

State Courts System Office of Inspector General

RISK ASSESSMENT AND WORK PLAN Fiscal Year 2016/17

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 high management interest. The methodology places an emphasis on qualitative evaluation techniques as opposed to quantitative rankings.

II. METHODOLOGY

We interviewed senior managers, reviewed the long-term plan, and considered information received during the last year in order to obtain a general overview of current business practices, 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
- Complexity or volatility of activities
- Financial impact of transactions
- External audit coverage
- Results of prior audits or evaluations
- Impact on public relations

IV. ALLOCATION OF AVAILABLE STAFF HOURS

The OIG staff consists of an Inspector General, a Senior Internal Auditor and a staff Internal Auditor. The total direct hours available for conducting audits, consulting services, investigations and administrative activities is 4,368 calculated as follows:

1. 2,080 hours x 3 staff = 6,240 total OIG hours available
2. 6,240 – 1,872 (30% indirect time*) = 4,368 direct hours

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

The time allocated for conducting audits includes work hours dedicated to audit follow-up activities. The total direct hours are allocated approximately as follows:

Audits	3,350 hours (77%)
Other accountability activity	<u>1,018 hours (23%)</u>
Total	4,368 hours

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 2016-17

Scheduled Audits

Courts (all last audited in 2013):

- 1. Eighteenth Judicial Circuit (Melbourne)**
- 2. Sixth Judicial Circuit (St Petersburg)**
- 3. Fourth Judicial Circuit (Jacksonville)**
- 4. Eleventh Judicial Circuit (Miami)**
- 5. Fifth District Court of Appeal (Daytona)**
- 6. Third Judicial Circuit (Lake City)**

7. Second Judicial Circuit (Tallahassee)

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

Other:

8. Selected legislative performance measures. The OIG is required by s. 20.055(2)(b), Florida Statutes, to assess the validity and reliability of information related to performance measures and standards.

9. Uniform Data Reporting. With regard to Strategic Plan 1.3: “Use caseload and other workload information to manage resources and promote accountability”.

10. Contract/grant management. Examine Child Support Enforcement grant to determine compliance with applicable law and procedures. (Carried forward from last year’s plan.)

Other than court audits estimated at 350 hours; total 1,050 hours.

Total auditing hours = 3,325 hours

Audits initiated in 2015/16 to be completed during 2016/17.

1. Travel reimbursement. Select a sample of Supreme Court and OSCA travel reimbursements and determine compliance with applicable law and policy.

Estimated hours to complete: 80

Consulting Services

Strategic Plan 1.5: “Encourage use of consistent practices, procedures, and forms statewide”.

Investigations

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

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:

Greg White
Inspector General

Date

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

Jorge Labarga
Chief Justice

Date