

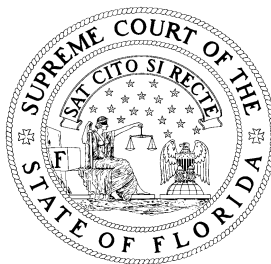
FLORIDA STATE COURTS SYSTEM

Office of Inspector General



Annual Report

Fiscal Year 2011-12



July 26, 2012

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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 Chapter 20.055(7), Florida Statutes, this report highlights the major activities and accomplishments of the OIG for the 2011-12 state fiscal year.

Ken Chambers served as inspector general through February 10, 2012 and Frank Funderburk served as interim inspector general through June 2012. I joined the OIG on July 2, 2012.

I look forward to the upcoming year committed to helping improve the operation of the State Court System.



Greg White

Introduction

The OIG is an integral part of the State Court System (SCS) 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 SCS. 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 SCS, 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 SCS. 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 the administrative and financial operations of the SCS.
- Conduct or oversee other activities that promote economy and efficiency in the administration of SCS financial operations.
- Keep the Chief Justice informed concerning fraud, abuses and deficiencies relating to SCS 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.
- Review rules relating to the SCS administrative and financial operations and make

recommendations concerning their impact.

Audits

Providing the SCS 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. 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 SCS administrative functions.

We completed two judicial circuit audits during 2011-12. The objectives of these operational audits were to determine if: the circuit complied with the SCS's administrative policies and procedures, and any applicable state statutes, laws and rules; internal controls at the circuit provided reasonable assurance that state funded assets are safeguarded, and that financial and operational information is reliable; and, current court operations and processes were implemented sufficiently to support management goals and objectives and encourage an economical use of state funds and resources. The results of these audits are summarized below:

Fifth Judicial Circuit:

Our audit covered the period July 1, 2010, through March 21, 2012. The Fifth Circuit was last audited by this office in 2006. We concluded that the Fifth Circuit's system of internal controls and procedures were found to be satisfactory and the Circuit generally complied with SCS policies and procedures, as well as applicable state statutes, and rules. Our audit did not disclose any material findings.

Tenth Judicial Circuit:

Our audit covered the period July 1, 2010, through June 27, 2012. We concluded that the Tenth Circuit's internal controls and procedures were found to be satisfactory and the Circuit generally complied with SCS policies and procedures, as well as applicable state statutes, and rules. Our audit did not disclose any material findings.

In addition to the circuit court audits, an audit of the Third District Court of Appeal was scheduled and substantially completed during the year. We anticipate issuing a report on the results of the audit shortly.

Tangible Personal Property:

We performed an audit of Tangible Personal Property administration for the period of July 1, 2008 through February 8, 2012.

The objectives of the audit included evaluating internal controls over the acquisition, recording, inventorying, and disposal of tangible personal property items and determining compliance with applicable statutes, rules and policy.

We found that administration of property records could be improved. A high percentage of items on the property master file could not be located and were unaccounted for. Management specified corrective actions that would be taken in response to the audit.

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 by the Court regarding external audit recommendations. There were no external reports which required follow-up action during the year.

Consulting Activities

Providing consulting services is an efficient, effective, and proactive way the OIG can assist the SCS community by sharing its knowledge, expertise, and insight into a number of issues that the SCS may confront. These services include performing management reviews, advising in the development of rules, policies and procedures, collecting and analyzing data, etc. Some of these services were requested in advance by departmental administrators, while some were requested during the year and others initiated by this Office. Consultative services were provided to the Marshal's Office and the Office of the State Court Administrator during the year.

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 SCS. The investigations conducted by the OIG are administrative (non-criminal), and generally involve alleged violations of State law or SCS rules and regulations. Any possible violations of criminal law are reported to the Florida Department of Law Enforcement, and the OIG may be requested to assist in the investigation.

Complaints alleging misconduct by judges and attorneys are referred to the Judicial Qualifications Commission and the Florida Bar, respectively. We received 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, CGAP

Inspector General

Frank Funderburk, CIGA

Senior Internal Auditor

Eva Gantt, CIGA

Internal Auditor

CIA – Certified Internal Auditor

CGAP – Cert. Government Auditing Professional

CIGA – Cert. Inspector General Auditor

Other Activities

During 2011-12, the OIG staff actively participated in the following organizations:

- ❖ Institute of Internal Auditors. (Frank Funderburk is currently serving as president of the Tallahassee Chapter.)
- ❖ Association of Inspectors General.
- ❖ Association of Government Accounts.

Upcoming Year

During 2012-13, the OIG plans to conduct five audits and complete two carry over audits from the 2011-12 plan. We have one consulting engagement planned. When necessary, we will investigate complaints related to SCS 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 US

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