

Supreme Court of Florida

500 South Duval Street
Tallahassee, Florida 32399-1925

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JUSTICES

JOHN A. TOMASINO
CLERK OF COURT

SILVESTER DAWSON
MARSHAL

September 27, 2022

The Honorable Carlos G. Muñoz
Chief Justice
Florida Supreme Court
500 South Duval Street
Tallahassee, FL 32399-1925

Dear Chief Justice Muñoz:

In accordance with Section 20.055, Florida Statutes, the Office of Inspector General has prepared the annual report of activities covering fiscal year 2021-22.

We look forward to continuing to work with the management of the State Courts System in supporting efficiency, accountability, and integrity in operations.

Respectfully,

Millicent Burns

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

Florida Supreme Court Office of Inspector General



Annual Report
Fiscal Year 2021-22
September 30, 2022

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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 Florida Judicial system, 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 fiscal year 2021-22 as part of its mission to add value and support the operations of the State Courts System. The OIG performed virtual audits as needed during the fiscal year due to the pandemic.

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 performed 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 2021-22 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 assisted the Cybersecurity Committee of the Florida Courts Technology Commission with requests related to information technology controls.

The OIG also coordinated and consulted with the OSCA Office of General Counsel, the OSCA Office of Finance and Accounting, the OSCA Office of Human Resources and the OSCA Office of Information Technology on several administrative court issues.

Meetings and Work Groups

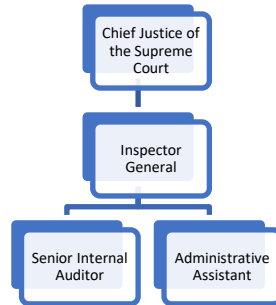
The OIG routinely attended meetings related to various areas of court operations including, Trial Court Budget Commission; Florida Courts Technology Commission; Chief Judges; National Center for State Courts; National Association of State Auditors, Comptrollers, and Treasurers COVID-19 Accountability Work Group; and other related meetings.

Budget Office

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

Organizational Structure

The OIG is allocated three full-time positions: Inspector General, 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, Florida Certified Contract Manager, 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
- Ethics
- Fraud

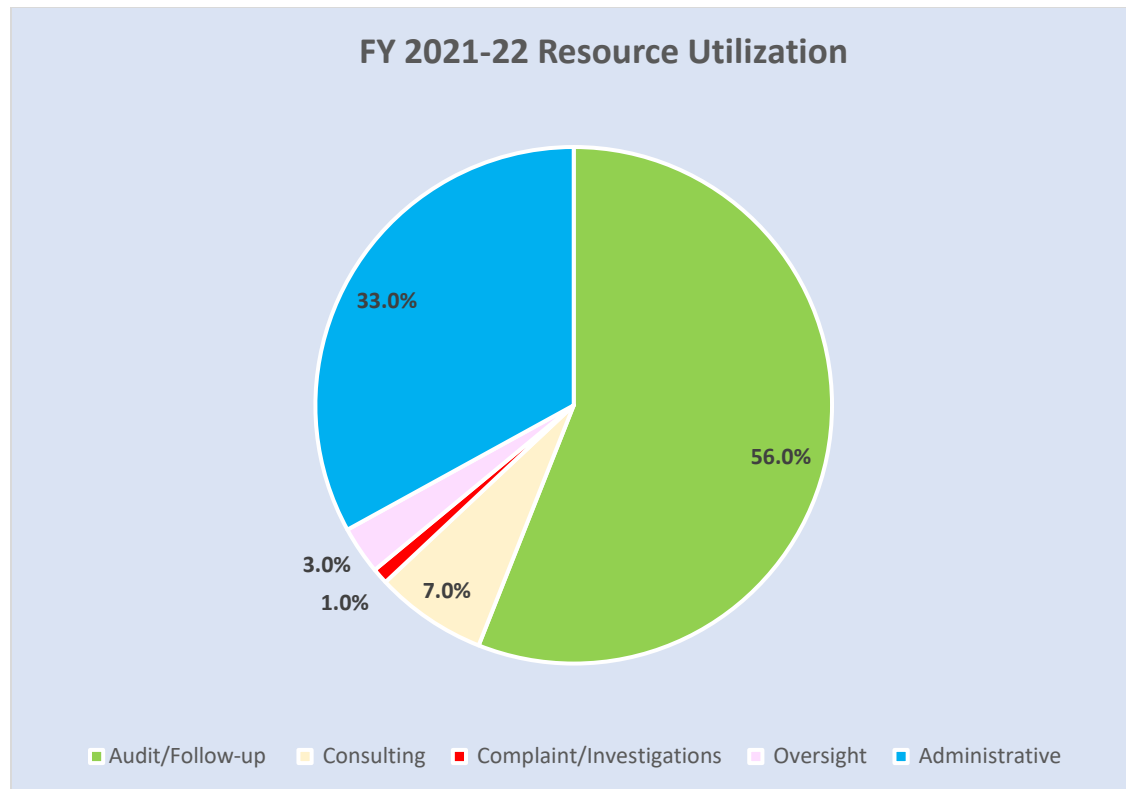


Resource Allocation

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 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 2021-22.



Audit and Consulting Engagements

The OIG completed ten engagements during the fiscal year, with two other engagements carrying over to fiscal year 2022-23. In addition to audits and audit follow-up activities, the OIG also conducts consulting engagements including 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.20.21.04 | Operational Audit of the First Judicial Circuit | Audit | September 2021 See Note 1 |
| A.20.21.05 | Operational Audit of the Fifteenth Judicial Circuit | Audit | October 2021 See Note 1 |
| A.20.21.03a | Follow-up Audit of the Office of the State Courts Administrator - Data Exchange Memorandum of Understanding with the Florida Department of Highway Safety and Motor Vehicles | Audit Follow-up | December 2021 |
| A.21.22.01 | Operational Audit of the Eighteenth Judicial Circuit | Audit | January 2022 |
| A.21.22.02 | Audit of the Office of the State Courts Administrator – Office of Information Technology - Cybersecurity | Audit | March 2022 |
| A.21.22.03 | Audit of the Eleventh Judicial Circuit – Data Exchange Memorandum of Understanding with the Florida Department of Highway Safety and Motor Vehicles | Audit | May 2022 |
| A.21.22.04 | Operational Audit of the Sixth Judicial Circuit | Audit | See Note 2 |
| A.21.22.05 | Operational Audit of the Second Judicial Circuit | Audit | See Note 2 |
| C.21.22.01 | Office of Inspector General – Internal Quality Assessment Review | Consulting | September 2021 |
| C.21.22.02 | Compilation of Judges’ Conferences Financials as of June 30, 2021 | Consulting | September 2021 |
| C.21.22.03 | Performance Measures Assessment Covering Fiscal Year 2020-21 | Consulting | March 2022 |
| C.21.22.04 | Compilation of Judges’ Conferences Financials as of December 31, 2021 | Consulting | March 2022 |

Note 1: Carryover from fiscal year 2020-21

Note 2: Carryover to fiscal year 2022-23

Audit Summaries

A.20.21.04 Operational Audit of the First Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures, and regulations; evaluate adequacy of internal controls; and review the efficiency and effectiveness of administrative operations. A recommendation was included to strengthen the existing information technology security awareness program.

A.20.21.05 Operational Audit of the Fifteenth Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures, and regulations; evaluate adequacy of internal controls; and review the efficiency and effectiveness of administrative operations. A recommendation was included to strengthen the existing information technology security awareness program.

A.20.21.03a Follow up to the Audit of the Office of the State Courts Administrator Data Exchange Memorandum of Understanding with the Florida Department of Highway Safety and Motor Vehicles

A follow-up audit was conducted to determine if appropriate corrective actions were taken by management regarding the original audit of the Data Exchange Memorandum of Understanding between the OSCA and the Florida Department of Highway Safety and Motor Vehicles. This report contains information exempt from public records under Section 119.071, Florida Statutes.

A.21.22.01 Operational Audit of the Eighteenth Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures, and regulations; evaluate adequacy of internal controls; and review the efficiency and effectiveness of administrative operations. Recommendations were included to strengthen controls over timekeeping and improve the existing information technology security awareness program.

A.21.22.02 Audit of the Office of the State Courts Administrator – Office of Information Technology - Cybersecurity

The objective of the audit was to assess the internal controls in place to protect the confidentiality, integrity, and availability of court data. This report contains information exempt from public records under Section 119.071, Florida Statutes and Rule 2.420, Florida Rules of Judicial Administration.

A.21.22.03 Audit of the Eleventh Judicial Circuit – Data Exchange Memorandum of Understanding with the Florida Department of Highway Safety and Motor Vehicles

At the request of the Eleventh Circuit, an audit was conducted to determine if internal controls are adequate to protect the data from unauthorized access, distribution, use, modification, or disclosure related to the Data Exchange Memorandum of Understanding between the Circuit and the Florida Department of Highway Safety and Motor Vehicles. Management had taken all corrective actions as needed.

A.21.22.04 Operational Audit of the Sixth Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures, and regulations; evaluate adequacy of internal controls; and review the efficiency and effectiveness of administrative operations. This audit was still ongoing as of June 30, 2022.

A.21.22.05 Operational Audit of the Second Judicial Circuit

The objectives of the audit were to assess the Circuit's compliance with applicable policies, procedures, and regulations; evaluate adequacy of internal controls; and review the efficiency and effectiveness of administrative operations. This audit was still ongoing as of June 30, 2022.

Consulting Summaries

C.21.22.01 Office of Inspector General – Internal Quality Assessment Review

The Office of Inspector General performed an internal quality assessment of activities covering fiscal year 2020-21. Recommendations for improving operating efficiency and effectiveness have been addressed.

C.21.22.02 Compilation of the Judges' Conferences Financial as of June 30, 2021

Preparation of the consolidated balance sheet and income statement for the three Florida judges' conferences as of June 30, 2021 (Florida Conference of Circuit Judges, Conference of County Judges of Florida, Inc., and Conference of District Court of Appeal Judges.)

C.21.22.03 Performance Measures Assessment Covering Fiscal Year 2020-21

In accordance with Section 20.055, Florida Statutes, the OIG performed an assessment of the validity and reliability of performance measures covering fiscal year 2020-21. No recommendations were included as a result of the assessment.

C.21.22.04 Compilation of the Judges' Conferences Financial as of December 31, 2021

Preparation of the consolidated balance sheet and income statement for the three Florida judges' conferences as of December 31, 2021 (Florida Conference of Circuit Judges, Conference of County Judges of Florida, Inc., and Conference of District Court of Appeal Judges.)

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 2022-23.

Complaint Processing and Investigations

Complaint Processing

The OIG received complaints from internal and external sources. 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. Complainants were referred, as applicable, to the appropriate entities as warranted for disposition.

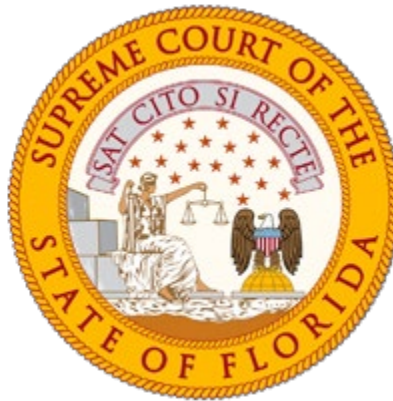
Investigations

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, respectively¹.

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.² During fiscal year 2021-22, the OIG received no complaints under its purview warranting an investigation.

¹ Florida Constitution, Article V, Section 12, and Section 15

² Florida State Courts System Fraud Policy, Section VI, Investigation of Allegations of Fraud.



**Office of the Inspector General
Supreme Court of Florida
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.*