

Supreme Court of Florida

500 South Duval Street
Tallahassee, Florida 32399-1925

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CLERK OF COURT

SILVESTER DAWSON
MARSHAL

September 30, 2020

The Honorable Charles T. Canady
Chief Justice
Florida Supreme Court
500 South Duval Street
Tallahassee, FL 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 the fiscal year 2019-20.

We look forward to continuing to work with the management of the State Courts System in supporting efficiency, accountability, and integrity in operations. 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 2019-20
September 30, 2020**

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Overview

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).

Responsibilities

The purpose of the SCS OIG is to provide 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 an appropriate balance is maintained between audit, investigative and other accountability activities.

The internal audit function resides within the OIG. The Inspector General reports, functionally and administratively, to the Chief Justice of the Supreme Court. 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.

Purpose of Report

Section 20.055, Florida Statutes, requires each inspector general, not later than September 30 of each year, to prepare an annual report summarizing the activities of the office during the immediately preceding state fiscal year.

State Courts System

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 SCS, as noted below, has a distinct role in providing justice to all Floridians. These roles support the mission, *“to protect rights and liberties, uphold and interpret the law, and provide for the peaceful resolution of disputes.”*

Florida State Courts System



Supreme Court

The highest appellate court in Florida. Decisions stemming from Florida's highest court have helped shape the state and the nation as a whole.

District Courts of Appeal

There are five District Courts of Appeal, located in Tallahassee, Lakeland, Miami, West Palm Beach and Daytona Beach. As a

general rule, the decisions of the district courts of appeal represent the appellate review of litigated cases.

Trial Courts – Circuit

There are 20 judicial circuits in the Florida court system. Circuit courts have general trial jurisdiction over matters not assigned by statute to the county courts. They also hear appeals from county court cases. Some circuit courts represent multiple counties.

Trial Courts – County

The Florida Constitution establishes there is one county court in each of Florida's 67 counties. The county courts hear matters regarding citizen disputes such as traffic offenses, less serious criminal matters (misdemeanors) and small monetary disputes.

District Courts of Appeal



Trial Courts - Circuits



Fiscal Year Activities

The OIG performed several activities during the fiscal year as part of its mission to add value and support the SCS.

Risk Assessment and Annual Work Plan

Section 20.055(6)(i), Florida Statutes, requires the OIG to develop annual and long-term audit plans based on the findings of periodic risk assessments. The OIG conducted a risk assessment to identify and evaluate programs and activities to be included on the annual audit plan. The projects included on the fiscal year 2019-20 audit plan reflected areas of higher risk as well as management priorities identified through the risk assessment process.

Management Consults

SCS management consults with the OIG in several areas. During the fiscal year, the OIG provided input on updates to SCS information technology policies; assisted with the review of information compiled by the Office of Information Technology submitted for the State of Florida Auditor General 2019 Information Technology Survey; and coordinated and consulted with the OSCA Office of General Counsel and the Office of Finance and Accounting on several court issues. The OIG attended several meetings related to various areas of court operations including meetings with: District Court of Appeal Budget Commission; Trial Court Administrators; Florida Courts Technology Commission; National Center for State Courts; and statewide meetings related to the reporting and monitoring of COVID-19 pandemic expenditures.

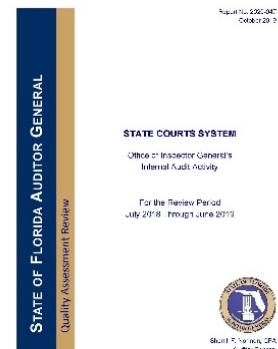
Budget Office

The OIG prepared *Schedule IX: Major Audit Findings and Recommendations* for the SCS's Legislative Budget Request.

Office of the Auditor General – Quality Assessment Review

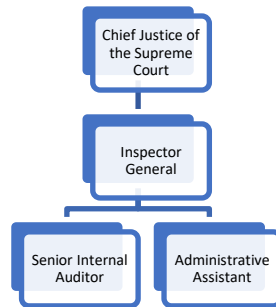
The Office of the Auditor General conducts quality assessment reviews of State agencies' OIG internal audit activities. The quality assurance and improvement program (QAIP) for the OIG was reviewed for the period of July 2018 through June 2019. The QAIP encompasses the charter, organizational environment, and the policies and procedures established to provide management with reasonable assurance that the internal audit activity operates within applicable auditing standards and the Code of Ethics issued by the Institute of Internal Auditors.

The Office of the Auditor General found, the QAIP related to the internal audit activity provided reasonable assurance of conformance to applicable professional auditing standards and the Code of Ethics. Also, the OIG generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general internal audit activities.



Organizational Structure

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



Staff Qualifications and Affiliations

The *Standards* require staff to maintain proficiency through continuing professional education and training. OIG staff met the required education and training requirements during this year. In addition, OIG staff held certifications in the following areas: Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner, Certified Government Financial Manager, Certified Information System Auditor, and Certified Inspector General.

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, and American Institute of Certified Public Accountants.

Staff attended training in accordance with applicable audit standards to ensure knowledge and skills were enhanced through continuing professional development. Training was attended during the fiscal year in the following topics:

- Internal Audit
- Information Technology Audit
- Cybersecurity
- Risk Management
- Data Analytics
- Ethics
- Fraud
- Investigations
- Court System Operations

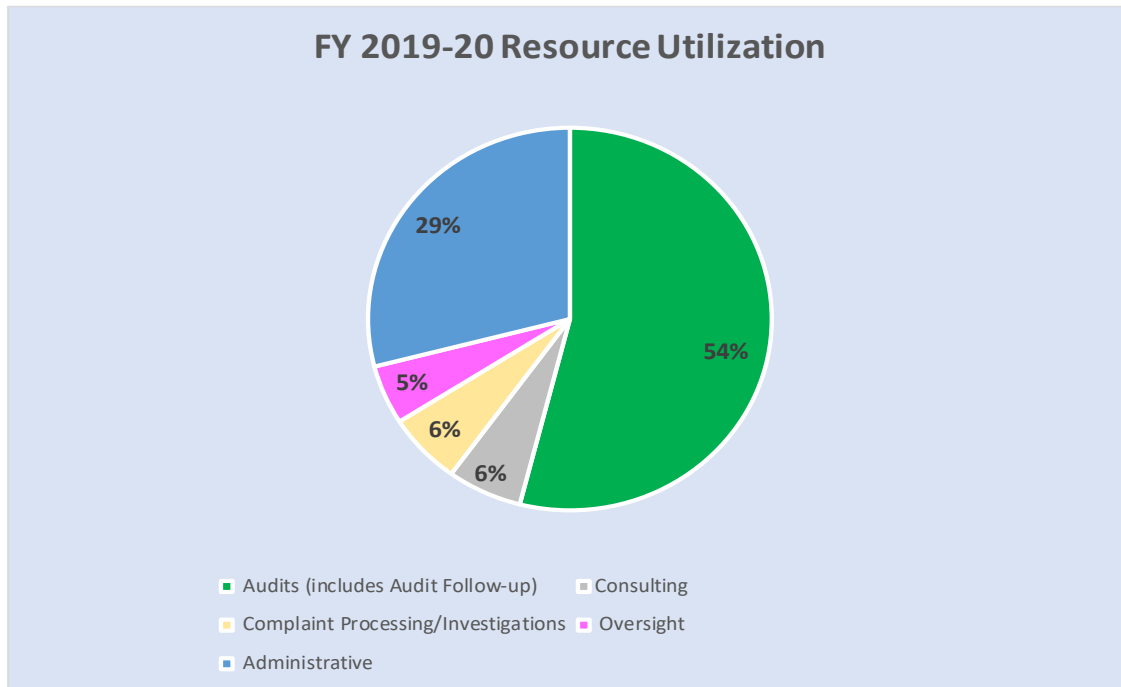


Resource Allocation

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

- Audits – Independent assurance activity designed to add value and improve an organization’s operations.
- Audit Follow Up – Follow up on prior audit findings to assess 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.
- Complaint Processing and Investigations – Receipt and assessment of complaints related to related to SCS functions. Investigations may arise from the review of a complaint and are related to administrative (non-criminal and non-judicial proceeding) areas only.
- Oversight – Includes areas such as conducting the annual risk assessment, preparing the annual audit plan and coordination with external audit entities.
- Administrative – Includes training, leave, meetings, and other administrative activities.

The chart below shows the time allocation for the various activities in the OIG for fiscal year 2019-20.



Audit and Consulting Engagements

The OIG completed 13 engagements during the fiscal year, with two other engagements carrying over to fiscal year 2020-21. 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 summary of these activities is shown below.

Report Number	Engagement	Audit or Consulting	Date Issued
A.18.19.02a	Second District Court of Appeal	Audit follow-up	October 2019
A.19.20.01	Office of the State Courts Administrator - Contract Administration	Audit	December 2019
A.19.20.02	Tenth Judicial Circuit	Audit	November 2019
A.19.20.03	Thirteenth Judicial Circuit	Audit	November 2019
A.19.20.04	Ninth Judicial Circuit	Audit	December 2019
A.19.20.05	Eleventh Judicial Circuit – Data Exchange	Audit	December 2019
A.19.20.06	Office of the State Courts Administrator – Office of Human Resources – Payroll and Leave Payouts	Audit	See note ¹
A.19.20.07	Nineteenth Judicial Circuit	Audit	June 2020
A.19.20.08	Fixed Capital Outlay	Audit	See note ²

¹ Carryover to fiscal year 2020-21

² Carryover to fiscal year 2020-21

Report Number	Engagement	Audit or Consulting	Date Issued
C.18.19.09	Performance Measures – Covering Fiscal Year 2017-18	Consulting	September 2019 ³
C.19.20.01	Compilation of Judges' Conferences Financials as of June 30, 2019	Consulting	November 2019
C.19.20.03	Office of the State Courts Administrator – Office of Information Technology – Data Exchange	Consulting	February 2020
C.19.20.04	Eleventh Judicial Circuit – DAVID Attestation	Consulting	March 2020
C.19.20.05	Compilation of the Judges' Conferences Financials as of December 31, 2019	Consulting	April 2020
C.19.20.07	Performance Measures – Covering Fiscal Year 2018-19	Consulting	June 2020

Audit Summaries

A.18.19.02a Second District Court of Appeal Follow-Up

The objective of the audit was to determine if appropriate corrective action was taken by management to address the finding in the prior operational audit. The prior audit found that performance reviews were not timely completed for applicable employees. The follow-up audit found that management had taken corrective action by establishing a process to document and timely complete performance evaluations.

A.19.20.01 Office of the State Courts Administrator - Contract Administration

The objective of the audit was to assess the efficiency and effectiveness of the OSCA's contract administration process. Recommendations made were to update purchasing directives; establish a consistent process to communicate updates to SCS personnel; and amend the contract tracker system to assist in monitoring the timeliness of contracts being entered into the Florida Accountability Contract Tracking System (FACTS.)

A.19.20.02 Tenth Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures and regulations; evaluate if internal controls were adequate; and review the efficiency and effectiveness of administrative operations. Recommendations were made in the area of timekeeping practices, to include Other Personnel Services timekeeping, documentation of administrative leave, and use of unearned leave credits.

³ Carryover from fiscal year 2018-19

A.19.20.03 Thirteenth Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures and regulations; evaluate if internal controls were adequate; and review the efficiency and effectiveness of administrative operations. Recommendations were made in the area of timekeeping practices, to include use of administrative leave and compensation for holiday hours. In addition, a recommendation was made regarding the documentation of performance reviews for applicable staff.

A.19.20.04 Ninth Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures and regulations; evaluate if internal controls were adequate; and review the efficiency and effectiveness of administrative operations. Recommendations were made in the area of timekeeping practices, to include use of administrative leave and compensation for holiday hours.

A.19.20.05 Eleventh Judicial Circuit – Data Exchange

At the request of Circuit management, the OIG conducted an audit of the Data Exchange Memorandum of Understanding with the Florida Department of Highway Safety and Motor Vehicles (DHSMV.) The objective of the audit was to evaluate if internal controls were adequate to protect the data from unauthorized access, distribution, use, modification or disclosure. Recommendations were made in the areas of: timely removal of user access; maintenance of acknowledgements for the user of the system that they understand the confidential nature of the information and the civil and criminal sanctions for unauthorized use of the data; monitoring staff access regularly; and having the procedures reviewed by a Risk Management Information Technology professional.

A.19.20.06 Office of the State Courts Administrator – Office of Human Resources – Payroll and Leave Payouts

At the request of the OSCA management, the OIG commenced an audit of the payroll and leave payout processes for the Office of Human Resources. This audit was still ongoing at June 30, 2020.

A.19.20.07 Nineteenth Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures and regulations; evaluate if internal controls were adequate; and review the efficiency and effectiveness of administrative operations. The Circuit's internal controls provided reasonable assurance regarding the adequacy of compliance, reporting and administrative operations.

A.19.20.08 Fixed Capital Outlay – District Courts of Appeal

The OIG commenced an audit of fixed capital outlay expenditures related to the District Courts of Appeal. This audit was still ongoing at June 30, 2020.

Consulting Summaries

C.18.19.09 Performance Measures – Covering Fiscal Year 2017-18

In accordance with Section 20.055, Florida Statutes, the OIG assessed the validity and reliability of administrative performance measures covering fiscal year 2017-18. A recommendation was made regarding the validity of data elements for certain measures. A review of the fiscal year 2018-19 administrative measures was conducted as part of this assessment and found that corrective actions were taken, and measures appeared valid and reliable.

C.19.20.01 Compilation of the Judges' Conferences Financial as of June 30, 2019

Preparation of the consolidated balance sheet and income statement for the three Florida judges' conferences as of June 30, 2019 (Florida Conference of Circuit Judges, Conference of County Judges of Florida, Inc., and Conference of District Court of Appeal Judges.)

C.19.20.03 Office of the State Courts Administrator – Office of Information Technology – Data Exchange

At the request of OSCA management, the OIG conducted a limited-scope review of internal controls related to the Judicial Inquiry System. This was part of the OSCA's renewal of the of the Data Exchange Memorandum of Understanding with the DHSMV. The objective of the review was to evaluate if internal controls were adequate to protect data from unauthorized access, distribution, use, modification or disclosure related to the Judicial Inquiry System. Recommendations were made in the areas of finalizing updates to the existing Criminal Justice Information (CJI) Policy, CJI interagency agreements and CJI user agreement templates.

C.19.20.04 Eleventh Judicial Circuit – DAVID Attestation

At the request of Circuit management, the OIG conducted a review as part of the Circuit's renewal of its Memorandum of Understanding with the DHSMV for access to the Driver and Vehicle Information Database (DAVID). The objective of the review was to evaluate if internal controls are adequate to protect the data from unauthorized access, distribution, use, modification or disclosure. The Circuit's internal controls were reasonable to protect data from unauthorized access, distribution, use, modification or disclosure.

C.19.20.05 Compilation of the Judges' Conferences Financial as of December 31, 2019

Preparation of the consolidated balance sheet and income statement for the three Florida judges' conferences as of December 31, 2019 (Florida Conference of Circuit Judges, Conference of County Judges of Florida, Inc., and Conference of District Court of Appeal Judges.)

C.19.20.07 Performance Measures Covering Fiscal Year 2018-19

In accordance with Section 20.055, Florida Statutes, the OIG assessed the validity and reliability of appellate court performance measures covering fiscal year 2018-19. Performance measures were found to be valid and reliable.

Audit Follow-Up

The OIG coordinates information requests and responses to findings from audits conducted by the Office of Auditor General and other external entities. The OIG may also report 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 activities for internal audit reports issued will be performed in fiscal year 2020-21.

Complaint Processing and Investigations

Complaint Processing

The OIG received complaints from internal and external sources. Complaints are received by phone, by mail, and by email. The OIG analyzes complaints to determine if the complaint meets the requirements of Section 112.3187, Florida Statutes, known as the Whistle-blower's Act and if the complaint is under the jurisdiction of the OIG. While most of the complainants were referred to the appropriate entities as warranted for disposition, two complaints warranted investigation, as noted below.

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 SCS. 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 Judicial Qualifications Commission and the Florida Bar, respectively⁴.

Investigations under the jurisdiction of the OIG are administrative in nature (non-criminal and not related to judicial proceedings) and generally involve alleged violations of applicable rules, regulations or SCS policy.⁵ During fiscal year 2019-20, the OIG conducted investigations related to two complaints received.

I.19.20.01 State Courts System Employee

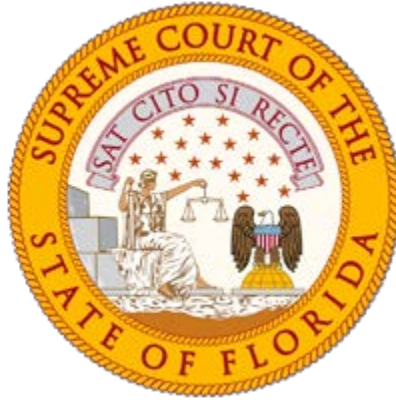
The OIG received an anonymous complaint against a non-judge employee alleging misuse of state property and state funds. The allegations were found to be not sustained.

I.19.20.02 State Courts System Employee

The OIG received a complaint against a non-judge employee alleging misuse of position for personal gain. The allegations were found to be not sustained.

⁴ Florida Constitution, Article V, Section 12

⁵ Florida State Courts System Fraud Policy, Section VI, Investigation of Allegations of Fraud.



**Office of the Inspector General
Florida Supreme Court
500 South Duval Street
Tallahassee, FL 32399-1925**

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