MEMORANDUM

TO: Chief Justice Labarga
FROM: Greg White, Inspector General
DATE: June 20, 2017
RE: OIG Annual Work Plan

Chief, as required by s. 20.055, Florida Statutes, I’ve attached my recommended work plan for Fiscal Year 2017-18. In brief, it contains six circuit court audits (the First, Eighth, Twelfth, Fourteenth, Seventeenth, and Twentieth), one DCA audit (the Fourth), a contract/grant audit, and two consulting projects (judge conferences financial reporting and presentations to court groups) as listed on pages two and three.

At your preference, I can schedule a meeting to discuss the plan or you can signify approval on the last page and return to me. While this is our scheduled plan, we are always available to you at any time that we may be helpful.
State Courts System
Office of Inspector General

RISK ASSESSMENT AND WORK PLAN
Fiscal Year 2017/18

I. BACKGROUND

Section 20.055, Florida Statutes requires that the Inspector General develop annual and long-term audit plans based on the findings of periodic risk assessments. The plan is to be approved by the Chief Justice and a copy provided to the Auditor General.

The Office of Inspector General's (OIG) methodology for assessing risk for purposes of establishing the work plan focuses on identifying at-risk functions, programs and operational units as well as areas of management interest. The methodology places an emphasis on qualitative evaluation techniques as opposed to quantitative rankings.

II. METHODOLOGY

We canvassed senior managers, reviewed the long-term plan, and considered information received during the last year in order to solicit feedback into the development of the work plan, and consider any topics or areas of concern.

III. ASSESSMENT OF RISK

In developing this work plan, topics identified, either through surveys or interviews, were evaluated based on criteria which includes:

- Significance to core mission of the judicial branch
- Time since last evaluation
- Management interest
- Changes in systems of operation
- Financial impact of transactions
- External audit coverage
- Results of prior audits or evaluations

IV. ALLOCATION OF AVAILABLE STAFF HOURS

The OIG staff consists of an Inspector General, a Senior Internal Auditor and an Internal Auditor. The total direct hours available for conducting audits is 2,912 calculated as follows:

1. 2,080 hours x 2 staff = 4,160 total auditor hours available
2. 4,160 – 1,248 (30% indirect time*) = 2,912 direct hours

3. IG time primarily administrative and other accountability activity.

* Includes professional training as required by statute and auditing standards.

V. RESULTS

Based on the criteria identified above and available staff hours, the following are recommended for audits. This plan is flexible, as the Chief Justice may at any time direct this office to perform an audit of a special program, function, or organizational unit. Additionally, projects may be added or deleted as required by time constraints and priorities. Recurring audits or projects that are considered less critical or not yet ripe are included on the long-term audit plan.

WORK PLAN FOR 2017-18

Scheduled Audits

Courts (all last audited in 2013 and 2014):

1. Fourteenth Judicial Circuit (Panama City)
2. Seventeenth Judicial Circuit (Ft Lauderdale)
3. Fourth District Court of Appeal (West Palm Beach)
4. First Judicial Circuit (Pensacola)
5. Eighth (Gainesville)
6. Twelfth Judicial Circuit (Sarasota)
7. Twentieth Judicial Circuit (Ft. Myers)

Each court audit estimated at 325 hours for a total of 2,275.

Other:

8. Contract/grant management. Determine compliance with applicable law and procedures. (Carried forward from last year's plan.)

Other than court audits estimated at 350 hours.

Total auditing hours = 2,625 hours
Audits initiated in 2016/17 to be completed during 2017/18.

Second Judicial Circuit.

Estimated hours to complete: 80

Consulting Services

1. Judge Conferences financial reporting. Review financial statements from the three judge conferences and prepare a consolidated report. Perform verification testing as needed.

2. Presentations to court groups. Prepare and deliver presentations regarding the audit process, OIG findings, and management controls to DCA marshals and court administrative staff conferences.

Estimated hours: 120 - 200

Investigations

Investigations are primarily reactive based on complaints received from various sources.

Estimated hours: TBD

LONG-TERM/PERIODIC AUDIT PLAN

This long-term plan (including recurring audits) is predicated upon the overall risk assessment of the SCS and existing OIG staffing:

- **District Courts of Appeal** – Visit at least one DCA per year to audit financial records, collection of fees, personnel issues, property records, procurement and other administrative areas.

- **Judicial Circuits** – Visit at least five circuits per year to audit financial records, collection of fees, personnel issues, property records, procurement, and various programs and services within the circuit.

- **Contract and grant administration** – Evaluate deliverables against the terms of the contract or grant. Determine the reliability of reporting.

- **Court revenues** – Determine whether effective procedures and controls are in place.

- **Purchasing function** – Test for compliance with purchasing guidelines.
- **Property management** – Verify a sample of tangible property items in the Supreme Court building and the court annex.

- **Travel** – Select a sample of Supreme Court and OSCA travel reimbursements and determine compliance with applicable law and policy.

- **Payroll/Personnel** – Test for compliance with statutes and policy.

- **Construction projects** – Test for contract compliance.

Submitted by:

![Signature]

Greg White
Inspector General

27 June 2017

Plan, and travel needed to complete the plan, approved by:

![Signature]

Jorge Labarga
Chief Justice

06/27/17