

JUSTICE ADMINISTRATIVE COMMISSION

**OFFICES OF THE STATE ATTORNEYS
THIRD JUDICIAL CIRCUIT
FIFTH JUDICIAL CIRCUIT
SIXTH JUDICIAL CIRCUIT**

**OFFICES OF THE PUBLIC DEFENDERS
THIRD JUDICIAL CIRCUIT
SIXTEENTH JUDICIAL CIRCUIT**

AND

**OFFICES OF THE CRIMINAL CONFLICT
AND CIVIL REGIONAL COUNSEL**

Operational Audit



OFFICIALS AND EXECUTIVE DIRECTOR

The Officials and Executive Director during the period July 2012 through December 2013 are listed below:

Justice Administrative Commission

Alton L. "Rip" Colvin, Jr., Executive Director

State Attorney, Fifth Judicial Circuit	Honorable Brad King, Chair
Public Defender, Nineteenth Judicial Circuit	Honorable Diamond R. Litty, Secretary
Public Defender, Second Judicial Circuit	Honorable Nancy Daniels from January 2013
Public Defender, Third Judicial Circuit	Honorable Dennis Roberts to January 2013
State Attorney, Tenth Judicial Circuit	Honorable Jerry Hill

Offices of the State Attorney

Third Judicial Circuit	Honorable Jeffrey A. Siegmeister from January 2013 Honorable Robert "Skip" Jarvis to January 2013
Fifth Judicial Circuit	Honorable Brad King
Sixth Judicial Circuit	Honorable Bernie McCabe

Offices of the Public Defender

Third Judicial Circuit	Honorable Blair Payne from January 2013 Honorable Dennis Roberts to January 2013
Sixteenth Judicial Circuit	Honorable Rosemary Enright

Offices of the Criminal Conflict and Civil Regional Counsel

First Appellate District	Jeffrey Lewis
Second Appellate District	Ita Neymotin
Third Appellate District	Eugene Zenobi
Fourth Appellate District	Antony Ryan
Fifth Appellate District	Jeffrey Deen

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JUSTICE ADMINISTRATIVE COMMISSION, SELECTED JUDICIAL CIRCUITS OF OFFICES OF THE STATE
ATTORNEYS AND PUBLIC DEFENDERS, AND OFFICES OF THE CRIMINAL CONFLICT AND CIVIL
REGIONAL COUNSELS

EXECUTIVE SUMMARY

Our operational audit of the Justice Administrative Commission (JAC); Offices of the State Attorneys (SA), Third (3), Fifth (5), and Sixth (6) Judicial Circuits; Offices of the Public Defenders (PD), Third (3) and Sixteenth (16) Judicial Circuits; and the five Offices of the Criminal Conflict and Civil Regional Counsel (RC) (hereinafter collectively referred to as selected judicial agencies) disclosed the following:

GENERAL MANAGEMENT CONTROLS

Finding No. 1: The JAC and some of the agencies it administratively supports used the Business Office Management System (BOMS) for its accounting records resulting in a duplication of effort. Also, there was no written agreement, of record, specifying the rights and responsibilities of the JAC, the agencies, or the contractor regarding the use of BOMS. Further, BOMS was used without a business continuity plan to mitigate the risk of system disruption or a formal disaster recovery plan to protect JAC and the agencies from data loss.

Finding No. 2: Incompatible duties were performed by staff for SA3, PD3, RC3, and RC5, resulting in an increased risk that errors or fraud could occur without timely detection.

Finding No. 3: The JAC and the agencies it administratively supports did not have an internal audit function.

TANGIBLE PERSONAL PROPERTY

Finding No. 4: SA6, RC2, and RC5 did not, of record, conduct an annual physical inventory of property, and inventory forms used by some judicial agencies did not contain information required by Department of Financial Services' rules.

Finding No. 5: PD3 did not include four automobiles in its property records. Also, property records maintained by some judicial agencies did not include all information required by Department of Financial Services' rules.

PERSONNEL AND PAYROLL

Finding No. 6: Verification of education and employment history was not always documented for new hires for some judicial agencies.

CONTRACTUAL SERVICES

Finding No. 7: Contract terms such as task assignment, deliverables, and payments between some judicial agencies and contractors were not always documented in writing.

Finding No. 8: The JAC's audit procedures for paying due process service vendors needed improvement.

TRAVEL EXPENDITURES

Finding No. 9: Travel expenditures for some judicial agencies were not always documented and paid in accordance with State law.

MOTOR VEHICLES

Finding No. 10: PD3 did not timely record operations and maintenance costs in the State's vehicle tracking system, contrary to Department of Management Services' rules.

BACKGROUND

Sections 27.01 and 27.50, Florida Statutes, establish a State Attorney and Public Defender, respectively, for each of the 20 judicial circuits, who are elected at the general election by the qualified electors of their respective judicial circuits, and who serves for a term of four years.

Section 27.511, Florida Statutes, establishes an Office of Criminal Conflict and Civil Regional Counsel within the geographic boundaries of each of the five district courts of appeal. Each Regional Counsel is appointed by the Governor and is subject to confirmation by the Senate.

Section 43.16, Florida Statutes, establishes the Justice Administrative Commission (JAC) with its headquarters located in the State capital. Members of the JAC consist of two State Attorneys appointed by the president of the Florida Prosecuting Attorneys Association and two Public Defenders appointed by the president of the Florida Public Defender Association. The JAC employs an executive director. Duties of the JAC include the maintenance of a central State office for administrative services and assistance, when possible, to and on behalf of the State Attorneys and Public Defenders, the Capital Collateral Regional Counsel, the Criminal Conflict and Civil Regional Counsel, and the Guardian ad Litem Program.

The scope of this audit included the JAC, SA3, SA5, SA6, PD3, PD16, and the five RCs.

FINDINGS AND RECOMMENDATIONS

General Management Controls

Finding No. 1: Business Office Management System

The Business Office Management System (BOMS) is an automated system comprised of several modules incorporating accounting, human resources, asset management, time management, imaging and scanning, reporting, and financial management. BOMS was originated in the mid-1980's when two circuits made initial contact with a vendor that subsequently developed and has maintained the system. During the period July 2012 through December 2013, BOMS was used in some manner by the JAC, 17 SAs, 18 PDs, the five RCs, two of the Capital Collateral Regional Counsels, and the Guardian ad Litem Program. Of the 11 judicial agencies included in the scope of this audit, all but 4 (SA5, SA6, PD3, and PD16) used BOMS.

The JAC and applicable judicial agencies entered into annual maintenance contracts with the contractor that provided for the continued support and updates of BOMS. Table 1 below shows a summary of the public funds (county and State money) expended during the last two fiscal years, by judicial agency type, to use BOMS.

Table 1

BOMS Annual Maintenance Fees		
	Fiscal Year 2012-13	Fiscal Year 2013-14
Justice Administrative Commission	12,000	12,000
Guardian ad Litem Program	12,000	12,000
Offices of the Capital Collateral Regional Counsel	24,000	24,000
Offices of the Criminal Conflict and Civil Regional Counsel	60,000	60,000
Offices of the State Attorney	208,500	232,375
Offices of the Public Defender	226,000	231,000
Total	542,500	571,375

Source: Compilation of BOMS annual maintenance contracts.

Duplication of Effort. Since its creation, BOMS was intended to allow the judicial agencies to transmit data and documents electronically to the JAC, and ultimately automate the transmission of accounting data to the State’s accounting system, Florida Accounting Information Resource Subsystem (FLAIR). However, the process that has been used entails the judicial agencies recording the transactions in BOMS and transmitting the supporting data and BOMS information via e-mail to JAC. JAC audits the information and manually records the transactions in FLAIR. In the JAC Executive Director’s response to our previous audit, he stated that the BOMS Steering Committee, which was comprised of key stakeholders, had asked the contractor to develop a system to electronically transmit records and files from the judicial agencies to the JAC for audit, and upload accounting data to FLAIR. In response to our recent inquiry, the JAC Executive Director stated that the contractor is transitioning BOMS to allow the judicial agencies to electronically transmit data, via upload, to the JAC in the very near future; however, this transition will not provide for uploading accounting data from the judicial agencies to FLAIR. The JAC Executive Director further stated that he did not believe there will be any further discussions of this issue for the foreseeable future, due in part to the State’s transition from FLAIR to a new accounting system, and the additional time and resources the JAC would need to address accounting data upload reconciliation issues. As we noted in report No. 2015-014, Department of Financial Services has begun the initial planning steps for the FLAIR Replacement Project, which will provide an opportunity for the JAC and the judicial agencies it administratively supports to re-engineer business processes so as to utilize the new accounting system, rather than BOMS, solely for its accounting needs and thus eliminate the recurring expense and duplication of effort in maintaining accounting data in two systems.

Written Agreements. A well-written agreement should provide for the use and general maintenance of the system, specify system access rights for both parties, establish possible sanctions for nonperformance, assign each party’s responsibility in the event of a system disruption, and indicate software retention requirements. Ownership of BOMS software and access to system source codes remain with the contractor. Upon inquiry regarding the BOMS agreement, JAC management stated that the initial agreement could not be located either by the JAC or by the contractor. The only agreements maintained by the JAC were the annual maintenance contracts, which included matters concerning technical support. Annual maintenance contracts were also maintained by the judicial agencies

using BOMS. However, these annual maintenance contracts did not provide for access and ownership of the system and its data. Without a written agreement, in the event of issues negatively affecting the use or integrity of the system, it may be difficult to affix responsibility for resolving such issues. For example, RC2 management provided us information regarding their BOMS property module being compromised and the problem of identifying the responsible party to correct the issue due to not having a written agreement. Considering the sizeable, ongoing expense incurred in the maintenance and enhancement of BOMS, it is important that the needs of the users be adequately provided for through a written agreement.

Business Continuity and Disaster Recovery Plan. Because the availability and reliability of BOMS is critical to the JAC's and applicable judicial agencies' operations, it is essential that an effective business continuity and disaster recovery plan be maintained to help minimize data loss in the event of a major system failure. The JAC and applicable judicial agencies it administratively supports had developed neither a business continuity plan to mitigate the risk of system disruption nor a formal disaster recovery plan to protect itself from data loss. The JAC maintained offsite data storage to back-up the most recent two weeks of data, but no disaster recovery plan had been formalized. In the event of system loss, the JAC and the judicial agencies it administratively supports have no access to system source codes, especially if the contractor was no longer in a position to provide support, which places the JAC and the judicial agencies in a disadvantaged position for continued operational efficiency.

Recommendation: The JAC and the judicial agencies it administratively supports should consider, at the appropriate time, re-engineering its business processes to take full advantage of the new accounting system and eliminate the duplication of effort and recurring expenses associated with using BOMS. In the interim, the JAC and, as applicable, judicial agencies it administratively supports should obtain from the contractor a BOMS agreement that specifies system access rights, establishes possible sanctions for nonperformance, assigns each party's responsibility in the event of a system disruption, and indicates software retention requirements. Also, the JAC and the judicial agencies it administratively supports should develop a business continuity and disaster recovery plan.

Finding No. 2: Separation of Duties

Management is responsible for establishing a system of internal control to ensure, among other things, that records and reports are reliable, and assets are safeguarded. Effective internal control provides for a separation of duties such that no one employee has control over all phases of a collection or disbursement process.

Our inquiry and review of management controls at the selected judicial agencies disclosed the following:

- **Control Over Batch Sheets.** Invoices approved for payment were accompanied by batch sheets (transmittal control documents) that were signed by authorized persons in each judicial agency and submitted to the JAC where the batch sheet information was recorded in FLAIR and, if applicable, payments were made by State warrant or electronic funds transfer. Batch sheets, although prenumbered if created in BOMS, were not accounted for to ensure unauthorized batch sheets were not included in the payment process. Our review disclosed that the SA3 Office Administrator and the PD3 Administrative Director had unrestricted access to, and the ability to independently create, batch sheets; provide such batch sheets to the JAC; receive the associated State warrants from the JAC; and mail State warrants. The PD3 Administrative Director was also responsible for reconciling the batch sheets to FLAIR records. When batch sheets that can be used to generate State warrants are not properly controlled, and are accessible to individuals who receive and distribute State warrants, there is an increased risk that unauthorized disbursements may occur without timely detection.
- **Control Over Property.** Good business practice dictates that persons with possession of or access to property items should not have the capability to update the property records. Our review disclosed that the SA3 Executive Director, PD3 Administrative Director, RC3 Personnel Director, RC3 Information

Technology Consultant, and RC5 Administrative Assistant had such incompatible responsibilities, and there was no independent inventory of property assigned to these individuals. When a person has access to property items and can update the property records, there is an increased risk that loss, theft, or unauthorized use of property may occur without timely detection.

- **Control Over Personnel Action Request Forms.** Actions to add employees to the payroll, change employee salary rate or benefits, and update employee leave amounts required that a personnel action request (PAR) form be created at the judicial agencies and submitted to the JAC for recording in the State Payroll System. On a monthly basis, payroll amounts were provided to the judicial agencies by the JAC for verification. Our review disclosed that the Administrative Directors for PD3, RC3, and RC5 were in positions to create and approve PAR forms, as well as reconcile such information to the payroll records, without independent review. Consequently, these individuals had sole control over the payroll process for their agency increasing the risk that unauthorized payroll actions could be made without detection.

Our review and tests did not disclose any errors or fraud associated with these control deficiencies; however, given the inadequate separation of duties and lack of compensating controls, there is an increased risk that errors or fraud could occur and not be timely detected. Such compensating controls could include creation of a batch sheet control log for periodic independent verification to supporting documentation and reconciliation to accounting records, independent receipt and mailing of State warrants, periodic independent verification of additions and deletions of items in the property records to supporting documentation, and periodic independent verification of PAR forms to the payroll records.

Recommendation: The judicial agencies should provide for an adequate separation of duties to the extent possible with existing personnel or implement compensating controls.

Finding No. 3: Internal Audit Function

An approved best practice of the Government Finance Officers Association is the establishment of an internal audit function to assist management in monitoring the design and proper functioning of internal control policies and procedures. In this capacity, internal auditors function as an additional level of control and help to improve government's overall control environment, and play a valuable role conducting performance audits, special investigations, and studies.

Agencies of the executive branch of State government, as well as the State Court System (SCS), are required to establish an internal audit function pursuant to Section 20.055, Florida Statutes. Although the General Appropriations Act reported that the JAC and the agencies it administratively supports had expenditure authority in the aggregate of \$758,660,326 for the 2013-14 fiscal year (\$314,669,535 or 71 percent more than SCS expenditure authority for the 2013-14 fiscal year), they are not required by Section 20.055, Florida Statutes, or by any other law to establish an internal audit function. Such a function would be beneficial considering the control issues discussed in this report and in our report No. 2012-176.

Recommendation: The Legislature should consider requiring the JAC and the agencies it administratively supports to jointly employ an internal auditor, or provide for internal audit services by interagency agreement with a State agency. An internal auditor should have the same qualifications and perform the applicable duties of State agency directors of auditing, as provided in Section 20.055, Florida Statutes.

Tangible Personal Property

Finding No. 4: Annual Physical Inventory of Property

Department of Financial Services (DFS) Rule 69I-72.006, Florida Administrative Code (FAC), requires each property custodian to ensure that a complete physical inventory of all property is taken at least once each fiscal year and whenever there is a change in property custodian. The inventory form used to record the physical inventory is to be at the discretion of the custodian; however, the rule requires specific information to be included on the inventory forms.

Our review of physical inventory forms used by the selected judicial agencies for the 2012-13 fiscal year disclosed that SA6 did not, of record, perform a physical inventory of property. Also, although RC2 and RC5 personnel stated that a physical inventory was performed, inventory forms were not retained to evidence that a physical inventory was completed and the property records updated. For those agencies with physical inventory forms available for review, we noted instances in which the inventory forms used did not include information required by DFS Rule 69I-72.006, FAC, as noted below:

- RC4 did not include the date the inventory was conducted or the date the property item was acquired;
- RC3 did not include the property number and description of the component items comprising the property group;
- Three agencies (PD3, RC3, and RC4) did not include the name and signature of the person conducting the inventory and whether the property items were located;
- RC4 did not include the property identification number;
- Six agencies (SA3, SA5, PD3, RC1, RC3, and RC4) did not include the present condition of the property item(s);
- The JAC and PD3 did not include the physical location of the property item(s);
- Four agencies (JAC, PD3, PD16, and RC4) did not include the name of the custodian or the custodian's delegate with assigned responsibility for the property item(s); and
- Four agencies (SA5, PD3, RC3, and RC4) did not include the State standard class code.

Documenting annual physical inventories and verifying essential property information is important to ensure assets are properly safeguarded and accounted for.

Recommendation: The judicial agencies should ensure that a physical inventory of all property is conducted at least once each fiscal year, and retain inventory forms containing the information required by rule.

Finding No. 5: Property Records

DFS Rule 69I-72.003, FAC, requires property custodians to maintain adequate records of property in their custody. Each item of property must be accounted for in a separate property record, the content of which must include, at a minimum, the following information:

- Cost or value at the date of acquisition;
- Method of acquisition and, for purchased items, the Statewide document (voucher) number obtained from FLAIR;

- Date the item was last physically inventoried and the condition of the item at that date;
- If certified as surplus, the information prescribed in DFS Rule 69I-72.005(2), FAC; and
- If disposed of, the information prescribed in DFS Rule 69I-72.005(5), FAC.

Our review of the property records maintained by the selected judicial agencies disclosed that PD3 did not include its four automobiles in its property records, but kept track of partial information on a separate spreadsheet. Additionally, except for the date the inventory was conducted and the name and signature of the person conducting the inventory, and whether the property item was located, the missing property inventory information included in finding No. 4 was also missing from the property records. We also noted that the property records for certain offices lacked the following information:

- Two agencies (RC3 and RC4) did not include the cost or value of the property item(s) at the date of acquisition;
- Seven agencies (JAC, SA5, PD16, RC2, RC3, RC4, and RC5) did not include the method of acquisition and, for purchased items, the Statewide document (voucher) number obtained from FLAIR;
- Four agencies (PD3, RC3, RC4, and RC5) did not include the date the property item was last physically inventoried and the condition of the item at that date; and
- Four agencies (SA5, RC2, RC3, and RC4) did not include the surplus property information regarding value and condition of the property, as well as property disposal information.

Maintaining detailed property records is important for safeguarding assets, maintaining appropriate insurance coverage, and providing accurate financial reporting.

Recommendation: The judicial agencies should ensure that property records are complete and contain all the information required by DFS Rules 69I-72.003 and 69I-72.005, FAC.

Personnel and Payroll

Finding No. 6: Verification of New Employees’ Education and Employment History

Position descriptions are used by organizations to describe the duties and responsibilities of the position, and typically include the required levels of education and work experience necessary to ensure that assigned duties will be accomplished competently. Establishing such criteria provides new employees with a clear understanding of the organization’s expectations, establishes benchmarks for evaluations and advancement, and protects the organization from hiring inequities.

The selected judicial agencies used position descriptions when advertising job openings as a basis to determine whether the applicant was qualified for the position. We reviewed personnel files for up to 15 employees hired during the period July 2012 through December 2013 at each of the selected judicial agencies, for a total of 40 new hires. Our review disclosed there was no evidence that the education and employment history had been verified for 21 (53 percent) of the 40 new hires reviewed for seven agencies (JAC-2, SA3-10, SA5-1, PD3-3, RC1-3, RC3-1, and RC4-1). Some of the agencies stated that verification of education and employment history was performed, but documentation was not retained.

Absent documented verification of education qualifications and employment history during the hiring process, there is an increased risk that employees may be hired for positions they are not suitable for or qualified to hold.

Recommendation: The JAC and the agencies it administratively supports should enhance their hiring procedures to document the verification of education and employment history.

Contractual Services

Finding No. 7: Contract Provisions

An essential element of an effective contract monitoring system includes contract provisions that specify the responsibilities of each party, quantifiable deliverables, term of the contract, conditions for renewal and termination, and requirements for the contractor (vendor) to submit detailed invoices to provide a documented basis for making payments.

PDs and RCs used written contracts to procure the services of vendors who provided due process resources necessary for the proper and adequate representation of clients. Due process costs are comprised of attorneys, investigators, expert witnesses, court reporters, and other court-related costs incurred. For the period July 2012 through December 2013, there were 146 active contracts with due process service vendors for the selected judicial agencies. Our review of 57 due process contracts for the selected PDs and RCs disclosed the following:

- One of two contracts reviewed for PD16, for attorney services, provided a flat fee of \$350 per case with a maximum payment not to exceed \$1,000 in cases that may require additional work or trial. The contract did not identify the conditions that would allow payments to exceed the flat fee amount. An invoice for \$1,000 was submitted and paid for services that exceeded the flat fee amount; however, it was not evident from PD16's records as to the basis for such payment.
- None of the five contracts reviewed for RC1 provided conditions for renewal, extension, or amendment of the contract, nor did the contracts include terms for the RC's cancellation upon the vendor's nonperformance or inability to provide public access to records, as appropriate. Additionally, three of the five contracts did not provide termination dates or criteria necessary for completion.
- None of the ten contracts reviewed for RC2 included provisions for termination upon nonperformance by the vendor, or specific rights to redress.
- Nine of ten contracts reviewed for RC3 lacked termination dates. Also, the services for one of the ten contracts were provided prior to the contract being signed by all parties.
- Two of ten contracts reviewed for RC4 lacked termination dates or contract completion time periods, nor did the contracts include conditions for renewal, extension, or amendment. Also, the two contracts were not signed by the RC or his delegate. Additionally, the services of an outside attorney were acquired to provide representation to RC4 clients without a written contract. During the period July 2012 through December 2013, the outside attorney was paid in excess of \$70,000. Subsequent to our inquiry, a contract was executed.
- Two of ten contracts reviewed for RC5 did not describe the rates of compensation. The contracts indicated that the vendors would be compensated an amount to be determined, and it was not evident from RC5 records that rates were established prior to payment. Another contract established a base rate of \$140 per hour; however, an invoice was paid for a "minimum charge" of \$1,200. The contract did not establish a "minimum charge" and the invoice lacked sufficient detail to determine whether the rate paid was the rate specified in the contract.

Well-written contracts benefit and protect all parties to the contract.

Recommendation: The judicial agencies should ensure that payments for contractual services are made pursuant to written contracts that include provisions that clearly specify the scope of work and include quantifiable, measurable, and verifiable deliverables.

Finding No. 8: Due Process Services

Section 27.425(1), Florida Statutes, provides that the maximum compensation rates for State-funded due process service vendors, in cases in which the court has appointed private counsel or declared a person indigent for costs, to be specified annually in the General Appropriations Act. Additionally, Section 27.425(3), Florida Statutes, requires the JAC to approve uniform contract forms for use in procuring due process services and uniform procedures for use by due process service vendors for the billing of due process services to demonstrate completion of the specified services. Due process services may include such services as court reporters, interpreters, videographers, private investigators, mitigation specialists, and private process servers.

JAC's policies and procedures require due process service vendors to enter into a standard contract with the JAC if the JAC pays vendors directly. The standard contract provides that services are to be charged at rates established by the Legislature, or by the JAC when the Legislature has not established a rate; payment is only to be for actual services provided by the due process service vendor; and the JAC will only pay for due process services if private counsel and the vendor certify the accuracy of such service costs on JAC's Invoice/Voucher Cover form submitted with court orders authorizing the JAC's payment of the services and, under certain circumstances, the vendor's invoice.

In April 2014 and July 2014, the JAC was informed of improprieties in supporting documentation relied upon for making payments to two due process service vendors, as follows:

- **Court Reporting Services.** In April 2014, the JAC learned from an outside source that a court reporter retained by two attorneys overbilled the JAC for court reporting work completed on the two attorneys' cases during the period June 2013 through March 2014. In particular, the court reporter billed for substantially more pages than the actual number of pages for transcripts. In many instances, the court reporter billed approximately double the number of actual pages. Based on the information the JAC received during the course of its inquiry, the JAC determined that overpayments totaling \$49,182 were made based on inaccurate JAC Invoice/Voucher Cover forms certified by the court reporter and the two attorneys, inaccurate vendor invoices, and valid court orders authorizing JAC's payment of the services. On October 3, 2014, the JAC sent a demand letter to the court reporter and the two attorneys demanding remittance of \$49,182 no later than close of business on October 17, 2014. As of October 20, 2014, the court reporter and the two attorneys had not yet remitted this amount to the JAC. On October 22, 2014, the JAC referred this matter to the Department of Financial Services, Office of Fiscal Integrity.
- **Private Investigation Services.** In July 2014, the JAC was notified by an employee of a private investigation company that the company had overbilled the JAC for investigative services performed during 2012. The employee reported that during 2012 she held an investigator intern license, not an investigator license, therefore the billing for her work should have been for a lesser amount, resulting in overpayments to the private investigation company by the JAC of approximately \$45,000. The JAC made payments to the private investigation company based on inaccurate JAC Invoice/Voucher Cover forms certified by the private investigation company and the attorneys that used the investigative services, inaccurate vendor invoices, and valid court orders authorizing the JAC's payment of the services. On October 9, 2014, the JAC referred this matter to the Department of Financial Services, Office of Fiscal Integrity.

As described above, in both cases, the JAC relied upon inaccurate JAC Invoice/Voucher Cover forms certified by the process service vendors and the attorneys that acquired their services, inaccurate invoices, and valid court orders authorizing the services. The certifications were accompanied by invoices and other supporting documentation, although inaccurate, as a basis for payment but did not include copies of the transcripts from the court reporters to support charges based on the number of transcript pages, or documentation such as accurate time records of investigative personnel to support charges for investigative services. Although it may not be practical to obtain and review supporting documentation for all amounts billed for due process services, requesting such additional

supporting documentation on a sample basis prior to making payment would provide the JAC with additional assurance as to the propriety of billings.

Recommendation: The JAC should enhance its preaudit procedures for paying due process service vendors to include verifying, at least on a sample basis, the underlying detail documentation supporting amounts billed for due process services.

Travel Expenditures

Finding No. 9: Travel Authorization and Voucher Forms

Section 112.061, Florida Statutes, governs travel expenses of public officers, employees, and other authorized persons, and provides for a travel voucher form (travel voucher) to be used when submitting travel expenditures for approval and payment. A travel authorization form must be used when requesting approval to travel to a convention or conference and travelers may not claim reimbursement for meals or lodging included in convention or conference registration fees. DFS Rule 69I-42.003, FAC, requires the travel authorization form to be signed by the traveler and his or her supervisor, and the agency head or his or her designated representative must not authorize or approve such requests in the absence of the appropriate signatures.

Our test of travel expenditures totaling \$86,892 at selected judicial agencies disclosed the following:

- Of 17 travel vouchers examined for PD3, all of which were for travel to a conference, 11 were not supported by travel authorization forms. Also, for 5 of the 17 travel vouchers, a meal allowance was incorrectly claimed based on the time of departure or arrival, and for 1 travel voucher, two meal allowances were claimed for meals that were included in the conference registration fee, resulting in overpayments totaling \$97.
- Of 24 travel vouchers examined for PD16, 6 included meal reimbursements that were unallowable based on the time of departure or arrival, and 1 included a meal allowance that was included in the conference registration fee, resulting in overpayments totaling \$143.
- For 1 of 71 travel vouchers examined for RC2, mileage claimed was not in agreement with the official Florida Department of Transportation map without explanation, resulting in a potential excess reimbursement of \$56, and two lost receipt affidavits were not signed by the traveler, contrary to RC2's travel policy. Additionally, travel expenditures totaling \$1,265 for three RC2 travelers were not supported by the required travel vouchers.
- For 1 of 8 travel vouchers examined for RC3, airfare, parking, and rental car expenses totaling \$975 were not supported by invoices and receipts. Additionally, travel expenditures totaling \$8,490 for eight RC3 travelers were not supported by the required travel vouchers.
- Of 23 travel vouchers examined for RC4, although 5 involving travel to a conference were supported by travel authorization forms, the forms did not contain all the appropriate signatures required by rule.
- Of 21 travel vouchers examined for RC5, 1 was not signed by an authorized approver. Also, for 7 other travel vouchers involving travel to a conference, 1 was not supported by a travel authorization form and, for the other 6, travel authorization forms were not completed prior to traveling to the conference. Additionally, travel expenditures totaling \$1,142 for three RC5 travelers were not supported by the required travel vouchers.

Failure to ensure that all travel is supported by properly completed travel vouchers, travel authorization forms, and supporting documentation increases the risk that fraud, abuse, or errors may occur without timely detection.

Recommendation: The judicial agencies, and JAC staff in their audit of judicial agencies’ travel vouchers, should ensure that travel vouchers and travel authorization forms are properly completed when required, and that travel payments are properly supported and in accordance with Section 112.061, Florida Statutes.

Motor Vehicles

Finding No. 10: Vehicle Operations and Maintenance Records

Department of Management Services (DMS) Rule 60B-1.010, FAC, requires the Division of Motor Pool (Division) to develop, maintain, and operate an equipment management information system to meet the reporting needs of the State’s motor vehicles. The equipment management information system is referred to as Florida Equipment Electronic Tracking (FLEET). Input to FLEET includes the condition, utilization, cost, fuel consumption, maintenance, and assignment of motor vehicles owned, leased, or operated provided by the agencies on forms or other means approved by the Division. This information must be forwarded monthly to the Division no later than the 15th day of each month.

PD3 owned and operated four motor vehicles. For each of these vehicles, a vehicle use and fuel log was established for internal record keeping. However, PD3 did not timely provide information to the Division. The Division required monthly update of vehicle use, fuel, and maintenance records with such data elements as beginning and ending mileage, fuel consumption and cost, maintenance costs, driver assignments, and days inactive. The PD3 Executive Director stated that no maintenance records were added to FLEET during the 2013-14 fiscal year, nor were maintenance costs included on the internal vehicle use and fuel logs. Our review of FLEET records and internal vehicle use and fuel logs corroborated the PD3 Executive Director’s statements. We noted that some mileage and other operational reporting information had been recorded in FLEET on a cumulative basis over several months, but not on the required monthly basis.

Maintaining vehicle operations and maintenance records, along with periodic reviews of such records, assists in determining when various maintenance thresholds are met and in making vehicle replacement decisions.

Recommendation: PD3 should ensure the timely completion of FLEET reporting as required by DMS Rule 60B-1.010, FAC.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida’s citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2014 to July 2014 and October 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those controls.
- Determine whether corrective actions have been taken for all findings included in our report No. 2012-176, except for portions of those findings relating to the State Courts System.
- Identify, pursuant to Section 11.45(7)(h), Florida Statutes, statutory and fiscal changes that may be included in the audit report or subsequently recommended to the Legislature.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

For those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

The scope and methodology of this operational audit are described in Exhibit A. Our audit included the selection and examination of various records and transactions from July 2012 through December 2013, and selected actions taken prior and subsequent thereto. It was not feasible to examine the operations of each of the judicial agencies; therefore, we selected 11 judicial agencies, as shown on the inside cover of this report, based on factors such as findings reported in our previous audit report, use of a BOMS alternative for accounting records, and previous audit requests. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA
Auditor General

MANAGEMENTS' RESPONSES

The selected judicial agencies' officials, as applicable, provided written responses to our preliminary and tentative findings. These responses are included as Exhibit B.

**EXHIBIT A
AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Organizational Structure and Internal Controls	Reviewed the duties and responsibilities administratively assigned to the judicial agencies and examined and reviewed documentation such as organizational charts and operating procedures. Also, obtained an understanding of internal controls and processes and procedures related to areas within the scope of the audit, including, as appropriate, a walk-through of relevant internal controls through observation and examination of supporting documentation and records.
Business Office Management System (BOMS)	Reviewed BOMS agreements and annual maintenance contracts. Reviewed BOMS utilization with regard to its original purpose and design, efficiency and effectiveness, and system access rights and security.
Related Party Transactions	Applied procedures to determine whether purchases were made from businesses, judicial agencies' officials and employees, or relatives of judicial agencies' officials and employees that represented a conflict of interest.
Personnel and Payroll	Reviewed the judicial agencies' procedures for maintenance of key personnel records. Tested new hires and payroll transactions for compliance with applicable laws, rules, regulations, judicial entities' policies and procedures, and other guidelines.
Procurement of Goods and Services	Reviewed the judicial agencies' assignment and use of State purchasing cards, and disbursement procedures. Tested transactions to determine whether expenditures were made in accordance with applicable laws, rules, regulations, contracts, grant agreements, judicial entities' policies and procedures, and other guidelines.
Contractual Services	Tested selected contracts, and contract and service arrangement payments, to determine whether contracts clearly specified deliverables, time frames, documentation requirements, and compensation. Also tested selected payments for proper support and compliance with contract terms.
Travel Expenses	Tested travel expenses to determine whether travel expenses were reasonable, adequately supported, and in compliance with Section 112.061, Florida Statutes, and judicial entities' policies and procedures.
Tangible Personal Property	Compared judicial agencies' property records with control accounts, reviewed tangible personal property inventory procedures, and reviewed control procedures for proper acquisitions and disposals. Determined compliance with applicable laws, rules, regulations, judicial entities' policies and procedures, and other guidelines.
Vehicle Utilization	Reviewed procedures and records related to the assignment and use of vehicles, and reviewed maintenance procedures and usage monitoring of vehicles. Determined compliance with applicable laws, rules, regulations, judicial entities' policies and procedures, and other guidelines.

EXHIBIT B
MANAGEMENTS' RESPONSES



Alton L. "Rip" Colvin, Jr.
Executive Director

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THE STATE OF FLORIDA
JUSTICE ADMINISTRATIVE COMMISSION

Post Office Box 1654 (32302)
227 North Bronough Street, Suite 2100
Tallahassee, Florida 32301



COMMISSIONERS

Brad King, Chair
State Attorney
Diamond R. Litty
Public Defender
Jerry Hill
State Attorney
Nancy Daniels
Public Defender

December 8, 2014

The Honorable David W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Thank you for the opportunity to respond to the Preliminary and Tentative Findings related to the Justice Administrative Commission (JAC) disclosed in the Operational Audit of the JAC, the Offices of the State Attorneys in the Third, Fifth and Sixth Judicial Circuits; the Offices of the Public Defenders in the Third and Sixteenth Judicial Circuits; and the five Offices of Criminal Conflict and Civil Regional Counsel. Please note, pursuant to s. 43.16, F.S., the JAC administratively serves the Offices of State Attorney, Public Defender, Capital Collateral Regional Counsel, Criminal Conflict and Civil Regional Counsel, and Guardian ad Litem. Our responses to Finding Nos. 1, 3, 4, 5, 6, 8, and 9 follow:

Finding No. 1: Business Office Management System (BOMS)

Recommendation: *"The JAC and the judicial agencies it administratively supports should consider, at the appropriate time, re-engineering its business processes to take full advantage of the new accounting system and eliminate the duplication of effort and recurring expenses associated with using BOMS. In the interim, the JAC and the applicable judicial agencies it administratively supports should obtain from the contractor a BOMS agreement that specifies system access rights, establishes possible sanctions for nonperformance, assigns each party's responsibility in the event of a system disruption, and indicates software retention requirements. Also, the JAC and the judicial agencies it administratively supports should develop a business continuity and disaster recovery plan."*

Response: **Although the JAC and the agencies of Justice Administration appreciate the spirit of this recommendation, BOMS and its related and integrated case management tracking system, STAC, have been an integral part of operations for some of the agencies we serve for more than 20 years. The entering of accounting transactions into the Florida Accounting Information Resource (FLAIR) system by JAC Accounting staff requires**

The Justice Administrative Commission administratively serves the offices of State Attorney, Public Defender, Capital Collateral Regional Counsel, the Statewide Guardian ad Litem Program, and the Criminal Conflict and Civil Regional Counsel; and provides compliance and financial review of court appointed attorney due process costs.

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

The Honorable David W. Martin, CPA
December 8, 2014
Page Two

minimal effort. The interaction of JAC Accounting staff with the live FLAIR screen, in conjunction with reviewing the actual documentation provided for payment, has proven to be a more efficient process than reviewing data in a spreadsheet or in a BOMS screen and making necessary corrections prior to an upload to FLAIR, with those corrections being approved by the affected agency. An upload process actually requires a second day with the risk of a FLAIR "fall out" that would necessitate research and data reentry the next day. FLAIR data entry by JAC staff into a live environment provides instant feedback regarding the validity of the codes entered and checks available balances simultaneously. JAC tested an upload process a few years ago as suggested in prior findings, but found the process to be more cumbersome and less efficient and effective than on-line data entry directly into FLAIR by JAC staff. The appearance of a duplication of effort referenced in the finding and recommendation is outweighed by the value JAC adds to each transaction by instantly verifying and accurately inputting necessary information into FLAIR to better comply with Florida law and the specific requirements of the Department of Financial Services.

In addition, JAC staff is serving on a workgroup reviewing the BOMS licensing agreements and maintenance contracts to bring them into conformity with best business practices, including but not limited to provisions addressing a clearer description of deliverables, business continuity, and disaster recovery.

Finding No. 3: Internal Audit Function

Recommendation: *"The Legislature should consider requiring JAC and the agencies it administratively supports to jointly employ an internal auditor, or provide for internal audit services by interagency agreement with a State agency. An internal auditor should have the same qualifications and perform the applicable duties of State agency directors of auditing, as provided in Section 20.055, Florida Statutes."*

Response: JAC agrees that internal auditors help to improve controls within state government and assist management in efforts to ensure that state funds are properly administered. As noted, s. 20.055, F.S., does not apply to the JAC or the agencies of Justice Administration. The JAC will comply with Legislative direction regarding this issue. In line with its supportive role, JAC will continue to present best business practice and internal control information to the agencies of Justice Administration.

Finding No. 4: Annual Physical Inventory of Property

Recommendations: *"The judicial agencies should ensure that a physical inventory of all property is conducted at least once each fiscal year, and retain inventory forms containing the information required by rule."*

Response: JAC concurs with the recommendation and will update its inventory forms to contain the information required by rule.

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

The Honorable David W. Martin, CPA
December 8, 2014
Page Three

Finding No. 5: Property Records

Recommendation: *“The judicial agencies should ensure that property records are complete and contain all the information required by DFS Rules 69I-72.003 and 69I-72.005, F.A.C.”*

Response: JAC concurs with the recommendation and will update its property records to ensure compliance with Rules 69I-72.003 and 69I-72.005, F.A.C.

Finding No. 6: Verification of New Employees' Education and Employment History

Recommendation: *“The JAC and the agencies it administratively supports should enhance their hiring procedures to document the verification of education and employment history.”*

Response: JAC concurs with the recommendation and will update its procedures to ensure that education and employment verifications are documented, where appropriate.

Finding No. 8: Due Process Services

Recommendation: *“The JAC should enhance its preaudit procedures for paying due process service vendors to include verifying, at least on a sample basis, the underlying detail documentation supporting amounts billed for due process services.”*

Response: JAC concurs with the recommendation. JAC is considering the adoption of and implementation of procedures to conduct random checks of court reporter transcripts billings. Additionally, JAC has begun requiring more detailed information in the hourly statements submitted by investigators for payment.

Finding No. 9: Travel Authorization and Voucher Forms

Recommendation: *“The judicial agencies, and JAC staff in their audit of judicial agencies' travel vouchers, should ensure that travel vouchers and travel authorization forms are properly completed when required, and that travel payments are properly supported and in accordance with Section 112.061, Florida Statutes.”*

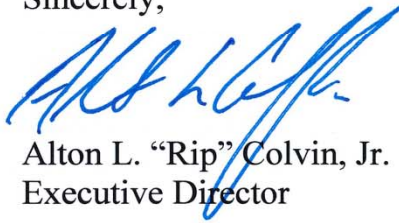
Response: As part of its administrative support services, JAC has established an internal workgroup to assist the agencies of Justice Administration to ensure that travel vouchers and travel authorization forms are properly completed, and that travel payments are properly supported and in accordance with s. 112.061, F.S. Future training opportunities on this issue will be offered by JAC to all agencies of Justice Administration.

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

The Honorable David W. Martin, CPA
December 8, 2014
Page Four

Thank you for the impressive effort put forth by your staff to conduct this audit and the opportunity to respond to the findings and recommendations.

Sincerely,



Alton L. "Rip" Colvin, Jr.
Executive Director

cc: Marilyn Rosetti
Michael Gomez
Michael Nichols

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES



OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT OF FLORIDA

Jeffrey A. Siegmeister, State Attorney

*Serving the Counties of Suwannee, Hamilton, Dixie, Lafayette, Taylor,
Madison and Columbia*

*100 S.E. Court St.
Live Oak FL. 32064
(386) 362-2320
FAX (386) 362-5370*

December 3, 2014

Mr. David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, please consider this my response to the preliminary and tentative audit findings and recommendations dated November 5, 2014 regarding our operational audit.

Finding No. 1: Business Office Management System (BOMS)

The State Attorney's Office, Third Judicial Circuit will work with the Justice Administrative Commission (JAC) and the Business Office Management System (BOMS) Steering Committee to address the concerns noted.

Finding No. 2: Separation of Duties

The State Attorney's Office, Third Circuit employs one Administrator who is responsible for processing invoices and creating batch sheets. All batch sheets are then approved by the Executive Director before being submitted to JAC for payment. This office will address the incompatible duties in the best way that we can considering the limited staff.

Regarding the separation of duties related to inventory, the State Attorney has reassigned the physical inventory of property items to staff outside of the administrative department. Any necessary updates noted during inventory, such as a change in location or condition of the property will then be updated by the Executive Director.

Finding No. 4: Physical Inventory

The recent audit review of our physical inventory processes noted that the inventory forms used in the past did not always include the present condition of the property item. This field is available in the BOMS Inventory module. At the next annual inventory of property, each item will be inspected, its current condition determined, and the condition will be updated in the BOMS Inventory module.

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

Finding No. 6: Verification of New Employees' Education & Employment History

It is the policy of this office to verify past employment and education of prospective hires. As noted in the auditor's report, documentation of verified data was not always retained in the employee's personnel file. The auditor's recommendation to verify past employment and education is so noted and this documentation will be retained in the personnel file of future hires.

Thank you for your comments and recommendations which are of valuable assistance to us in improving the efficiency and operation of our office.

Sincerely,



Monica Baker
Executive Director

Jeffrey A. Siegmeister
State Attorney

**EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES**



BRAD KING, STATE ATTORNEY
Fifth Judicial Circuit of Florida
Serving Marion, Lake, Citrus, Sumter, Hernando Counties

November 21, 2014

Mr. David Martin
Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Florida Statute 11.45(4)(d) please find my written statement of explanation or rebuttal concerning the findings related to this agency.

Finding No. 4 Annual Physical Inventory of Property: This office has amended the computer program relating to the present condition of the property and adding the State standard class code to include both on our forms.

Finding No. 5 Property Records: This office has amended the computer program to include the method of acquisition for purchased items, to include the Statewide document number obtained from FLAIR, the value and condition of property and property disposal information.

Finding No. 6 Verification of New Employee's Education and Employment History: This office will document and place in the personnel files all new hires education and employment history.

Should you have any further questions, please do not hesitate to contact me.

Sincerely,


Suz Geeraerts
Executive Director

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES



OFFICE OF THE STATE ATTORNEY
SIXTH JUDICIAL CIRCUIT OF FLORIDA
PASCO AND PINELLAS COUNTIES

BERNIE MCCABE
State Attorney

November 20, 2014

Mr. David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, please consider this my response to the preliminary and tentative audit findings and recommendations dated November 5, 2014 regarding our operational audit.

Finding No. 4: Annual Physical Inventory of Property -Our review of physical inventory forms used by the selected judicial agencies for the 2012-13 fiscal year disclosed that SA6 did not, of record, perform a physical inventory of property.

Recommendation: The judicial agencies should ensure that a physical inventory of all property is conducted at least once each fiscal year, and retain inventory forms containing the information required by rule.

RESPONSE: We agree that a physical inventory of property should be conducted at least annually. It pleased us that during the property test conducted by the auditors, every item tested from our inventory list was found where it was supposed to be and each item found on the floor that was tested to see if it could be related back to the inventory records was indeed supported by an appropriate corresponding property record.

If we can be of further assistance, please don't hesitate to contact us.

Sincerely yours,

A handwritten signature in cursive script that reads "Bernie McCabe".

Bernie McCabe
State Attorney

BMc/cr

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

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Columbia County Courthouse
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Lake City, Florida 32056-1209
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FAX (386) 758-0497

DIVISION CHIEFS
Fred L. Castleman, Jr.
Tom Stone

Gordon P. Summers
Administrative Director



BRANCH OFFICES:
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South Ohio Avenue
Live Oak, Florida 32064
(386) 362-7235

Taylor County Courthouse
P.O. Box 2013
Perry, Florida 32348
(850) 838-2830

Office of

M. Blair Payne
Public Defender

THIRD JUDICIAL CIRCUIT

Serving the counties of: Columbia, Dixie, Hamilton, Lafayette, Madison, Suwannee, Taylor

December 4, 2014

Auditor General, Local Government Audits
Section 343
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Office of Public Defender, Third Judicial Circuit response to Audit Findings.

Dear Mr. Martin:

The Auditor General conducted an audit of this office covering the period of time beginning July 1, 2012 and ending December 31, 2013. The audit covered not only the first year of the present administration but the last six months of the previous administration. The audit findings were not specific as to when the identified issues occurred. In response to the findings this office would submit the following information. Findings not related to this office will not be addressed.

Finding No. 2: Separation of duties: Initially, it should be pointed out that the size of our staff and budget are set by the legislature. Resources are allocated in a manner to best perform our core mission which is to provide legal services to those who have been declared indigent by the courts. Historically, the administrative staff has consisted of one person. This has not changed under my administration because resources are simply not available.

Control over Batch Sheets. Prior to the commencement of the audit, internal procedures utilized by the prior administration had been modified so that all batch

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

sheets were submitted to the Public Defender for review and approval before they were transmitted. Subsequent to the audit and at the suggestion of the Auditors who conducted the exit interview, a batch sheet control log has been constructed. This document now reflects the Administrative Director and the Public Defender have reviewed the batch sheets prior to transmission to JAC and each entry on the control log is initialed by both.

Control over Property. The duties for physically accounting of property for inventory purposes and updating the inventory property records have been separated and are now performed by separate individuals.

Control over Personnel Action Request (PAR) Forms. All PAR's are and have been prepared at the explicit direction of the Public Defender. Going forward, all PAR's will be signed and approved by both the Public Defender and Administrative Director.

Finding No. 4: Annual physical inventory of property: PD3's inventory form and procedures have been modified to insure full compliance with Rule 69I-72.006, F.A.C.

Finding No. 5: Property records: PD3's inventory form and procedures have been modified to insure full compliance with Rule 69I-72.003, F.A.C. In addition, vehicles were previously accounted for in a separate property record. Going forward, vehicles will be included with general property records.

Finding No. 6: Verification of New Employees' Education and Employment

History: For attorney positions, new hires must either be members of the Florida Bar or have what is commonly referred to as a "clearance letter" from the Florida Bar which signifies they have met all requirements for admission to the Bar upon attaining a successful result on all parts of the Bar Exam. Prior to admission to the Bar or issuance of the clearance letter, a rigorous background check is conducted by The Florida Bar which includes verification of education. A copy of the letter and the issued license are maintained in the employee file. Verification is also made through the website maintained by the Florida Bar. In the future a copy of the verification will be kept in the employee file. For non-attorney positions, educational verification for positions having

**EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES**

minimum educational requirements has been conducted but not documented. In the future, documentation will be obtained and placed in the respective employee file.

Finding No. 9. Travel authorization and voucher forms: All travel and expense to every conference or seminar are and have been explicitly authorized by the Public Defender. Prior to the commencement of the audit, procedures were adopted so that travel authorization forms were submitted prior to the approved travel and copies were attached to the subsequent travel voucher submitted for reimbursement. Going forward, conference benefits and arrival/departure times will be closely scrutinized to ensure employees are not granted meal allowances when meals are provided by the conference.

Finding No. 10: Vehicle operations and maintenance records: The vehicle travel logs and maintenance records for the four vehicles are current in the FLEET system and will be updated monthly. Going forward, maintenance costs and related information will be recorded on the individual vehicle logs.

If I may be of further assistance, please do not hesitate to contact me.

Very truly yours;



M. Blair Payne

**EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES**

MONROE COUNTY

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MARATHON

PUBLIC DEFENDER'S OFFICE
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MARATHON, FL 33050
PHONE: (305) 289-6015

PLANTATION KEY

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TAVERNIER, FL 33070
PHONE: (305) 853-7410



PUBLIC DEFENDER
SIXTEENTH JUDICIAL CIRCUIT OF FLORIDA
IN AND FOR MONROE COUNTY

**ROSEMARY E. ENRIGHT
PUBLIC DEFENDER**

November 21, 2014

Mr. Michael Nichols
Office of the Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison St.
Tallahassee, Florida 32399-1450

RE: Preliminary and Tentative Audit Finds, Operational Audit of State Courts System, JQC, JAC, State Attorneys, Public Defenders, CCRC, CCCRC and GAL

Dear Mr. Nichols:

In compliance with Section 11.45(4)(d), Florida Statutes, the Public Defender of the Sixteenth Judicial Circuit is providing a response to the above referenced audit by this letter. This office is specifically required to provide a response and proposed corrective action. The following comments address each finding.

Finding No. 4: Annual Physical Inventory of Property

The elected Public Defender is the custodian of all inventory. The Systems Analyst for PD 16 is the custodian's delegate of capital assets. In the future, the custodian's name will be shown on the inventory list.

Finding No. 5: Tangible Personal Property

There have been no capital purchases since 2004 because of the implementation of Article V in 2004. The records to support those purchases prior to 2004 were destroyed in Hurricane Wilma. That destruction was documented and filed with the Secretary of State in 2005. Should there be any further purchases of capital assets, the method of acquisition will be shown on the inventory list as well as the voucher number.

**EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES**

Finding No. 7 Contract Provisions

The Public Defender personally reviews each juvenile case file and approves or rejects payments exceeding the flat amount based on additional work performed. In the future, if additional trial work is required this will be notated on the invoice by the Public Defender prior to payment.

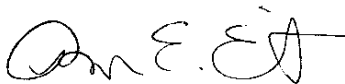
Finding No. 9: Travel Authorization and Voucher Forms

All travel vouchers are pre-audited by JAC staff before being sent to DFS for payment. No errors were identified, the vouchers were not corrected by JAC and they were paid as requested by DFS. Therefore, the staff in this office was not aware of the error until going through the process of this audit.

At the time travel vouchers were sent in for payment, the Administrative Director and a legal assistant were preparing all batch sheets and submitting them to JAC for payment because the person assigned that duty had been unexpectedly flown to Miami for emergency surgery and remained in Miami. The staff that was covering and who did not regularly perform these duties continued processing travel the same way it was always done, using the same guide. The travel reimbursement procedure has since been reviewed and corrected.

Should you require further information please contact me.

Sincerely,



**Rosemary E. Enright
Public Defender, 16th Judicial Circuit**

**EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES**



STATE OF FLORIDA
OFFICE OF CRIMINAL CONFLICT &
CIVIL REGIONAL COUNSEL, FIRST REGION
227 N. Bronough Street
Tallahassee, FL 32301

Jeffrey E. Lewis
Regional Conflict Counsel
1st DCA Region

TEL: (850) 922-0179
FAX: (850) 922-9970

December 4, 2014

The Honorable David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Preliminary and Tentative Findings Judicial Operation Audit

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, please find this written response to the Auditor General's preliminary and tentative findings from the operational audit of the Office of Criminal Conflict and Civil Regional Counsel, First DCA Region of Florida (RC1).

With regard to Finding No. 1, RC1 will work with the Justice Administrative Commission and other judicial agencies to implement improvements to BOMS in accordance with this recommendation.

With regard to Finding No. 4, RC1 has added a "present condition property" column to RC1's annual inventory list.

With regard to Finding No. 6, RC1 has added documentation to personnel files for non-attorney positions related to education and . RC1 relies on information from The Florida Bar to verify the eligibility of individuals to practice law in Florida.

With regard to Finding No. 7, RC1 has only a very limited number of attorney service contracts (less than five). RC1 will add or clarify provisions in accordance with your recommendation to clarify the term of the contract, ownership of files, consequences for non-compliance and termination of the contract and return of the files to RC1.

Please do not hesitate to contact myself or Carla Georgieff, Administrative Services Director at 850-922-0179 option 2.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey E. Lewis".

Jeffrey Lewis
Region Conflict Counsel, 1st Region

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

Administrative Office
2000 Main Street, Suite 500
Fort Myers, Florida 33901
Telephone 239.533.1500
Facsimile: 239.533.1501



Reply to: Fort Myers

ITA M. NEYMOTIN
OFFICE OF CRIMINAL CONFLICT AND CIVIL REGIONAL COUNSEL
SECOND DISTRICT COURT OF APPEAL

December 4, 2014

Auditor General
Local Government Audits/Section 343
111 West Madison Street
Tallahassee, FL 32399-1450

RE: RC2 Response to the Operational Audit Preliminary and Tentative Findings

Dear Auditor General:

Below please find the responses to your preliminary and tentative findings from the audit of the Office of Criminal Conflict and Civil Regional Counsel (RC2).

Finding No. 1: Business Office Management Systems (BOMS)

Recommendation: "The JAC and the judicial agencies it administratively supports should consider, at the appropriate time, re-engineering its business processes to take full advantage of the new accounting system and eliminate the duplication of effort and recurring expenses associated with using BOMS. In the interim, the JAC and the applicable judicial agencies it administratively supports should obtain from the contractor a BOMS agreement that specifies system access rights, establishes possible sanctions for nonperformance, assigns each party's responsibility in the event of a system disruption, and indicates software retention requirements. Also, the JAC and the judicial agencies it administratively supports should develop a business continuity and disaster recovery plan."

Response: RC2 concurs with the recommendation. RC2 will review its business processes to determine the benefits of the new accounting (NOTE: The system referred to within the finding is actually a replacement to FLAIR, the state accounting system that is over 30 years old, that DFS will be acquiring/developing. It may take a few years, at least, to get this system in place.) In the interim, RC2 will be working with the Justice Administrative Commission and CIP to obtain a detailed agreement that specifies system access rights, establishes possible sanctions for nonperformance, assigns each party's

Judicial Circuits of Florida
6th, 10th, 12th, 13th & 20th

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Dade City, FL 33525
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7334 Little Rd., Ste. 101
New Port Richey, FL 34654
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10TH CIRCUIT OFFICES
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622 West Polk Street
Bartow, FL 33830
863-534-3689

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Sebring, FL 33870
863-382-8936

12TH CIRCUIT OFFICES
Bradenton, DeSoto, Sarasota

25 East Oak Street
Arcadia, FL 34266
863-494-7139

1201 Sixth Ave. West, Ste. 515
Bradenton, FL 34205
941-748-7273

1991 Main Street, Ste. 216
Sarasota, FL 34236
941-316-8348

13TH CIRCUIT OFFICE
Hillsborough

220 East Madison St. Ste. 630
Tampa, FL 33602
813-221-5134

20TH CIRCUIT OFFICES
Charlotte, Collier, Glades,
Hendry, and Lee

2000 Main Street, Ste. 500
Fort Myers, FL 33901
239-533-1500

Hendry/Glades
P.O. Box 1276 (Mail)
60 Calhoun Street
LaBelle, FL 33975
863-674-0444

2652 Airport Rd. S., 1st Floor
Naples, FL 34112
239-417-6209

407 East Marion Ave., Ste. 102
Punta Gorda, FL 33950
941-639-4545

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

responsibility in the event of a system disruption, and indicates software retention requirements. Additionally, RC2 will work with the Justice Administrative Commission to create a business continuity and disaster plan.

Finding No. 4: Annual Physical Inventory of Property

Recommendation: The judicial agencies should ensure that a physical inventory of all property is conducted at least once each fiscal year, and retain inventory forms containing the information required by rule.

Response: RC2 concurs with the recommendation. As noted in the finding, although RC2 completed a physical inventory for FYs 2012-13 and 2013-14, RC2 did maintain documentation of those inventories on excel spreadsheets however, did not input those into BOMS. RC2 has now implemented a new procedure to follow the requirements of Rule 69I-72.006, F.A.C.

Finding No. 5: Property Records

Recommendation: The judicial agencies should ensure that property records are complete and contain all the information required by Rules 69I-72.003 and 69I-72.005, F.A.C.

Response: RC2 concurs with the recommendation and will update its property records to ensure compliance with Rules 69I-72.003 and 69I-72.005, F.A.C. Maintaining detailed property records is paramount to the integrity of comprehensive property records.

Finding No. 7: Contract Provisions

Recommendation: The judicial agencies should ensure that payments for contractual services are made pursuant to written contracts that include provisions that clearly specify the scope of work and include quantifiable, measurable, and verifiable deliverables.

Response: RC2 uses written contracts to procure services from contracted attorneys. Practically speaking a right to redress is not necessary as both parties can terminate the agreement on 30 day notice. Interpreters and Court Reporters are governed by contracts that are created by Court Administration in the circuit that the services are provided. We are obligated to use those contracts which also have a written termination clause applicable to both parties. Court Reporters and Investigators are hired on an as needed basis with the expenses approved prior to the services being rendered.

Finding No. 9: Travel Authorization and Voucher Forms

Recommendation: The judicial agencies, and JAC staff in their audit of judicial agencies' travel vouchers, should ensure that travel vouchers and travel authorization forms are properly completed when required, and that travel payments are properly supported and in accordance with Section 112.061, Florida Statutes.

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

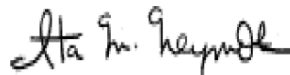
Response: RC2 concurs with the recommendation.

The Affidavits were prepared and submitted by the past Administrative Director on behalf of an employee, both of whom are no longer employed with Regional Council. These mistakes should not have occurred, however, the ratio of errors to examined travel vouchers is a 98.6% accuracy rate.

Completed travel vouchers and the supporting documentation (such as: critical mission statement, travel authorization form, agenda, hotel folio, FDOT map) are reviewed by two Finance/Accounting Department employees prior to batch submission to ensure all travel is properly supported. All Affidavits of Lost Receipts will be reviewed by the Finance Director.

I take my responsibility as a steward of tax payer dollars very seriously. I would like to thank the Auditor General's Office for the opportunity to improve our processes and the services we provide to the community.

Sincerely,



Ita M. Neymotin
Regional Conflict Counsel

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES



LAW OFFICES OF THE
Criminal Conflict and Civil Regional Counsel
THIRD REGION OF FLORIDA

Serving Miami-Dade and Monroe Counties
401 N.W. 2nd Ave, Suite S-310,
Third Floor, Rohde Building
Miami, Florida 33128

EUGENE F. ZENOBI
REGIONAL COUNSEL

TEL: (305) 679-6550
FAX: (305) 679-6560

December 8, 2014

The Honorable David W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Please accept this correspondence as this agency's written response to the Auditor General's preliminary and tentative findings, and corresponding recommendations, resulting from your agency's recent operational audit of the Justice Administration Commission ("JAC"); the Offices of the State Attorney for the Third, Fifth, and Sixth, Judicial Circuits; the Offices of the Public Defender for the Third and Sixteenth Judicial Circuits; and for each of the five Offices of Criminal Conflict and Civil Regional Counsel, including this agency, herein after referred to as "RC3." The report of your agency's findings and recommendations were communicated to this agency *via* a correspondence from you dated November 5, 2014. Please find our responses to Finding Nos. 1, 2, 4, 5, 6, 7 and 9 as follows:

Finding No. 1: Business Office Management Systems (BOMS)

RC3 accepts the spirit of the recommendations made regarding BOMS, yet would defer to JAC as to the effectiveness of BOMS and as to the extent that its use may be duplicative with FLAIR. Additionally, RC3 understands that JAC has established a workgroup which is reviewing the BOMS licensing agreements and maintenance contracts to bring them into conformity with best business practices, including but not limited to provisions addressing a clearer description of deliverables, business continuity, and disaster recovery. With input from the JAC workgroup, RC3 will implement the recommendations regarding the content of the written BOMS agreement.

Finding No. 2: Separation of duties

RC3 appreciates the spirit of the recommendation regarding the lack of compensating controls and the need for more adequate separation of duties in the control over property and the control over Personnel Action Request Forms, however no errors or fraud were found to be associated

**EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES**

during the time period tested (FY 11-12) and since then RC3 has made the necessary changes to satisfy the separation of duties.

Finding No. 4: Annual Physical Inventory of Property

RC3 concurs with the recommendation and will update its inventory forms to contain the information required by rule.

Finding No. 5: Property Records

RC3 concurs with the recommendation and will update its property records to ensure compliance with Rules 69I-72.003 and 69I-72.005, F.A.C., however please take note that some of the information deemed lacking with this finding was not available to RC3's present administration and could not be readily obtained.

Finding No. 6: Verification of New Employees' Education and Employment History

RC3 concurs with the recommendation and will update its procedures to ensure that education and employment verifications are documented, where appropriate.

Finding No. 7: Contractual Services

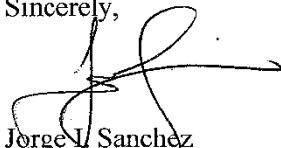
RC3 appreciates the recommendation concerning termination dates of contracts. It should be noted these were attorney services in ongoing court divisions where clients are appointed to this agency on a daily basis. There is no reason to believe that these appointments will ever cease as such the contract has no termination barring that the attorney provides effective assistance of counsel pursuant to the language in the contract and the standards set forth by The Florida Bar.

Finding No. 9: Travel Authorization and Voucher Forms

RC3 has taken the proper measures in to ensure proper documentation and authorization of all travel expenses incurred as required by the rule.

Thank you for the time and effort put forth by your staff to conduct this audit and the opportunity to respond to the findings and recommendations.

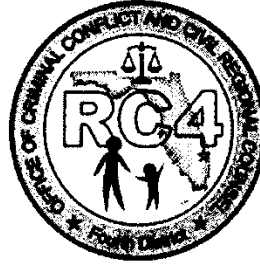
Sincerely,



Jorge I. Sanchez
Chief Administrative Director
Criminal Conflict & Civil Regional Counsel,
Third Region of Florida
JIS/me

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

STATE OF FLORIDA
OFFICE OF CRIMINAL CONFLICT
AND CIVIL REGIONAL COUNSEL
FOURTH DISTRICT



ANTONY P. RYAN,
REGIONAL COUNSEL

Palm Beach County Broward County Indian River County Martin County Okeechobee County St. Lucie County

December 5, 2014

David W. Martin, CPA
Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Response to Preliminary and Tentative Findings of Operational Audit
 (July, 2012 – December, 2013 period)

Dear Mr. Martin:

Please accept this correspondence, in satisfaction of Florida Statute §11.45(4), as this agency's written response to the Auditor General's preliminary and tentative findings, and corresponding recommendations, resulting from your agency's recent operational audit of the Justice Administration Commission ("JAC"); the Offices of the State Attorney for the Third, Fifth, and Sixth, Judicial Circuits; the Offices of the Public Defender for the Third and Sixteenth Judicial Circuits; and for each of the five Offices of Criminal Conflict and Civil Regional Counsel, including this agency, herein after referred to as "RC4." The report of your agency's findings and recommendations were communicated to this agency *via* a correspondence from you dated November 5, 2014. For the sake of simplicity, I will respond, in order, to finding 1, findings 4 through 7, and finding 9, without restating the findings and recommendations herein.

Finding No. 1, relative to "BOMS:" RC4 accepts the spirit of the recommendations made regarding BOMS, yet would defer to JAC as to the effectiveness of BOMS and as to the extent that its use may be duplicative with FLAIR. Additionally, RC4 understands that JAC has established a workgroup which is reviewing the BOMS licensing agreements and maintenance contracts to bring them into conformity with best business practices, including but not limited to provisions addressing a clearer description of deliverables, business continuity, and disaster recovery. With input from the JAC workgroup, RC4 will endeavor to implement the recommendations regarding the content of the written BOMS agreement.

401 S. Dixie Highway, 2nd Floor, West Palm Beach, FL 33401
Phone (561) 837-5156 – Fax (561) 837-5423
~ WWW.RC-4.COM ~

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

Re: Response to Preliminary and Tentative Findings of Operational Audit
(July, 2012 -- December, 2013 period)

Finding No. 4, relative to the Annual Physical Inventory of Property: RC4 concurs with the recommendation and has updated its inventory forms to contain the information required by rule.

Finding No. 5, relative to Property Records: RC4 concurs with the recommendation and will update its property records to ensure compliance with Rules 69I-72.003 and 69I-72.005, F.A.C. (Note: By way of brief explanation, some of the information deemed lacking with this finding was not available to RC4's present administration and could not be readily obtained.)

Finding No. 6, relative to Education and Employment History of New Employees: RC4 concurs with the recommendation and will update its procedures to ensure that education and employment verifications are documented, where appropriate. (Note: In the one instance cited here, the verification of the employment history was in fact performed, as the employee's credentials and qualifications were well known to the hiring personnel.)

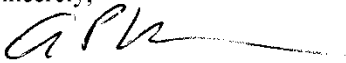
Finding No. 7, relative to Contract Provisions: RC4 concurs with the recommendation and has updated its standard contract forms accordingly. (Note: The two contracts cited as lacking termination and/or renewal provisions pre-dated the contract forms now in use by the current administration. In addition, the compensation paid to the one attorney referenced was commensurate with the services the attorney rendered and with the compensation paid to other attorneys rendering similar services for this agency.)

Finding No. 9, relative to Travel Authorization and Voucher Forms: RC4 concurs with the recommendation. (Note: As to the five instances referenced, the travel undertaken was decided upon by the Regional Counsel/Director personally, and therefore no subordinate supervisory signatures were required and were not, therefore, lacking or incomplete.)

Gina Gillette, RC4's Administrative Director, and I thank you for the time and consideration that Shane Herman, Michael Nichols, and Michael Gomez extended to us in conducting the audit and in explaining your agency's findings. We appreciate the painstaking care that you and your staff put into this endeavor.

Should you have any questions regarding this response, or should you require any further information, please do not hesitate to contact me or Ms. Gillette. We here at RC4 strive for the highest quality in our administrative processes and are ever mindful of employing and demonstrating the core principles and best practices of good governance.

Sincerely,



ANTONY P. RYAN
Regional Counsel / Director

APR/jmk

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES



STATE OF FLORIDA

CRIMINAL CONFLICT AND CIVIL REGIONAL COUNSEL

FIFTH DISTRICT OF FLORIDA
101 SUNNYTOWN ROAD, SUITE 310
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JEFFREY D. DEEN
REGIONAL COUNSEL

Ph. (407) 389-5140
Fax (407) 389-5139

December 5, 2014

The Honorable David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Response to the Preliminary and Tentative Findings from the Operational Audit of the Office of Criminal Conflict & Civil Regional Counsel, 5th District

Dear Mr. Martin:

Pursuant to s. 11.45(4) (d), F.S., please find this written response to the Auditor General's preliminary and tentative findings from the operational audit of the Office of Criminal Conflict & Civil Regional Counsel, 5th District (RC5).

In response to finding number 2, (Control over property), RC5 concurs with the recommendation. Though not required, this office also performs an audit every quarter to insure the property is properly accounted for.

(Control over Personnel Action Request forms), RC5 concurs with the recommendation and will take the necessary steps to insure that all PAR forms are approved by the Regional Counsel.

In response to finding number 4, RC5 concurs with the recommendation. Inventory forms are, in fact, retained in this office, just not in the suggested form requested by the auditor and even though not required are updated **every quarter**, which far exceeds the requirements for the taking of inventory. The forms used **currently were provided to the auditors at the time of the audit and all property was appropriately accounted for when checked**. The small change requested will be made to the form and the original form will be retained and signed by the individual who performed the inventory.

In response to finding number 5, RC5 concurs with this finding. This office does include the method of acquisition but retains the appropriate paperwork for that knowledge to be easily ascertained. This

EXHIBIT B (CONTINUED)
MANAGEMENTS' RESPONSES

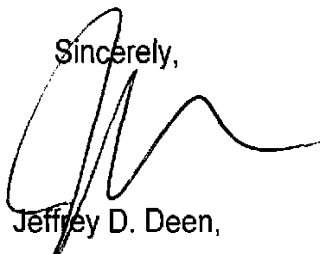
the BOMS program does not provide a field adequate for this information. This agency will work with JAC and the BOMS program to obtain this information.

In response to finding number 7, RC5 concurs with the recommendation. However, it was explained that the two contracts mentioned are appellate attorney contracts. There is a provision for fees in the contracts. The contract states "rate to be determined" which **does** account for the contract rate in a way that allows this office to not lock in a disadvantageous rate for the agency and helps RC5 to negotiate the cost of writing an appeal. These contracts are filed with FACTS. The only alternative would be to create a new contract for every assignment performed by contract appellate attorneys.

In response to finding number 9, RC5 concurs with the recommendation and will work with JAC and DFS to insure all travel vouchers are completed in accordance with section 112.061.

If you have any questions or require further information, please do not hesitate to call.

Sincerely,



Jeffrey D. Deen,
Regional Counsel