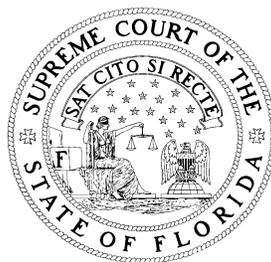


Florida State Courts System Office of Inspector General



Annual Report Fiscal Year 2015-16



July 7, 2016

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Inspector General's Message

I am pleased to present the Annual Report for the Office of Inspector General (OIG). As required by section 20.055(7), Florida Statutes, this report highlights the major activities and accomplishments of the OIG for the 2015-16 state fiscal year.

Due to the diligence of audit staff we were able to complete nine audits and one consulting engagement during the year.

We look forward to the upcoming year committed to helping improve the operation of the State Courts System.



Greg White

Introduction

The OIG is an integral part of the State Courts System which consists of two levels of appellate courts (the Supreme Court and five district courts of appeal) and two trial court levels (20 circuit and 67 county courts). The Chief Justice presides as the chief administrative officer of the State Courts System.

The Office of the State Courts Administrator (OSCA) was created to serve as the liaison between the court

system and the legislative branch, the executive branch, the auxiliary agencies of the court, and national court research and planning agencies. The OSCA is also responsible for preparing the operating budget for the State Courts System, projecting the need for new judges, and maintaining the uniform case reporting system in order to provide information about activities of the judiciary.

The purpose of the OIG is to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in the State Courts System. The Inspector General is charged with the following duties and responsibilities, while also ensuring that an appropriate balance is maintained between these activities:

- Direct, supervise and coordinate audits, investigations and management reviews relating to administrative and financial operations.
- Conduct or supervise other activities that promote economy and efficiency in the administration of financial operations.
- Keep the Chief Justice informed concerning fraud, abuses and deficiencies relating to administrative and financial operations, and recommend corrective actions.
- Ensure effective coordination and cooperation between the Auditor

General, federal auditors, and other governmental bodies with a view toward avoiding duplication.

Audits

Providing the State Courts System with internal audits is a critical part of the mission of our office. The audits are planned and carried out in accordance with an annual work plan, which is approved by the Chief Justice. Audits are conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors. In part, these standards require that engagements be performed with proficiency and due professional care, and that staff exhibit an impartial, unbiased attitude and avoid conflicts of interest. Audits are performed to identify, report, and recommend corrective action for control deficiencies or non-compliance with laws, policies and procedures. Additionally, audits are conducted to evaluate and make recommendations to improve the effectiveness and efficiency of administrative functions.

The OIG completed audits of two district courts of appeal, and five circuit courts during 2015-16. The objectives of these operational audits were to determine whether: the courts complied with administrative policies and procedures and applicable state statutes; internal controls provided reasonable assurance that assets are safeguarded and financial and operational information is reliable; and, current court operations and processes support management objectives and encourage economical use of resources.

First District Court of Appeal:

Report issued March 17, 2016. The First District Court of Appeal's system of internal controls and procedures were found to be satisfactory and the court generally complied with policies and procedures, as well as applicable state statutes. Our audit did not disclose any material findings.

Third District Court of Appeal:

Report issued November 10, 2015. Internal controls provided reasonable assurance that assets were safeguarded and that financial and operational information was reliable. The circuit complied with administrative policies, procedures, and rules as well as applicable statutes. Overall operations supported the goals and objectives of the State Courts System, and management promoted the effective and efficient use of state resources. There were no material findings.

Fifth Judicial Circuit:

Report issued February 4, 2016. Internal controls provided reasonable assurance that assets were safeguarded and financial and operational information was reliable. The circuit complied with administrative policies, procedures, and rules as well as applicable statutes. Overall operations supported the goals and objectives of the State Courts System, and management promoted the effective and efficient use of state resources. There were no material findings. We recommended, as a best practice, documenting plans for information technology disaster recovery and active shooter response.

Seventh Judicial Circuit:

Report issued November 2, 2015. Internal controls provided reasonable assurance that assets were safeguarded, and financial and operational information was reliable. The circuit complied with administrative policies, procedures, and rules, as well as applicable statutes. Overall operations supported the goals and objectives of the State Courts System, and management promoted the effective and efficient use of state resources. We reported one finding regarding updating the Continuity of Operations Plan which has been completed.

Tenth Judicial Circuit:

Report issued June 10, 2016. Internal controls provided reasonable assurance that assets were safeguarded, and financial and operational information was reliable. The circuit complied with administrative policies, procedures, and rules, as well as applicable statutes. Overall operations supported the goals and objectives of the State Courts System, and management promoted the effective and efficient use of state resources. We found that the Tenth Circuit could benefit from improved compliance with the Florida Rules for Certification and Regulation of Spoken Language Court Interpreters. Additionally, we provided a management comment regarding leave without pay administration.

Thirteenth Judicial Circuit:

Report issued October 2, 2015. Internal controls provided reasonable assurance that assets were safeguarded, and financial and operational information was reliable. The circuit complied with administrative policies, procedures, and rules, as well

as applicable statutes. Overall operations supported the goals and objectives of the State Courts System, and management promoted the effective and efficient use of state resources. We found that the Thirteenth Circuit could benefit from improved compliance with the Florida Rules for Certification and Regulation of Spoken Language Court Interpreters and State Courts System purchasing directives as well as updating its continuity of operations and corresponding disaster recovery plans. Additionally, we provided management comments regarding the consistent application of travel regulations and improvement of personnel file documentation.

Fifteenth Judicial Circuit:

Report issued May 25, 2016. Internal controls provided reasonable assurance that assets were safeguarded and that financial and operational information was reliable. The circuit complied with administrative policies, procedures, and rules as well as applicable statutes. Overall operations supported the goals and objectives of the State Courts System, and management promoted the effective and efficient use of state resources. There were no material findings.

In addition to the court operational audits, we completed an audit of the **payroll process**. The report was issued on September 17, 2015. We found that the State Courts System could benefit from improved policies and procedures with regard to leave without pay. We also provided management comments regarding updating the guidelines for on-call pay, improving documentation for any future special pay plans, improving salary refund

procedures, a cost study of updating the attendance and leave system, and additional training for State Courts System staff involved in personnel processes.

We also completed an audit of **property management at the Supreme Court Building and the Court Annex.**

The report was issued on February 1, 2016. We found that additional attention to certain property control activities would result in greater efficiency during the annual inventory process.

Response Coordination and Follow-up:

The OIG coordinates information requests and responses to findings from audits conducted by the Office of the Auditor General and other external entities. The OIG is also required to report on the status of corrective actions taken regarding external audit recommendations. There were no Auditor General reports regarding the State Courts System issued during the year. There were also no outstanding findings which required follow-up action.

In accordance with professional auditing standards, the OIG also reviews the status of open internal audit findings within six months of the audit report issue date. The courts and Office of the State Courts Administrator have been diligent in addressing our findings and management comments.

Consulting Activities

Providing consulting services is an efficient, effective, and proactive way the OIG can provide analysis and insight into issues that arise. These services include performing management

reviews, advising in the development of policies and procedures, collecting and analyzing data, and assessing the validity and reliability of performance measures.

The OIG completed a validity and reliability assessment of data reported pursuant to selected district appeal court legislative performance measures during the year. We reported that the performance measures provide valid information, and internal controls established by the Office of Court Services provide reasonable assurance that the information used to calculate performance measures is materially reliable for its intended purpose.

We performed an internal improvement exercise which resulted in the development of an audit file checklist to help ensure compliance with professional auditing standards. We also developed an employee climate survey instrument which may be used by state courts to assess staff opinions on management practices.

Investigations

Investigations by their very nature are reactive rather than proactive. The Inspector General is required to initiate, conduct, supervise and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in the State Courts System. The investigations conducted by the OIG are administrative (non-criminal), and generally involve alleged violations of State law or applicable rules and regulations. Any possible violations of criminal law are reported to the

appropriate law enforcement agency. Complaints alleging misconduct by judges and attorneys are referred to the Judicial Qualifications Commission and the Florida Bar, respectively.

We received a number of complaints that either did not warrant an investigation, or were outside the jurisdiction of the OIG and thus referred to the appropriate entities for disposition.

OIG Staff

Greg White, MBA, CIA, CIG,
CGAP

Inspector General

Katie Sanders, BA, CIGA

Senior Internal Auditor

Herdy Guirand, BA, CIGA

Internal Auditor

CIA – Certified Internal Auditor

CIG – Certified Inspector General

**CGAP – Cert. Government Auditing
Professional**

CIGA – Cert. Inspector General Auditor

MBA-Masters in Business Administration

BA – Bachelors in Accounting

Other Activities

During 2015-16, the OIG staff participated in the following organizations:

- ❖ Institute of Internal Auditors
- ❖ Association of Government Accountants
- ❖ Association of Inspectors General

All staff members obtained appropriate continuing professional education as required by statute and professional auditing standards.

Upcoming Year

During 2016-17, the OIG plans to conduct nine new audits and complete one carry over audit from the 2015-16 plan. We will provide consulting services in support of the State Courts System Strategic Plan and, when necessary, we will investigate complaints related to employees and/or program functions.

Mission of the Office of Inspector General

“To proactively perform engagements designed to add value and improve the programs and operations of the State Courts System”

Contact

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