

Supreme Court of Florida

500 South Duval Street
Tallahassee, Florida 32399-1925

CHARLES T. CANADY
CHIEF JUSTICE
RICKY POLSTON
JORGE LABARGA
C. ALAN LAWSON
BARBARA LAGOA
ROBERT J. LUCK
CARLOS G. MUÑIZ
JUSTICES

JOHN A. TOMASINO
CLERK OF COURT

SILVESTER DAWSON
MARSHAL

August 21, 2019

The Honorable Charles T. Canady
Chief Justice
Florida Supreme Court
500 South Duval Street
Tallahassee, Florida 32399-1925

Dear Chief Justice Canady:

In accordance with Section 20.055, Florida Statutes, the Office of Inspector General has prepared the annual report of activities covering fiscal year 2018-19.

We look forward to continuing to work with the management of the State Courts System in supporting efficiency, accountability and integrity in the judicial branch. Thank you for your continued support.

Respectfully,



Millicent Burns, CPA, CIA, CFE, CGFM, CISA, CIG
Inspector General

Florida Supreme Court Office of Inspector General



Annual Report
Fiscal Year 2018-19

Table of Contents

Introduction	2
Summary of Judicial Branch	3
Highlights	3
Office of Inspector General Staffing and Organization	4
Resource Allocation	5
Audit and Consulting Engagements	6
Audit Follow-Up Activities	8
Complaint Intake and Investigations	9
Education and Outreach	9
Contact Information	10

Introduction

The Office of Inspector General (OIG) is established pursuant to Section 20.055, Florida Statutes, to provide a central point for the coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in the State Courts System (SCS).

The OIG provides independent, objective assurance and consulting services designed to add value and support improvements in operations. The OIG helps the SCS accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. The duties of the OIG are to:

- Provide direction for, supervise and coordinate audits, investigations and management reviews related to programs and operations.
- Conduct, supervise or coordinate other activities carried out or financed by the SCS for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- Keep the Chief Justice informed of fraud, abuse and deficiencies relating to programs and operations administered by the SCS, recommend corrective actions and report on progress made in implementing corrective actions.
- Ensure effective coordination between the Auditor General, federal auditors and other governmental bodies with a view toward avoiding duplication.
- Ensure an appropriate balance is maintained between audit, investigative and other accountability activities.

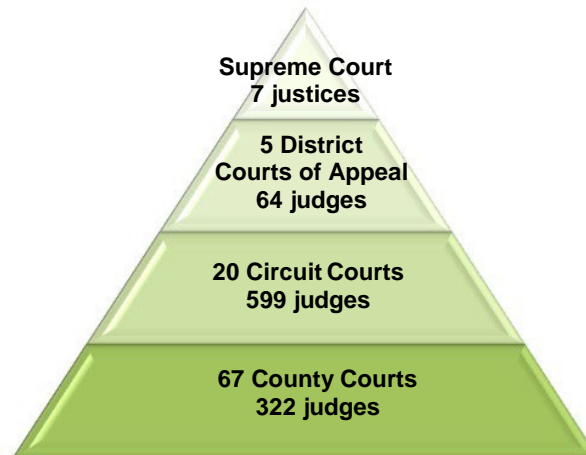
The internal audit function resides within the OIG. As required by statute, the OIG performs work in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, as published by The Institute of Internal Auditors, Inc. The scope of audits, reviews, evaluations and consulting services for the State Courts System may include, but not be limited to, a review of the:

- Reliability and integrity of financial and operating information, including the means utilized to identify, measure, classify and report information.
- Compliance with policies, procedures, laws and regulations that have an impact on operations.
- Means utilized to acquire and safeguard assets.
- Operations and programs to assess if results are consistent with established objectives and goals.

Summary of Judicial Branch

The SCS is comprised of the Supreme Court, five district courts of appeal, 20 circuit courts and 67 county courts. In addition, the Office of the State Courts Administrator (OSCA) is the administrative arm of the Supreme Court.

Each layer of the Florida judicial system, as noted in the diagram below, has a distinct role in providing justice to all Floridians. These roles support the mission of the judicial branch, which is, *“to protect rights and liberties, uphold and interpret the law, and provide for the peaceful resolution of disputes.”*



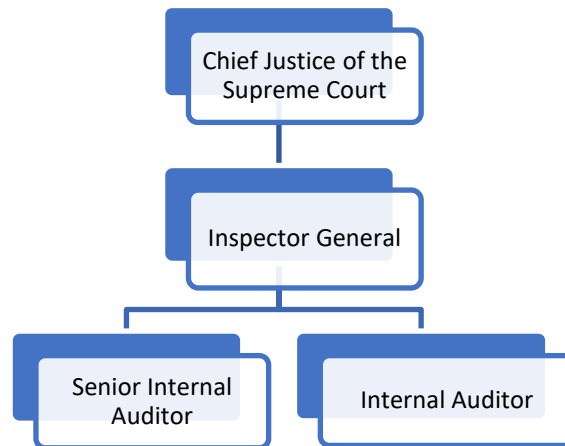
Highlights

During the fiscal year, the OIG completed nine assignments, with one being a special request by management. In addition to these assignments, the following was accomplished:

- Created a strategic plan for the OIG that supports the SCS Long-Range Strategic Plan
- Met with all senior management of the Supreme Court and the Office of the State Courts Administrator, along with visits to several courts, to gain input on risk and controls within the SCS
- Revamped the OIG web page to include an electronic complaint form and additional resources for the public
- Updated the Internal Audit Charter, Audit Manual and other internal audit guidance
- Conducted specialized training on internal controls, risk management and fraud at the SCS 2019 Administrative Services Conference

Office of Inspector General Organization and Staffing

The OIG is allocated three full-time positions: an Inspector General, a Senior Internal Auditor and an Internal Auditor. The Inspector General reports administratively and functionally to the Chief Justice of the Supreme Court, as noted below:



The *Standards* require staff to maintain proficiency through continuing professional education and training. OIG staff met the required education and training requirements during the year. In addition, OIG staff held certifications and advanced degrees in the following areas:

- Certified Public Accountant
- Certified Internal Auditor
- Certified Fraud Examiner
- Certified Government Financial Manager
- Certified Information Systems Auditor
- Certified Inspector General
- Certified Inspector General Auditor
- Certified Government Auditing Professional
- Master's in Business Administration
- Master's in Information Technology

Staff also held memberships in and were affiliated with several professional organizations, including:

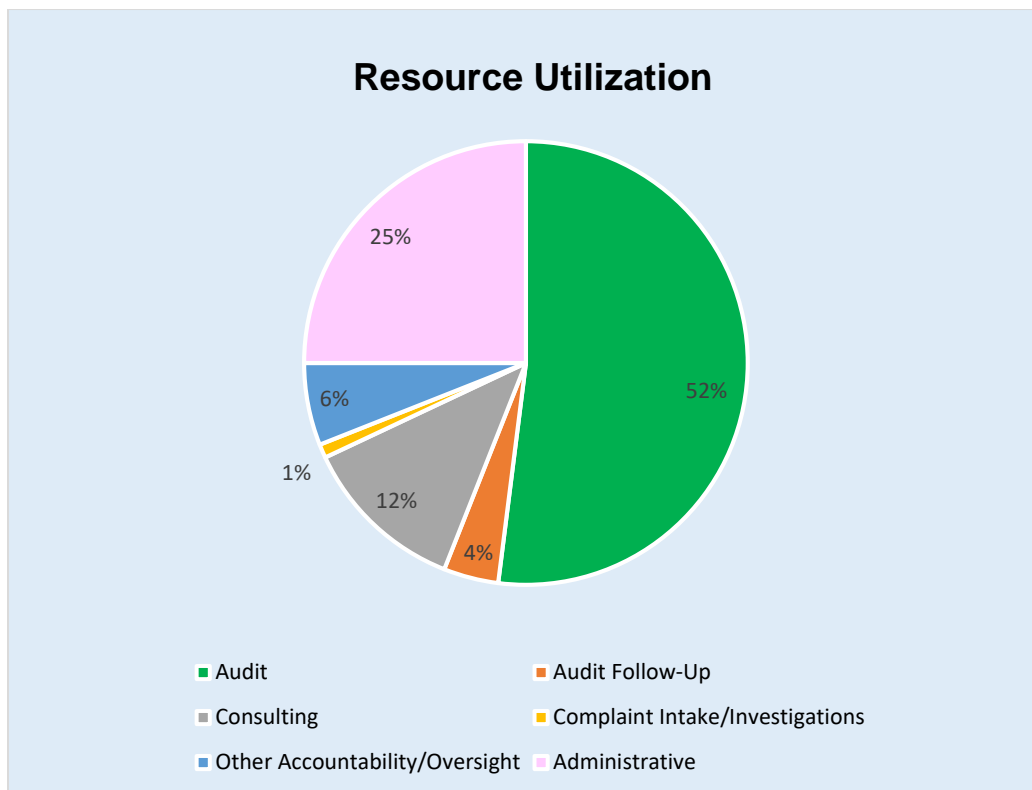
- Association of Inspectors General
- Association of Government Accountants
- Institute of Internal Auditors
- Association of Certified Fraud Examiners
- American Institute of Certified Public Accountants

Resource Allocation

The OIG conducts various activities to promote accountability, integrity and efficiency. Those activities include:

- Audits – Independent assurance activities designed to add value and improve SCS operations.
- Audit Follow-Up – Follow-up on prior audit findings to assess the corrective actions taken by management.
- Consulting – Advisory services also designed to improve the organization’s operations. Can be performed at the specific request of management.
- Other Accountability and Oversight – Risk assessment procedures, performance measures assessment and training conducted by the OIG for SCS personnel.
- Complaint Intake and Investigations – Receipt and assessment of complaints related to related to SCS functions. Investigations that may arise from the review of a complaint are related to administrative (non-criminal) areas only.
- Administrative – Includes auditor training, leave taken and other administrative activities.

The chart below shows the percentage of time allocation for the various activities in the OIG for fiscal year 2018-19.



Audit and Consulting Engagements

The OIG completed nine engagements during the fiscal year. In addition to audits and audit follow-up activities, the OIG also provides consulting services that include performing management reviews, advising in the development of policies and procedures and assessing the validity and reliability of performance measures. A listing and summary of these activities is shown below.

Report Number	Engagement	Audit or Consulting	Date Issued
A-18/19-01	Sixteenth Judicial Circuit	Audit	August 2018
A-18/19-02	Second District Court of Appeal	Audit	November 2018
A-18/19-01a	Sixteenth Judicial Circuit Follow-Up	Audit	December 2018
A-18/19-03	Seventh Judicial Circuit	Audit	February 2019
C-18/19-07	Compilation of Judges' Conferences Financials	Consulting	March 2019
A-17/18-05b	State Courts System's Administration of Contracts with the Florida Alcohol and Drug Abuse Association Follow-Up	Audit	April 2019
C-18/19-06	Internal Quality Assessment Review	Consulting	April 2019
A-18/19-04	Third District Court of Appeal	Audit	June 2019
C-18/19-08	Management Review of the Office of Human Resources	Consulting	June 2019
C-18/19-09	Performance Measures	Consulting	*

*In progress at June 30, 2019.

Audit Engagement Summaries

A-18/19-01 Sixteenth Judicial Circuit

The objectives of the audit were to assess the efficiency and effectiveness of the Circuit's compliance with applicable rules and regulations, internal controls systems and administrative operations. It was noted the Circuit's supervising court interpreter had not obtained the state court interpreter certification. A recommendation was made for the Circuit to take actions to bring non-certified personnel into compliance. A follow-up review (see below) found management subsequently had taken corrective action.

A-18/19-02 Second District Court of Appeal (DCA)

The objectives of the audit were to assess the efficiency and effectiveness of the DCA's compliance with applicable rules and regulations, internal controls systems and administrative operations. It was noted performance reviews were not completed timely for applicable employees. A recommendation was made to properly document performance reviews for applicable staff. Management responded with a plan of action to correct this issue.

A-18/19-01a Sixteenth Judicial Circuit Follow-Up

The objective of the audit was to assess if adequate corrective actions had been taken by the Circuit for the finding noted in report A-18/19-01, Sixteenth Judicial Circuit. The Circuit had taken corrective action.

A-18/19-03 Seventh Judicial Circuit

The objectives of the audit were to assess the efficiency and effectiveness of the Circuit's compliance with applicable rules and regulations, internal controls systems and administrative operations. The Circuit's internal controls provided reasonable assurance regarding the adequacy of compliance, reporting and administrative operations.

A-17/18-05b State Courts System's Administration of Contracts with the Florida Alcohol and Drug Abuse Association Follow-Up

The objective of the audit was to assess if adequate corrective action had been taken by the Office of the State Courts Administrator, Office of Court Improvement, for the finding noted in report A-17/18-05. Management had taken appropriate corrective actions to address the prior audit finding in the original report issued in February 2018.

A-18/19-04 Third District Court of Appeal

The objectives of the audit were to assess the efficiency and effectiveness of the DCA's compliance with applicable rules and regulations, internal controls systems and administrative operations. The DCA's internal controls provided reasonable assurance regarding the adequacy of compliance, reporting and administrative operations.

Consulting Engagement Summaries

C-18/19-07 Compilation of Judges' Conferences Financials

Preparation of consolidated financial reports on the three Florida judges' conferences as of December 31, 2018.

C-18/19-06 Internal Quality Assessment Review

Internal quality assessment review of the activities of the OIG covering fiscal year 2017-18. Recommendations made for improving efficiency and effectiveness of OIG operations have been addressed.

C-18/19-08 Management Review of the Office of Human Resources

At the request of the Interim State Courts Administrator, the OIG performed an assessment of the Office of Human Resources (OHR.) The objectives were to assess the efficiency and effectiveness of the OHR operations. Recommendations were made to improve overall efficiency and effectiveness in the areas of: overall management, communications, performance management and record keeping. Management responded with an appropriate action plan and has taken corrective actions.

C-18/19-09 Performance Measures Assessment

In accordance with Section 20.055, Florida Statutes, the OIG initiated an assessment of the validity and reliability of performance measures covering fiscal year 2017-18. This assessment was still ongoing at June 30, 2019.

Audit Follow-Up Activities

The OIG coordinates information requests and responses to findings from audits conducted by the Office of Auditor General and other external entities. The OIG also reports on the status of corrective actions taken regarding external audit recommendations. There were no outstanding external audit recommendations issued during the fiscal year. Follow-up action for the finding noted in internal audit report number A-18/19-02, Second District Court of Appeal, is planned during fiscal year 2019-20.

Complaint Intake and Investigations

The OIG is tasked with initiating, conducting, supervising and coordinating investigations designed to detect, deter, prevent, and eradicate, fraud, waste, mismanagement, misconduct and other abuses in the State Courts System. Investigations conducted by the OIG are administrative (non-criminal) in nature and generally involve alleged violations of State law, applicable rules, or regulations. Any potential violations of criminal law are reported to the appropriate law enforcement agency. Complaints alleging misconduct by judges and attorneys are referred to the Florida Judicial Qualifications Commission and the Florida Bar, respectively.

We processed several complaints during fiscal year 2018-19. None of the complaints warranted an investigation and were referred to the appropriate entities for disposition.

Education and Outreach

At the request of OSCA management, the OIG conducted a training session on risk and internal controls at the annual Administrative Services Conference in Orlando, Florida. This session was attended by SCS administrative staff from around the state.

The training addressed how staff can implement effective controls in their daily work and covered the topics below:

- Internal control components
- Control objectives
- Risk assessment
- Fraud awareness

Internal Control Objectives and Components



Contact Information

Office of the Inspector General
Florida Supreme Court
500 South Duval Street
Tallahassee, FL 32399-1925
Inspgenl@flcourts.org

The mission of the Office of Inspector General is to perform engagements designed to add value and support the efficiency and effectiveness of the operations of the State Courts System.

