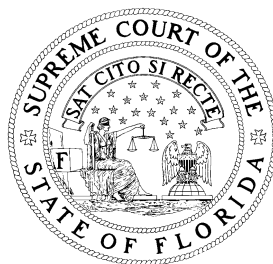


# Florida State Courts System Office of Inspector General



## Annual Report Fiscal Year 2014-15



July 28, 2015

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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 2014-15 state fiscal year.

Due to the diligence of audit staff we were able to complete seven audits and three consulting engagements 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.

We completed audits of one district court of appeal, and five circuit courts during 2014-15. 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.

### **Second District Court of Appeal:**

Report issued September 24, 2014. The Second 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. Immaterial management comments including filing all required personnel documents and conducting employee performance reviews in accordance with the State Court System's Personnel Regulations Manual, better safeguarding revenues, and improving the travel voucher approval processes were provided for management consideration.

### **Ninth Judicial Circuit:**

Report issued June 17, 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. We provided management comments regarding documentation of drug-free workplace policy and termination of network access for separated employees. We noted, and support as a best practice, the circuit's requirement that employees agree to maintain a minimum leave balance to reduce the incidence of leave without pay.

**Twelfth Judicial Circuit:**

Report issued July 23, 2014. 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. Written and verbal immaterial management comments including notifying OSCA of changes to the master property inventory, creating a written policy for county employees, and modifying the employee separation checklist were provided for management consideration.

**Sixteenth Judicial Circuit:**

Report issued August 5, 2014. 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. An immaterial management comment regarding notifying OSCA of changes to the master property inventory was provided for management consideration.

**Nineteenth Judicial Circuit:**

Report issued February 20, 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. There were no material findings. During our review of revenue collection procedures, we noted that the recording, custody, and reconciliation duties for transcript requests could be better segregated. The check custodian's records should be reconciled or verified by another party. The issue was discussed with the Trial Court Administrator who agreed to modify the process. We also noted that the circuit does not routinely record the date network access for separated employees is removed. The issue was discussed with management.

**Twentieth Judicial Circuit:**

Report issued December 1, 2014. 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.

In addition to the court operational audits, we completed an audit of **foreclosure settlement funds**. The report was issued on January 16, 2015. Internal controls provided reasonable assurance that financial and operational information was materially reliable. The

OSCA complied with administrative policies, procedures, and rules as well as applicable statutes. Overall operations supported the goals and objectives of the State Courts System.

Immaterial management comments regarding travel voucher errors, senior judge assignment efficiency, and reporting accuracy were provided for management consideration.

### **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.

We completed three consulting engagements during the year:

1. Contract language review
2. Records retention policy review
3. Validity and reliability assessment of selected circuit court performance measures.

Observations and recommendations were provided to management.

## **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, CGAP  
*Inspector General*

Katie Sanders, BA, CIGA  
*Senior Internal Auditor*

Herdy Guirand, BA  
*Internal Auditor*

**CIA – Certified Internal Auditor**  
**CGAP – Cert. Government Auditing Professional**  
**CIGA – Cert. Inspector General Auditor**  
**MBA-Masters in Business Administration**  
**BA – Bachelors in Accounting**

appropriate and, when necessary, we will investigate complaints related to State Courts System employees and/or program functions.

## Other Activities

During 2014-15, the OIG staff participated in the following organizations:

- ❖ Institute of Internal Auditors,
- ❖ Association of Government Accountants, and
- ❖ Association of Inspectors General.

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

## Upcoming Year

During 2015-16, the OIG plans to conduct nine new audits and complete one carry over audit from the 2013-14 plan. We also plan to conduct an internal quality assurance review. We will provide consulting services as

## 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”**

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