\$ (233,716)	-1.93%	\$ 12,675,537	\$ 11,819,021	\$ (856,516)	-6.76%
Wakulla	\$ 604,725	\$ 600,636	\$ (4,089)	-0.68%	\$ 638,778	\$ 628,333	\$ (10,445)	-1.64%	\$ 712,070	\$ 694,124	\$ (17,946)	-2.52%
Walton	\$ 1,472,635	\$ 1,319,379	\$ (153,256)	-10.41%	\$ 1,537,009	\$ 1,485,947	\$ (51,062)	-3.32%	\$ 1,957,117	\$ 1,862,370	\$ (94,747)	-4.84%
Washington	\$ 536,467	\$ 555,338	\$ 18,871	3.52%	\$ 612,700	\$ 553,215	\$ (59,485)	-9.71%	\$ 791,636	\$ 672,568	\$ (119,068)	-15.04%
Totals	\$ 419,412,696	\$ 401,918,033	\$ (17,494,663)	-4.17%	\$ 471,377,723	\$ 446,101,263	\$ (25,276,460)	-5.36%	\$ 503,772,981	\$ 478,638,590	\$ (25,134,391)	-4.99%

EXHIBIT C
MANAGEMENT'S RESPONSE

**Florida
Clerks of
Court
Operations
Corporation**

Honorable Howard Forman
Chairperson
Broward County

Honorable Harvey Ruvin
Vice Chairman
Dade County

Honorable Richard Weiss
Secretary/Treasurer
Polk County

Honorable John Crawford
Nassau County

Honorable Scott Ellis
Brevard County

Honorable Buddy Irby
Alachua County

Honorable Bob Inzer
Leon County

Honorable Tim Sanders
Madison County

Honorable Judge Steinbeck
20th Judicial Circuit

John Dew
Executive Director

Joe Boyd
General Counsel

2560-1 Barrington Circle
Tallahassee, Florida 32308

Phone: (850) 386-2223
Fax: (850) 386-2224
www.flccoc.org

October 1, 2009

David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Florida Clerks of the Court Operations Corporation Annual Audit

Dear Mr. Martin:

Thank you for providing us with the preliminary and tentative findings and recommendations of your audit of the Florida Clerk of Court Operations Corporation.

Finding No. 1 Recommendation: *CCOC did not timely monitor revenue, expenditure, and remittance information reported by the clerks in monthly tracking reports to ensure that moneys due to the State were accurately and timely remitted.*

CCOC Response to Finding No. 1:

CCOC staff continues to make improvements in this area and has worked to ensure revenues are submitted by Clerk's timely and correctly. We agree with the OAG recommendations that CCOC should continue to use monthly tracking reports and assist Clerks to timely and accurately record remittances.

Finding No. 2 Recommendation: *Although the accuracy of revenue projections used in clerks' proposed budgets had improved over previous audits, budgeted expenditures exceeded actual expenditures by more than 10 percent, ranging from 10.09 to 28.18 percent, for 26 clerks.*

CCOC Response to Finding No. 2:

The major reason a number of Clerks were not able to expend at their approved budgets was due to a shortfall of revenues. Most of this was outside the Clerk's control and was due to fewer cases and/or fewer revenues received due to the recession.

Finding No. 3 Recommendation: *Several clerks reported incomplete or inconsistent performance measure data and, although CCOC investigated the differences, it did not require corrected reports.*

CCOC Response to Finding No. 3:

We agree with the OAG staff that there are still a few Clerks that occasionally may submit incomplete or inconsistent performance measure data. The CCOC staff has made numerous improvements over the last few years, due to receiving an additional staff member, in tracking and correcting discrepancies in performance related data. In most of those instances the CCOC staff received corrected reports and staff continues to work toward assuring all reports are correct. CCOC expects to continue to make progress in this area as has been done in the past.

Finding No. 4 Recommendation: *Contracts were entered into without the use of a competitive selection process for two consultants. Potential payments on these contracts totaled \$505,610, although only \$12,122 had been paid through January 2009.*

CCOC Response to Finding No. 4:

The competitive selection process was initially used by the CCOC in the solicitation of the services in the two contracts reviewed by OAG staff. However, the Council determined it was in their best interest to have more than one vendor available to provide services needed for the one contract related to survey and reporting area. We will seek to meet the requirements of s. 287.057, Florida Statutes as is now required of the Corporation pursuant to Chapter 2009-204, Laws of Florida, effective June 18, 2009.

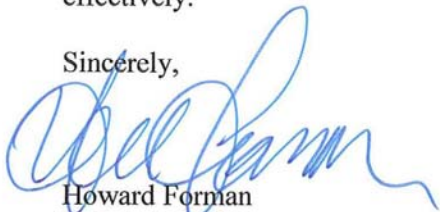
Finding No. 5 Recommendation: *Instances were noted where employees used CCOC credit cards for personal reasons, contrary to CCOC policy.*

CCOC Response to Finding No. 5:

CCOC staff has always taken efforts to assure they operate in a manner that saves the public dollars. Staff did use the corporation credit card on a couple occasions for convenience purposes but have assured all costs have been fully paid. This includes paying the tax for the three items noted in the report. There were two instances where staff used the corporation credit card by accident but as soon as discovered through the receipt of the monthly bill staff immediately made the appropriate reimbursement.

In closing, I appreciate the opportunity to respond to your suggestions. The Corporation and its staff are continuing to find ways each year to carry out its statutory responsibilities more effectively.

Sincerely,



Howard Forman
Executive Council Chair
Clerks of Court Operations Corporation