

STATE COURTS SYSTEM,
JUDICIAL QUALIFICATIONS COMMISSION,
JUSTICE ADMINISTRATIVE COMMISSION,
STATE ATTORNEYS, PUBLIC DEFENDERS,
OFFICES OF CAPITAL COLLATERAL REGIONAL COUNSEL,
OFFICES OF CRIMINAL CONFLICT AND
CIVIL REGIONAL COUNSEL, AND GUARDIAN AD LITEM

Operational Audit



STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

STATE COURTS SYSTEM

Pursuant to Article V of the Florida Constitution, the judicial power is vested in a Supreme Court, District Courts of Appeal, Circuit Courts, and County Courts. The Chief Justice of the Supreme Court is the chief administrative officer of the judicial system.

JUDICIAL QUALIFICATIONS COMMISSION

Pursuant to Section 12, Article V of the Florida Constitution, there is a Judicial Qualifications Commission vested with jurisdiction to investigate and recommend to the Supreme Court the removal from office of any justice or judge whose conduct demonstrates a present unfitness to hold office, and to investigate and recommend the discipline of a justice or judge whose conduct warrants such discipline. The Commission appoints an executive director.

JUSTICE ADMINISTRATIVE COMMISSION

Pursuant to Section 43.16, Florida Statutes, there is created a Justice Administrative Commission (JAC), with headquarters located in the State capital. The JAC employs an executive director.

STATE ATTORNEYS

Pursuant to Section 27.01, Florida Statutes, there is a State Attorney for each of the judicial circuits, who is elected at the general election by the qualified electors of their respective judicial circuits, and who serves for a term of 4 years.

PUBLIC DEFENDERS

Pursuant to Section 27.50, Florida Statutes, for each judicial circuit, a Public Defender is elected at the general election, for a term of 4 years, by qualified electors of the judicial circuit.

OFFICES OF CAPITAL COLLATERAL REGIONAL COUNSEL

Section 27.701, Florida Statutes, creates three regional Offices of Capital Collateral Counsel, which are located in a northern, middle, and southern region of the State. Each Capital Collateral Regional Counsel is appointed by the Governor to a term of 3 years.

OFFICES OF CRIMINAL CONFLICT AND CIVIL REGIONAL COUNSEL

Section 27.511, Florida Statutes, creates 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.

GUARDIAN AD LITEM

Section 39.8296, Florida Statutes, creates a Statewide Guardian Ad Litem Office within the Justice Administrative Commission. The Governor appoints an executive director who serves a 3-year term.

Exhibit A includes a listing of the officials in office during the period July 1, 2008, through December 31, 2011

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STATE COURTS SYSTEM, JUDICIAL QUALIFICATIONS COMMISSION,
JUSTICE ADMINISTRATIVE COMMISSION, STATE ATTORNEYS, PUBLIC DEFENDERS,
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SUMMARY

Our operational audit of the State Courts System (SCS), Judicial Qualifications Commission (JQC), Justice Administrative Commission (JAC), 20 State Attorneys (SA), 20 Public Defenders (PD), 2 Offices of Capital Collateral Regional Counsel (CCRC), 5 Offices of Criminal Conflict and Civil Regional Counsel (RC), and the Guardian Ad Litem (GAL) (hereinafter collectively referred to as judicial-related agencies) disclosed the following:

FRAUD POLICIES AND ORGANIZATIONAL ISSUES

Finding No. 1: Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

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

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

EXPENDITURES

Finding No. 4: JAC and the agencies it administratively supports used the Business Office Management System (BOMS) for its accounting records for the past fifteen years without a contingency plan in the event that the contractor ceases operations or the system becomes inoperable. Additionally, because BOMS does not interface with the State's accounting system, there is a duplication of effort in that the information must be recorded twice. Also, although it costs \$522,000 annually to maintain BOMS, no study had been performed to determine the cost effectiveness of continuing with BOMS or pursuing other alternatives.

Finding No. 5: SAs and PDs could enhance their pay plans to specifically provide for temporary pay increases.

Finding No. 6: SCS did not always timely reconcile purchasing card (p-card) transaction reports to supporting documentation. Additionally, some bills for p-card charges were paid prior to approval by the Trial Court Administrators, contrary to law. Also, JAC did not perform reviews of its p-card administrator function, contrary to its p-card plan. P-card charges for RC5 and SA3 were not always documented by travel vouchers, when appropriate. Also, RC5 did not provide for adequate separation of duties among p-card approvers.

RC2 OPERATIONS

Finding No. 7: Incompatible duties were performed by staff in the Bartow and Tallahassee offices, resulting in an increased risk that errors or fraud could occur without timely detection.

Finding No. 8: The former RC, contrary to law, acquired services from a court reporting business owned by his spouse and the spouse of RC2's Appellate Division Director.

Finding No. 9: The former RC hired his nephew, contrary to law.

Finding No. 10: Tangible personal property records were not maintained, contrary to rules of the Department of Financial Services.

Finding No. 11: Incompatible duties were performed by p-card cardholders. Additionally, the former Administrative Director's p-card purchases of 13 televisions, 8 laptop computers, and 4 video cameras, totaling \$7,994, could not be verified as being delivered and could not be located.

Finding No. 12: RC2 records did not evidence that court reporting services were obtained in the most economical and cost-efficient manner.

BACKGROUND

The State Courts System is comprised of the Supreme Court, the 5 District Courts of Appeal, the 20 Circuit Courts, and the 67 County Courts.

The Judicial Qualifications Commission is a separate entity from the State Courts System although the Supreme Court provides administrative services and assistance to the Commission.

The Justice Administrative Commission is responsible, in part, for the maintenance of a central State office for administrative services and assistance, when possible, to and on behalf of the 20 State Attorneys, 20 Public Defenders, the 2 Offices of the Capital Collateral Regional Counsel, the 5 Offices of the Criminal Conflict and Civil Regional Counsel, the Guardian Ad Litem, and the Clerks of Court Operations Corporation.

The scope of this audit included all of the above entities except the Clerks of Court Operations Corporation, which is audited separately pursuant to Section 11.45(2)(f), Florida Statutes. See our report No. 2011-031 for the results of our most recent audit of the Clerks of Court Operations Corporation.

FINDINGS AND RECOMMENDATIONS

Fraud Policies and Organizational Issues

Finding No. 1: Fraud Policies

Policies for communicating and reporting known or suspected fraud are essential to aid in the detection and prevention of fraud. Such policies should clearly identify actions constituting fraud, incident reporting procedures, responsibility for fraud investigation, and consequences for fraudulent behavior. Fraud policies are necessary to educate employees about proper conduct, create an environment that deters dishonesty, and maintain internal controls that provide reasonable assurance of achieving management objectives and detecting dishonest acts. In addition, such policies serve to establish the responsibilities for investigating potential fraud, taking appropriate action, reporting evidence of such action to the appropriate authorities, and avoiding damaging reputations of persons suspected of fraud but subsequently found innocent. Further, in the absence of such policies, the risk increases that a known or suspected fraud may be identified but not reported to the appropriate authority.

Our review of fraud policies as of September 15, 2011, disclosed:

- SCS and JQC had not adopted an official fraud policy. While SCS provided information on its Inspector General's Web site that referenced fraud, the information lacked the essential elements of a fraud policy, as described above.
- Although JAC did not have a formal, written fraud policy, JAC established such a policy dated September 16, 2011, subsequent to our initial inquiry.
- The 20 SAs and 20 PDs did not generally have a formal, written fraud policy. While SA15 and PD19 had policies and procedures that referenced fraud, these policies could be enhanced to include the essential elements of a fraud policy, as described above. Our follow-up review as of February 16, 2012, disclosed that 6 SAs (SA4, SA6, SA9-10, SA16 and SA19) and 14 PDs (PD2, PD4-5, PD7-9, PD11-16, PD18 and PD20) established a formal, written fraud policy subsequent to our initial inquiry.
- The two CCRCs, the five RCs, and the GAL had not established a fraud policy. Our follow-up review as of February 16, 2012, disclosed that the two CCRCs, RC1, RC4, and the GAL established a formal, written fraud policy subsequent to our initial inquiry.

Recommendation: Those judicial-related agencies that have not done so should develop and implement fraud policies to aid in the detection and prevention of fraud.

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 selected offices (RC1, 2, 3, 4, 5; SA11, 15, 17; and PD11, 15, 17) disclosed that the Office Administrators for RC3 and RC5 were responsible for the agency's accounting function, including batching invoices for payment; directly receiving State warrants for mailing; receiving miscellaneous checks for deposit in the State treasury; reconciling receipts and expenditures in Business Office Management System (BOMS), the automated system used by JAC and the agencies it administratively supports (see further discussion in finding No. 4), with the State's accounting system; and preparing budget status reports for management. As discussed in finding No. 7, a similar issue was identified for RC2.

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 periodic independent comparisons of expenditures recorded in BOMS to supporting documentation, periodic independent reconciliations of BOMS transactions to the State's accounting system, and independent receipt and mailing of State warrants.

Recommendation: RC3 and RC5 management 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.

The executive branch of State government, as well as SCS, are required to establish an internal audit function pursuant to Section 20.055, Florida Statutes. However, the JAC and the agencies it administratively supports are not included in this law, although such a function would be beneficial considering the management control issues discussed in this report.

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.

Expenditures

Finding No. 4: Business Office Management System

BOMS is an automated system, used by the JAC, 17 SAs, 18 PDs, the 2 CCRCs, the 5 CCCRCs, and the GAL. This system is used to record administrative and accounting information, and perform the following functions:

- Maintaining a Limited General Ledger
- Preparing and Tracking Purchase Orders and Encumbrances
- Preparing and Tracking Expenditure Batch Sheets
- Tracking Revenues/Receipts
- Preparing and Documenting Personnel Action Requests
- Preparing Payroll and Related Reports
- Maintaining Employee Attendance and Leave
- Maintaining Budgetary Balances
- Maintaining Property Records and or Inventories
- Providing Standard Report Templates and Custom Report Capabilities

BOMS was developed by an outside contractor more than 15 years ago and has been maintained and enhanced by the same contractor since its creation. Since its creation, BOMS was intended to allow the agencies to transmit data and documents electronically to JAC, and ultimately automate the transmission of data to the State's accounting system, Florida Accounting Information Resource Subsystem (FLAIR). BOMS currently performs these functions except for the automated transmission of data to FLAIR. Upon inquiry as to the status of the automated transmission of data to FLAIR, JAC management responded that the contractor is working with the BOMS Steering Committee (comprised of key BOMS users around the State, including JAC staff) on discussing automation enhancements to BOMS. However, no specific timeframes for implementation were provided. The dual input of accounting transactions into two separate, unrelated systems (BOMS and FLAIR) by agency personnel and JAC personnel, in many instances, results in duplication of effort.

Ownership of BOMS software and access to system source codes reside with the contractor. Consequently, for the privilege of using BOMS, the contractor entered into annual maintenance agreements with applicable agencies, and provided them with a user license. Partial licenses were issued in some instances where only a portion of BOMS (e.g. the accounting function, but not the human resources function) were utilized by an agency. Table 1 presents a summary of current annual fees, by agency type, based on the fee schedule as of July 1, 2011. The annual fees for the SAs and PDs were generally paid with county funds, while the fees for the remaining agencies were paid with State funds.

Table 1

BOMS Annual Fees	
Public Defenders	\$210,000
State Attorneys	204,000
Offices of Criminal Conflict and Civil Regional Counsel	60,000
Offices of Capital Collateral Regional Counsel	24,000
Justice Administrative Commission	12,000
Guardian Ad Litem	12,000
Total	\$522,000

Source: Compilation based on BOMS users and fees provided by JAC

Considering the sizeable, ongoing expense incurred in the maintenance and enhancement of this system, it is important that the needs of the users be adequately provided for and safeguarded. No cost-benefit study had been performed to determine the cost effectiveness of continuing with BOMS or pursuing other alternatives such as purchasing the system or developing an in-house system. In addition, adequate safeguards were not in place in the event that the contractor ceased operations for any reason, or the system was to become inoperable, for either a short or long term period of time. No contingency plans had been established by JAC or the agencies it administratively supports.

Recommendation: JAC and the agencies it administratively supports should evaluate the cost-benefit of continuing to expend moneys for BOMS versus purchasing the system or developing an in-house system. Additionally, to improve efficiency, JAC should expedite its efforts to automate the transmission of BOMS data to FLAIR and reevaluate staffing needs when the automation is accomplished. Also, formal contingency plans should be developed to protect JAC and the agencies it administratively supports in the event the contractor ceases operation or the system becomes inoperable.

Finding No. 5: Temporary Pay Increases

Sections 27.25(1) and 27.53(1), Florida Statutes, provide that the SAs and PDs, respectively, shall each annually develop a coordinated classification and pay plan. Such pay plans are to be developed in accordance with policies and procedures of the Executive Office of the Governor (EOG) established pursuant to Section 216.181, Florida Statutes.

Our review of salary increases processed by JAC during the period July 2009 to November 2010 for the various agencies it administers disclosed 99 instances in which an employee's salary was increased and decreased within a short period of time (i.e., the employee was granted a temporary pay increase). We expanded our review to include the period July 2008 through June 2011 and noted that during this three-year period, four SAs (SA3, SA5, SA11, and SA13) and seven PDs (PD1, PD3, PD11, PD13, PD14, PD15, and PD19) granted temporary pay increases totaling \$419,575 to a total of 388 employees. The temporary pay increases were granted for periods of duration ranging from 1 to 7 months. The majority of these temporary pay increases were granted by the SA5 (73 increases totaling \$113,188), PD11 (105 increases totaling \$146,250), and PD19 (124 increases totaling \$34,312).

Examples of agency management's explanations for the temporary pay increases included offsets for additional duties assumed by the employees, merit pay adjustments, and employee retention adjustments. Although the pay plans for the SAs and PDs for the period July 2008 through June 2011 provided for special pay increases, we noted inconsistencies as to the specificity of the JAC, SA, and PD pay plans, as follows:

- While the JAC's pay plan specifically provided for "permanent or temporary" pay increases, the SA and PD pay plans did not specifically provide for temporary pay increases.
- While the PD pay plan provided specific situations in which special pay increases would be warranted, the SA pay plan did not, providing that special pay increases may be approved if "unusual situations exist."

While we recognize that temporary pay increases may be useful to SAs or PDs in managing their operations, consistent and specific pay plan provisions for all judicial agencies would provide clarity of authority and intent to use temporary pay increases and the circumstances under which such increases are to be granted. Lack of specificity in pay plans increases the risk that those charged with reviewing the pay plans pursuant to EOG policies and procedures established under Section 216.181, Florida Statutes, may not have a full understanding of the SAs or PDs intent and reasoning for granting temporary pay increases. The Legislature's desire for more specificity regarding temporary pay increases is evidenced by recent changes to Section 110.2035(7), Florida Statutes, regarding pay additives for temporary special duties, which include a requirement for State agencies to prepare written plans for implementing such pay additives.

Recommendation: **The SAs and PDs should ensure that pay plans specifically provide for temporary pay increases and the circumstances under which they may be granted.**

Finding No. 6: Purchasing Cards

The State's Chief Financial Officer administers the State purchasing card (p-card) program, which gives employees the convenience of purchasing goods and services without using the standard purchase order process. The purpose of the p-card program is to provide a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high-volume repetitive purchases. Agencies that wish to participate in the p-card program must, among other things, designate a p-card administrator and submit a p-card plan. SCS and JAC, including the agencies it administratively supports (SAs, PDs, CCRCs, RCs, and GAL), participate in the p-card program. As of December 2010, 128 p-cards were issued to SCS employees and 265 p-cards were issued to JAC employees or employees of agencies it administratively supports.

State Courts System. Our review of SCS's p-card plan and 30 employees' monthly p-card transaction reports disclosed:

- SCS's p-card plan requires that p-card transaction reports be reconciled to the accompanying receipts or other supporting documentation by the 20th day of the following month. Although we noted that all 30 monthly p-card transaction reports were reconciled to the accompanying receipts or other supporting documentation, 18 (60 percent) were reconciled from 12 to 184 days after the prescribed deadline. Additionally, for 5 (17 percent), the reconciliation date was not indicated. Timely reconciliations are an important control to identify unauthorized purchases.
- Section 939.08, Florida Statutes, and the p-card plan provide that no SCS bill be paid until the Trial Court Administrator or his or her designee has reviewed and approved the bill and certified that it is just, correct, and reasonable and contains no unnecessary or illegal item. Contrary to this law and the p-card plan, bills for p-card charges totaling \$24,175 by six employees were paid prior to the Trial Court Administrator approving

the bills. Prior approval of expenses by authorized individuals helps ensure that only appropriate purchases are made.

Justice Administrative Commission. Our review of JAC's p-card plan, 30 employees' monthly p-card transaction reports, and internal controls at selected offices, disclosed:

- During June 2010, RC5's Office Manager charged seven hotel stays for five employees to her p-card, totaling \$1,688. Additionally, during April and May 2010, an employee in SA3 charged two hotel stays for one employee to his p-card, totaling \$300. However, although requested, we were not provided with the associated travel vouchers supporting these charges for the six employees. Travel vouchers, which are required by law to be completed, demonstrate that travel is for official State business and is appropriately approved.
- RC5's Office Administrator retained physical custody of the p-cards issued to two other employees in the office. The Office Administrator also approved RC5 p-card transactions, and was responsible for many aspects of the accounting function (e.g., creating purchase orders, receiving and approving invoices, batching invoices for payment, receiving State warrants, and preparing accounting reports). As such, she was in a position to conceal unauthorized p-card charges made to the other employees' p-cards since p-card activity reports were not routinely disseminated to cardholders. Our review and tests did not disclose any errors or fraud associated with these control deficiencies; however, without proper separation of duties, or other compensating controls to ensure the accountability of p-card charges, there is an increased risk that errors or fraud, should they occur, would not be timely detected.

Our review of JAC's p-card plan and representation letter, dated April 16, 2010, to the State Chief Financial Officer disclosed that JAC management is to periodically review the p-card administrator function. In response to our inquiry, JAC's Executive Director stated that JAC management were unaware of the requirement to perform such a review and were seeking guidance from the Department of Financial Services as to the type of review to be performed. Given the number of decentralized offices Statewide within JAC's p-card program, and the matters discussed above regarding RC5, as well as in finding No. 11, periodic reviews of p-card transactions, approvals, and supporting documentation for transactions is important in maintaining a strong system of internal control.

Recommendation: SCS should ensure that employees' p-card transaction reports are timely reconciled to supporting documentation and that the date of reconciliation is indicated. Additionally, procedures should be established to ensure that Trial Court Administrators approve p-card charges within the expenditure approval timeframes specified in law. Also, JAC and the agencies it administratively supports should ensure that p-card program controls provide for physical security of p-cards by the individual cardholders, appropriate supporting documentation for transactions, separation of incompatible duties among p-card approvers, routine dissemination of p-card activity reports to each cardholder, and periodic management reviews.

RC2 Operations

Section 27.511, Florida Statutes, requires that an Office of Criminal Conflict and Civil Regional Counsel be created within the geographic boundaries of each of the five district courts of appeal. RC2 comprises 14 counties in southwest Florida and maintains offices in 11 of those counties and one office in Tallahassee. Two different individuals served as Criminal Conflict and Civil Regional Counsel (RC) for RC2 during the period August 2007 through December 2011. One served from August 2007 until his death in January 2010. The other served from June 2010 through December 2011, at which time the Governor appointed a new RC. RC2's headquarters were in Bartow, Florida, during the terms of the two former RCs.

On June 24, 2011, the former RC2 Administrative Director in Bartow was charged with grand theft, official misconduct, forgery, scheme to defraud, and six counts of uttering a forged instrument. According to the probable cause affidavit, the Administrative Director took money intended for lawyers for their services, fabricated legal invoices and kept the payments, submitted invoices for work her husband had done when records showed he had been working at his own job on those dates, and inflated mileage reports for office employees and forged their signatures, then had them pay her the overage in cash or a money order. The Administrative Director plead guilty to all charged counts except grand theft on February 16, 2012.

Finding No. 7: Administrative Duties and Responsibilities of the Bartow and Tallahassee Offices

Subsequent to the above-described arrest of the former RC2 Administrative Director, we reviewed the RC2 administrative duties and responsibilities. Our review disclosed that the Bartow office was the administrative processing center for the 11 offices not located in Tallahassee, and all authorizations and approvals for hiring, purchasing of goods and services, and payment of invoices were routed through the Bartow office. Generally, the Bartow office initiated the personnel and accounting transactions in BOMS, while the Tallahassee office and JAC completed the transactions. RC2's one-person Tallahassee office was established, in part, to facilitate the processing of BOMS transactions between the Bartow office and JAC, located in Tallahassee, where the transactions were ultimately recorded in FLAIR and the State personnel system. Capability to update BOMS records was available only in the Bartow and Tallahassee offices.

Our review of the duties and responsibilities of the current Administrative Director in the Bartow office, employed in that position since August 2010, disclosed that she was responsible for obtaining management approval for the purchasing of goods and services, receiving goods and services, and batching invoices in BOMS for payment. Supporting documentation for these transactions was scanned and electronically mailed to the Tallahassee office for review and forwarding to JAC; however, the Bartow office did not periodically compare the transactions processed in Tallahassee with the Bartow office accounting records to verify that transactions recorded in BOMS and FLAIR were accurate, complete, and authorized.

Our review of the duties and responsibilities of the Office Administrator in the Tallahassee office disclosed:

- The Tallahassee Office Administrator handled all aspects of the accounting function without management oversight. For example, the Tallahassee Office Administrator created purchase orders, received approved invoices, batched invoices in BOMS for payment, directly received State warrants for mailing, reconciled accounting records between BOMS and FLAIR, and prepared budget and accounting reports for management in Bartow. Although invoices and BOMS batch sheets were required to be signed by the RC in Bartow, scanned, and e-mailed to the Tallahassee office, unauthorized transactions could have been recorded in BOMS in Tallahassee without the Bartow's office knowledge.
- Although p-card account numbers for RC2 staff were generally not known to the Tallahassee Office Administrator, it was possible for this individual to obtain the account numbers since this individual handled purchasing information. As such, unauthorized p-card purchases could be made and concealed since the individual cardholders did not receive a report of their p-card charges for review. The Tallahassee Office Administrator also approved p-card charges prior to JAC's final approval, received the p-card FLAIR voucher from JAC, recorded the FLAIR voucher in BOMS, and reconciled the expenditures recorded in BOMS to FLAIR.
- The Tallahassee Office Administrator received all miscellaneous checks (e.g. employee reimbursements, vendor refunds, tenant-broker fees), either from the Bartow office or directly in Tallahassee, and deposited the checks in the State treasury, through the JAC, and recorded the deposit in BOMS. There was no verification of checks sent to Tallahassee for deposit with cash receipts recorded in the BOMS or FLAIR by the Bartow office. This individual also reconciled cash receipts recorded in BOMS to FLAIR.

- It was not apparent why the Tallahassee Office Administrator performed the accounting function rather than the Bartow Administrative Director. Of the five RCs, besides RC1 which geographically includes Tallahassee, the other three RCs do not maintain an office in Tallahassee for processing transactions with JAC since it is done mostly electronically. RC2 paid \$900 a month to lease the one-person Tallahassee office. Subsequent to our inquiry, the Tallahassee Office Administrator resigned effective November 18, 2011, the Tallahassee office lease terminated in December 2011, and the duties and responsibilities of the Tallahassee Office Administrator were transferred to the Bartow office.

Our review and tests did not disclose any errors or fraud associated with these control deficiencies, in addition to what was reported by SA10 in the arresting report on the former Administrative Director; however, given the inadequate separation of duties and lack of adequate compensating controls, there is an increased risk that errors or fraud could occur and not be timely detected. Such compensating controls could include periodic independent comparisons of expenditures recorded in BOMS to supporting documentation, periodic independent reconciliations of BOMS transactions to FLAIR, and independent receipt and mailing of State warrants.

Recommendation: RC2 management should provide for adequate separation of duties to the extent possible with existing personnel or implement adequate compensating controls.

Finding No. 8: Related Party Transactions

Section 112.313(3), Florida Statutes, provides that no employee of an agency acting in his or her official capacity as a purchasing agent, or public officer acting in his or her official capacity, shall either directly or indirectly purchase any goods or services for his or her own agency from any business entity of which the employee or their spouse has a material interest. Purchasing agent is defined in Section 112.312(20), Florida Statutes, to include any officer or employee that has the authority to commit the expenditure of public funds.

During our audit, we determined that, contrary to law, the former, deceased RC purchased services from a court reporting business owned by his spouse and the spouse of RC2's Appellate Division Director. Our review of RC2's accounting records disclosed payments to the spouses' court reporting business, totaling \$34,928 between January 2009 and March 2010, for transcription services performed between May 2008 and October 2009. Our review of supporting documentation for the payments disclosed that the invoices, which were sequentially numbered from No. 1 to No. 23, had been addressed almost exclusively to RC2's Appellate Division Director, and approved by the former, deceased RC, for work performed by their spouses. Through inquiry, we determined that the services performed had been verified by RC2's Appellate Division Director. We also noted the following:

- The rates charged on the invoices were reported to be at expedited rates; however, supporting documentation did not include an explanation or justification for paying expedited rates rather than normal rates. The cost difference between the expedited rate and normal rate was not evident.
- The invoices included postage charges totaling \$292 that were not supported by documentation evidencing receipt of the postage.

Recommendation: RC2 management should establish policies and procedures to ensure that applicable employees comply with the requirements of Section 112.313(3), Florida Statutes, and maintain adequate documentation to support payments for goods or services.

Finding No. 9: Employment of Relatives

Section 112.3135(2)(a), Florida Statutes, provides that a public official may not appoint, employ, promote, or advance, or advocate for appointment, employment, promotion, or advancement, in or to a position in the agency in which the official is serving or over which the official exercises jurisdiction or control over any individual who is a relative of the public official. The law defines “relative” as: father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

During our audit, we determined that the former, deceased RC hired his nephew to work at RC2. The nephew, at the time of our inquiry, was still employed with RC2. In our review of the nephew’s employment application, we noted that he had not disclosed, although required to do so by the employment application, that he had a relative working in the agency. Further, Section 435.11(1)(a), Florida Statutes, provides that it is a misdemeanor of the first degree for any person willfully, knowingly, or intentionally to fail to disclose in any employment application a material fact used in making a determination as to such person’s qualifications for a position.

Recommendation: RC2 management should establish policies and procedures to prevent the employment of relatives.

Finding No. 10: Tangible Personal Property

Department of Financial Services Rule 69I-72.003, Florida Administrative Code, provides that appointed State officers shall maintain adequate records of property¹ in their custody. Accurate and complete records of property are necessary to reasonably ensure accountability and protect public property against theft, misuse, and abuse.

Our review disclosed that RC2 had not established policies and procedures for property. Such policies and procedures are necessary to educate employees about the proper handling of property as well as maintaining internal controls that provide reasonable assurance of achieving management objectives. In response to our August 2011 request for RC2 property records, we were informed that property records had not been maintained, but that a physical inventory was currently in process to identify all RC2 property. As of June 30, 2011, RC2 staff identified property costing \$224,590, and recorded the information in the property records in BOMS. Our review of RC2 inventory procedures disclosed that RC2 staff were only identifying those items that were physically present and identifiable, and were not including all property purchased since its inception in 2007 as potential property items for inclusion in the property records. By reviewing historical property purchases, RC2 would be better able to identify those property items that may have been missed in their physical observation or may have been subsequently misplaced or stolen. As discussed in finding No. 11, our audit disclosed several purchased property items that were not accounted for.

Recommendation: RC2 management should continue to establish its property records through physical observation of property items on hand, but should also identify property items purchased since its inception and determine the disposition of any such items not located during the physical inventory. Additionally, RC2 management should establish policies and procedures for maintaining property records and the taking of an annual physical inventory, as well as the handling of missing property items, as provided for in the Department of Financial Services’ Rule

¹ Property is defined as equipment, fixtures, and other tangible personal property of a non-consumable and non-expendable nature.

Finding No. 11: Purchasing Card Charges

The RCs participate in the State's p-card program (see discussion in finding No. 6). Subsequent to charges being filed against the former RC2 Administrative Director as previously discussed under the subheading RC2 Operations, we reviewed selected p-card charges on her p-card for the two-year period prior to the date she was charged. Our review disclosed that between December 2009 and August 2010, the former Administrative Director's p-card was used to purchase 13 televisions, 8 laptop computers, and 4 video cameras, totaling \$7,994. Documentation supporting these purchases showed that the accounting transactions supporting the former Administrative Director's p-card charges in BOMS were either prepared or approved by her and, although the p-card receipts contained an approval signature, the signature appeared dissimilar to the former, deceased RC's signatures on other documents. The accounting transactions prepared by the former Administrative Director were approved by a subordinate employee of the former Administrative Director and those that were approved by the former Administrative Director were prepared by a subordinate employee of the former Administrative Director. Thus, effectively the former Administrative Director had control over all phases of her p-card transactions. Although requested, current RC2 management was unable to provide us with the business purpose for each purchase, the present location of each individual item, or the date and documentation supporting the disposition of each item, if applicable. As discussed above in finding No. 10, RC2 did not maintain property records at the time of the purchases.

Recommendation: RC2 management should establish policies and procedures to ensure that the accounting of p-card purchases is independent of the cardholder, or implement compensating controls.

Finding No. 12: Court Reporting Services

Section 287.059(14), Florida Statutes, provides that the Attorney General is authorized to competitively bid and contract with one or more court reporting services, on a circuit-wide basis, on behalf of all State agencies. In our review, we noted that several judicial-related agencies used the contract procured by the Attorney General for court reporting services.

In March 2005, the Attorney General requested bids for court reporting services pursuant to Section 287.059(14), Florida Statutes. The bid requests, and subsequent State contract, covered the three-year period ending June 30, 2008. In July 2008, the State contract was renewed through June 30, 2011, and provided for a rate increase of five percent on specific contractors. The contractors and rates in effect for the first hour of services provided during these periods of time for the judicial circuits within RC2's geographic region are shown below in Table 2.

Table 2

Circuit	Contractor	Appearance Fee (1 st Hour)	
		2005-08	2008-11
6th	Bay Park Reporting	\$45	\$45
10th	None		
12 th	Bay Park Reporting	45	45
13 th	Bay Park Reporting	45	45
13 th	Berryhill & Associates	55	55
20 th	Martina Reporting Services	40	42

Source: State contract for court reporting services

RC2 did not have written policies and procedures for acquiring court reporting services. Court reporting expenditures from the inception of the RC2 office in 2007 to January 2010, when the former RC died, totaled approximately \$685,000. Of this amount, approximately \$442,000 (65 percent) was paid to Reliable Reporting Services, Inc. (Reliable), at a rate of \$50 for the 1st hour of appearance. RC2 personnel advised us that the former, deceased RC entered into an agreement with this company to provide court reporting services throughout the RC2 region. However, although requested, we were not provided with a copy of this agreement. Written agreements are important to document both parties' responsibilities and provide a basis for payments.

In reviewing supporting documentation for Reliable invoices for services performed during January and February 2010, we identified nine instances in which the work appeared to have been performed by Martina Reporting Services (Martina) rather than Reliable. Invoices reviewed indicated that Martina charged Reliable an appearance fee of \$35 per 1st hour for work performed on their behalf; however, on the invoices submitted from Reliable to RC2 (for Martina's work) the appearance fee charged was \$50 per 1st hour. It was not apparent, of record, why Reliable's invoices to RC2 included a 43 percent markup of Martina's price. Upon inquiry, the former RC, John Hendry, stated that he was unaware of the working relationship between Martina and Reliable, or their billing practices.

Recommendation: RC2 management should establish policies and procedures requiring utilization of the State contract where available and, for areas not covered by the State contract, utilization of a well-documented, competitive procurement process, for the acquisition of court reporting services. Such policies and procedures should also require the use of written agreements when the State contract is not used.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, SCS, JAC, and the agencies that JAC administratively supports, as applicable, had taken corrective action for findings included in our report No. 2008-155 and finding Nos. 1 and 3 included in our report No. 02-140.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational 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 December 2010 to March 2011, and June 2011 to October 2011, and selected actions prior and subsequent thereto, 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.

This operational audit focused on the operations of the SCS, JQC, JAC, SAs, PDs, CCRCs, RCs, and GAL. The overall objectives of the audit were to:

- Obtain an understanding and make overall assessments as to whether the judicial-related agencies' internal controls relevant to the scope of the audit promoted and encouraged compliance with applicable laws, rules, and other guidelines; the economic and efficient operation of the judicial-related agencies; the reliability of records and reports; and the safeguarding of assets.

- Evaluate the judicial-related agencies' performance in achieving compliance with applicable laws, rules, and other guidelines; economic and efficient operations; reliability of records and reports; and safeguarding of assets.
- Determine whether corrective actions had been taken for findings included in our report No. 2008-155 and finding Nos. 1 and 3 included in our report No. 02-140.
- Identify, pursuant to Section 11.45(7)(h), Florida Statutes, statutory and fiscal changes that may be included in the audit report or recommended to the Legislature.

In conducting our audit we:

- Interviewed selected judicial-related agencies' personnel.
- Obtained an understanding of internal controls and tested processes and procedures relating to areas within the scope of the audit including, as appropriate, an examination of written policies and procedures, and a walk-through of relevant internal controls through observation and examination of supporting documentation and records.
- Selected a sample of significant dollar purchases and examined supporting documentation evidencing compliance with statutory limitations and established procurement procedures, including travel and contract procurement.
- Determined whether the Supreme Court, JAC, and the agencies that JAC administratively supports, provided for the appropriate use and reporting of cellular telephones and digital handheld devices.
- Reviewed selected purchasing card transactions and examined supporting documentation to determine whether transactions were effectively monitored, and represented proper expenditures of SCS, JQC, JAC, and the agencies that JAC administratively supports.
- Evaluated the controls established for appointing senior judges and the use of these positions with regard to propriety, reasonableness, and compliance with applicable laws, rules, and statutes.
- Reviewed approved salary rates and subsequent adjustments for compliance with applicable statutory authority and budgetary provisions.
- Reviewed the duties and responsibilities associated with the Office of State Courts Administrator, Court Education Division, and evaluated the reasonableness of the cost of conferences for judges.
- Applied appropriate audit procedures in response to allegations related to RC2 operations, including allegations of related party transactions, nepotism, fraudulent purchasing card transactions, excessive rent charges, and inflated expenditure charges.
- Performed various other audit procedures as necessary to accomplish the objectives of the audit.

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

MANAGEMENT'S RESPONSE

The various judicial-related agency officials, as applicable, provided written responses to our preliminary and tentative findings. These responses are included as Exhibit B.

EXHIBIT A
OFFICIALS IN OFFICE DURING THE PERIOD JULY 1, 2008, THROUGH DECEMBER 31, 2011

State Courts System	
	Chief Justice, Charles T. Canady, from July 2010
	Chief Justice, Peggy A. Quince, to June 2010
Judicial Qualifications Commission	
	Executive Director, Brooke Kennerly
Justice Administrative Commission	
	Executive Director, Rip Colvin, from July 2010
	Executive Director, Victoria Montanaro, to June 2010
Guardian Ad Litem	
	Executive Director, Alan Abramowitz, from December 2010
	Interim Director, Charles Nelson, October 2010 to December 2010
	Executive Director, Theresa Flury, December 2008 to October 2010
	Executive Director, Angela Orkin, to December 2008
Capital Collateral Regional Counsel	
	Middle Region, Bill Jennings
	Southern Region, Neal Dupree
Criminal Conflict and Civil Regional Counsel	
<u>Regions</u>	
01	Jeffrey Lewis
02	Ita Neymotin, from December 2011
	John Hendry, from June 2010 to December 2011
	Jackson Flyte, to January 2010*
03	Eugene Zenobi, from October 2011
	Joseph George, to October 2011
04	Antony Ryan, from December 2011
	Philip Massa, to December 2011
05	Jeffrey Deen

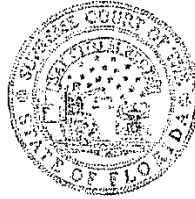
* The Regional Counsel in the 2nd region passed away in January 2010. That position was subsequently vacant until June 2010, when the Governor made an official appointment.

EXHIBIT A (CONTINUED)
OFFICIALS IN OFFICE DURING THE PERIOD JULY 1, 2008, THROUGH DECEMBER 31, 2011

Circuit	Public Defender	State Attorney
01	James Owens, from January 2009 Jack Behr, to January 2009	William Eddins
02	Nancy A. Daniels	William N. Meggs
03	C. Dennis Roberts	Robert "Skip" L. Jarvis, Jr., from January 2009 Jerry Michael Blair, to January 2009
04	Matt Shirk, from January 2009 William White, to January 2009	Angela Corey, from January 2009 Harry Shorstein, to January 2009
05	Howard H. "Skip" Babb, Jr.	Brad King
06	Bob Dillinger	Bernie McCabe
07	James S. Purdy	R. J. Larizza, from January 2009 John Tanner, to January 2009
08	Stacy A. Scott, from January 2011 Rick Parker, to January 2011	William Cervone
09	Robert Wesley	Lawson L. Lamar
10	James Marion Moorman	Jerry Hill
11	Carlos J. Martinez, from January 2009 Bennett H. Brummer, to January 2009	Katherine Fernandez-Rundle
12	Larry L. Eger, from January 2009 Elliott B. Metcalfe, Jr., to January 2009	Earl Moreland
13	Julianne M. Holt	Mark A. Ober
14	Herman D. Laramore	Glenn Hess, from January 2009 Steve Meadows, to January 2009
15	Carey Haughwout	Michael McAuliffe, from January 2009 Barry E. Krischer, to January 2009
16	Rosemary E. Enright	Dennis W. Ward, from January 2009 Mark Kohl, to January 2009
17	Howard Finkelstein	Michael J. Satz
18	James F. Russo	Norman R. Wolfinger
19	Diamond R. Litty	Bruce H. Colton
20	Kathleen A. Smith	Stephen B. Russell

EXHIBIT B
MANAGEMENT'S RESPONSE

Charles T. Canady
Chief Justice



Elisabeth H. Goodner
State Courts Administrator

Office of the State Courts Administrator

Phone: (850) 922-5081 Fax: (850) 488-0156
e-mail: osca@flcourts.org

April 4, 2012

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 providing the Florida State Courts System with an opportunity to review and respond to the Judicial Operational Preliminary and Tentative Findings. Our response follows.

Finding No. 1:

Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

State Courts System Response:

The State Courts System has drafted a fraud policy to be implemented upon approval of the Chief Justice. The policy identifies actions constituting fraud, incident reporting procedures, responsibility for fraud investigation, and consequences for fraudulent behavior. Necessary steps will be taken to educate employees, as well as other parties involved in a business relationship with the State Courts System.

Finding No. 6:

SCS did not always timely reconcile purchasing card (p-card) transaction reports to supporting documentation. Additionally, some bills for p-card charges were paid prior to approval by the Trial Court Administrators, contrary to law.

State Courts System Response:

The State Courts System's Purchasing Card Program Policy was updated on November 1, 2011, to include deadlines for the P-Card Administrator's review of transaction reports and deadlines for submission to the Finance and Accounting unit for timely reconciliation. An internal process has been developed to track late submission of

David W. Martin, CPA
April 4, 2012
Page Two

reconciliation reports and trigger appropriate action, up to and including revocation of a cardholder's p-card. The policy has also been revised to include a paragraph that reads: "The cardholder submits receipts to the Trial Court Administrator/designee for 939.08 F.S., certification (if applicable) and then forwards to the approver for processing."

Additionally, on June 21, 2011, a memorandum was distributed to the Trial Court Administrators directing them to certify p-card invoices before the approver approved purchases in FLAIR. The P-Card Administrator monitors the certification dates and approval dates when the p-card packages are submitted to the General Services unit for review. Any inconsistencies with this policy will be reported to the General Services Manager for follow-up with the appropriate Trial Court Administrator.

If you have any questions about our response, please feel free to contact me by telephone at 850-922-5081 or by email at osca@flcourts.org.

Sincerely,



Elisabeth H. Goodner

LG:dgh



STATE OF FLORIDA
JUDICIAL QUALIFICATIONS COMMISSION

1110 THOMASVILLE ROAD
TALLAHASSEE, FLORIDA 32303-6224
(850) 488-1581

March 20, 2012

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

Dear Mr. Martin:

In response to your letter of March 14, 2012, the Judicial Qualifications Commission will adopt its Fraud Prevention and Detection Plan when it meets next on April 19-20, 2012.

Sincerely,

A handwritten signature in purple ink that reads "Brooke S. Kennerly".

Brooke S. Kennerly
Executive Director

BSK/mbs



THE STATE OF FLORIDA
JUSTICE ADMINISTRATIVE COMMISSION

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



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

(850) 488-2415
 Toll Free (866) 355-7902
 FAX (850) 488-8944
 Toll Free FAX (866) 355-7906

www.justiceadmin.org

COMMISSIONERS

Dennis Roberts, Chair
Public Defender
 Diamond R. Litty
Public Defender
 Jerry Hill
State Attorney
 Brad King
State Attorney

April 11, 2011

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 State Courts System, Judicial Qualifications Commission, Justice Administrative Commission, State Attorneys, Public Defenders, Offices of Capital Collateral Regional Counsel, Offices of Criminal Conflict and Civil Regional Counsel, and Guardian ad Litem.

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, & 6 follow.

Finding No. 1: Fraud Policies

Recommendation: "Those judicial-related agencies that have not done so should develop and implement fraud policies to aid in the detection and prevention of fraud."

Response: As noted in the supporting narrative for this finding, although JAC did not have a formal written fraud policy as of September 15, 2011, JAC established such a policy dated September 16, 2011, subsequent to your initial inquiry. A signed copy of the policy is on file for all current employees of the agency; and it will be our practice to include this as a requirement in the orientation packet for new hires in the future.

The Justice Administrative Commission administratively serves the offices of State Attorneys, Public Defenders, Capital Collateral Regional Counsels, the Statewide Guardian ad Litem Program, Criminal Conflict and Civil Regional Counsels, and the Clerks of Court Operations Corporation; and, provides compliance and financial review of court appointed attorney due process costs.

David W. Martin, CPA
April 11, 2012
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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: We agree that internal auditors help to improve state government's overall internal controls and assist management ensure that state funds are properly administered. As noted, s. 20.055, F.S., does not apply to the JAC or the agencies we administratively serve. The JAC will comply with Legislative direction regarding this issue.

Finding No. 4: Business Office Management System

Recommendation: "JAC and the agencies it administratively supports should evaluate the cost-benefit of continuing to expend moneys for BOMS versus purchasing the system or developing an in-house system."

Response: We appreciate the Auditor General's recommendation on the Business Office Management System (BOMS) and believe it is a good business practice to conduct a cost-benefit analysis of any and all business processes in order to be a good steward of taxpayer funds, though it must be pointed out that BOMS is funded minimally with state dollars. The majority of the funding for BOMS, including new programming updates, is provided by county dollars, as authorized by Article V of the State Constitution and s. 29.008, F.S.

As you know, BOMS is a comprehensive and extremely versatile system, incorporating accounting; human resources; asset management; time management; imaging and scanning; reporting; and financial management into one, totally integrated system. BOMS has been customized to meet the needs of all the individual agencies. BOMS currently and instantaneously calculates numerous customized reports saving countless work hours of administrative staff. The BOMS vendor, Computer Information and Planning, Inc. (CIP), at the request of Offices of State Attorney and Public Defender, has also developed a criminal case management system (STAC), which can function in tandem with BOMS.

The 44 agencies served by BOMS are not aware of any off-the-shelf product(s) available to address all of these needs, separately or comprehensively and economically, as provided by BOMS. To develop in-house systems, which could function in a manner similar to BOMS and STAC, the Legislature would need to appropriate recurring funds and FTEs. BOMS, just like any other software program, requires maintenance and support. Regardless of whether the state acquires BOMS (an option in which CIP has not expressed an interest), develops an in-house

David W. Martin, CPA
April 11, 2012
Page Three

system, or requires multiple in-house systems, these types of costs will continue. To develop a new, in-house system(s) that would replace a superbly functioning system would cost untold dollars in workload to develop and take months, if not years, to meet the current needs of each agency already being met by BOMS. Simply put: BOMS efficiently and economically streamlines multiple business functions of the 44 agencies using it, while expenditures are collectively shared. This clearly meets the Auditor General's recommendation in February 2002, which recommended that: "The JAC encourage those State Attorneys and Public Defenders, that currently do not use either BOMS or FLAIR, to consider adopting BOMS, unless their existing systems can be adapted to work in tandem with the BOMS upgrade at JAC."

Recommendation: "Additionally, to improve efficiency, JAC should expedite its efforts to automate the transmission of BOMS data to FLAIR and reevaluate staffing needs when the automation is accomplished."

Response: In the past, JAC and the agencies it administratively serves attempted to automate this process with the use of a flat file electronically transmitted to JAC for upload to FLAIR. However, this did not account for the auditing function performed by JAC accountants. Efficiency was not improved due to the inability to alter the electronic file to correct the transaction, when necessary. Therefore, JAC returned each request for payment to the office from which it originated for correction and submission a second time. This process was not a cost-effective use of state resources and it was, therefore, to our benefit to address this process much later when technology was improved.

The BOMS Steering Committees, comprised of key stakeholders, have tasked CIP to develop a system to electronically transmit records and files from agencies to JAC for audit and upload to FLAIR. JAC will consider the impact on staffing needs based on these enhancements.

Recommendation: Also, formal contingency plans should be developed to protect JAC and the agencies it administratively supports in the event the contractor ceases operation or the system becomes inoperable.

Response: A formal contingency plan is being developed with CIP. The current versions of STAC and BOMS software are kept offsite to safeguard the codes and keep in the event of the need for disaster recovery.

Finding No. 6: Purchasing Cards

Recommendation: In relevant part... "Also, JAC and the agencies it administratively supports should ensure that p-card program controls provide for physical security of p-cards by the individual cardholders, appropriate supporting documentation for transactions, separation of

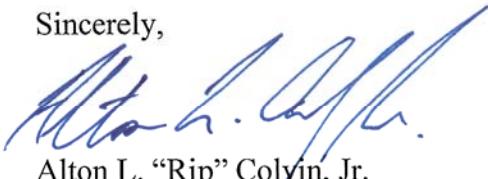
David W. Martin, CPA
April 11, 2012
Page Four

incompatible duties among p-card approvers, routine dissemination of p-card activity reports to each cardholder, and periodic management reviews."

Response: The JAC will continue to seek guidance from the Department of Financial Services as to procedures for conducting periodic management reviews of purchasing card administrator functions. Additionally, JAC will continue to provide guidance and assistance regarding local controls for physical security of p-cards by cardholders, appropriate supporting documentation for transactions, separation of duties, and providing for routine dissemination of p-card activity reports to individual cardholders. We will also monitor for our own compliance with these recommendations and requirements.

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

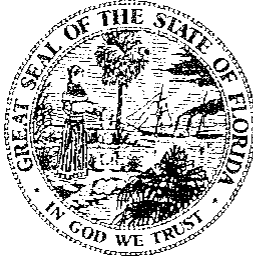
Sincerely,



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

cc: Marilyn Rosetti
Michael Gomez
Michael Nichols

WILLIAM "BILL" EDDINS
STATE ATTORNEY
 FIRST JUDICIAL CIRCUIT OF FLORIDA



Please reply to Pensacola Office

March 30, 2012

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

Dear Auditor General:

Pursuant to Section 11.45(4)(d), Florida Statutes, below please find my written statement of explanation regarding the recent operational audit of the various court and judicial agencies.

Finding number one has determined that none of the various agencies audited generally had a formal written fraud policy. Since this finding, some of the agencies have adopted such a policy. The audit recommends that all judicial-related agencies should adopt a written fraud policy.

Prior to this audit, no previous audit has ever recommended that this agency adopt a written fraud policy. Further, there is no statutory requirement that such a policy be adopted. This office does have internal rules designed to prevent and limit the opportunities for employees to commit fraudulent acts. In addition, the office of the State Attorney for the First Judicial Circuit is a law enforcement agency with extensive experience in the investigation and prosecution of crimes involving fraud. We have more than ten sworn law enforcement officers who are employed as investigators and are available to investigate any allegations of fraudulent activities. Unlike most state agencies, this office is uniquely qualified to deal with possible fraudulent acts.

However, based on the recommendation of the audit, this office has adopted a written fraud policy. This policy has been provided to all current employees. Each employee has acknowledged they have received and read the policy. This policy will also be incorporated into our new employee orientation.

If any further information is required, please contact me.

Sincerely,

WILLIAM EDDINS
 STATE ATTORNEY

WE/klm

ESCAMBIA COUNTY
 190 Governmental Center
 Post Office Box 12726
 Pensacola, Florida 32591

Felony & Intake - (850) 595-4200
 Misdemeanor - (850) 595-4200
 Juvenile - (850) 595-3750

SANTA ROSA COUNTY
 6495 Caroline Street
 Suite S
 Milton, Florida 32570

(850) 981-5500

OKALOOSA COUNTY
 151 Cedar Avenue
 Crestview, Florida 32536
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18 9th Ave.
 Shallmar, Florida 32579
 (850) 651-7266

WALTON COUNTY
 524A E. Hwy. 90
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 DeFuniak Springs, FL 32435

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WILLIAM N. MEGGS
STATE ATTORNEY



LEON COUNTY COURTHOUSE
301 S. MONROE STREET
TALLAHASSEE, FLORIDA 32399-2550
TELEPHONE (850) 608-8000

OFFICE OF
STATE ATTORNEY
SECOND JUDICIAL CIRCUIT OF FLORIDA

April 12, 2012

Mr. David W. Martin
Auditor General
State of Florida
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Preliminary and Tentative Audit Findings

Dear Mr. Martin:

Please consider this our response to your audit findings pursuant to Section 11.45(4)(d), Florida Statutes. The Office of the State Attorney, Second Judicial Circuit was found to have not implemented policies for the mitigation, detection, and reporting of fraud.

Our first response is to note the obvious. At the time of your audit we did not have a written policy as noted above. Until your audit we were not aware of any statutory or rule requirement to have such a policy. In the absence of statutory or rule authority we surmise the requirement to be a best practice and agree that developing and implementing such a policy would be useful.

To that end we are reviewing literature and assembling various policies in order to determine what best practices are. Upon conclusion of our research we will write a formal policy and implement it. We expect to conclude that work in the next several months.

Thank you for your work on behalf of the taxpayers and citizens of Florida.

Yours truly,

Carl J. Whitley
Executive Director

CJW



OFFICE OF THE STATE ATTORNEY THIRD JUDICIAL CIRCUIT OF FLORIDA

Robert L. Jarvis, Jr., 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*

April 9, 2012

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

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, the following is submitted in reference to your letter of March 14, 2012 and its attached preliminary and tentative audit findings and recommendations. As you requested, I am responding to finding Nos. 1, 3, 4, 5 and 6.

Finding No. 1: Fraud Policies

In accordance with your recommendation, our agency has now developed and implemented a "Policy Against Fraudulent, Unethical and Other Dishonest Acts." This Policy has been signed by all our employees and included in their Personnel Files.

Finding No. 3: Internal Audit Function

Your recommendation appears to be directed to the Legislature. If the Legislature amends Section 20.055, Florida Statutes, to include the JAC and the agencies it administratively supports, we will comply.

Finding No. 4: BOMS

We adopt the response of the Justice Administrative Commission.

Finding No. 5: Temporary Pay Increases

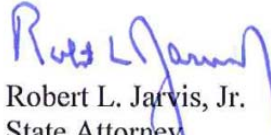
The Florida Prosecuting Attorneys Association is reviewing your recommendation and will take action by making a change to our Classification and Pay Plan to specifically provide for temporary pay increases.

Finding No. 6: Purchasing Cards

The reported finding relating to our office involved a p-card transaction for travel. This transaction was originally the subject of an “Auditor General Request” in April 2011 to which we promptly responded. This transaction was for one employee’s official State business travel which was approved before it was incurred. All our internal documentation relating to this transaction was provided to your office at that time. When asked again in February 2012 about this same transaction, we again provided documentation and a full explanation to your office. Apparently, this item created an issue because an “official travel voucher” was not completed by the traveling employee. As we explained earlier, a travel voucher was not completed on this occasion because the employee did not seek any travel reimbursement from the State. Therefore, we simply treated this particular p-card transaction like any other “non-travel” transaction. In the future, however, we will require all employees to submit a travel voucher when a p-card is used for travel purposes.

Thank you for your comments and recommendations which are of valuable assistance to us in improving the efficiency and operation of our office. We would also like to thank your Senior Auditor, Michael Nichols, for his assistance to our administrative staff during the performance of your operational audit.

Sincerely,



Robert L. Jarvis, Jr.
State Attorney
Third Judicial Circuit

OFFICE OF THE STATE ATTORNEY
FOURTH JUDICIAL CIRCUIT OF FLORIDA
WWW.SAO4TH.COM



220 EAST BAY STREET
JACKSONVILLE, FLORIDA 32202-3429
TEL: (904) 630-2400
FAX: (904) 630-1848

ANGELA B. COREY
STATE ATTORNEY

April 19, 2012

Michael E. Nichols
Senior Auditor
Pepper Building Room 4010
111 West Madison Street
Tallahassee, FL 32399

Dear Mr. Nichols,

The State Attorney's Office for the Fourth Judicial Circuit is implementing a fraud policy for communicating and reporting known or suspected fraud as recommended in your recent audit report.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael B. Weinstein", with a large, stylized loop at the end.

Michael B. Weinstein
Executive Director



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

March 27, 2012

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) below please find my written statement of explanation or rebuttal concerning the findings related to my entity.

Finding No. 1 Fraud Policies: This office has adopted a fraud policy as of March 23, 2012.

Finding No. 5 Temporary Pay Increases: The State Attorney's Office, Fifth Circuit has historically been one of the lowest funded State Attorney office's in the State of Florida. In order to be competitive in the employment market for attorneys, we must utilize every salary dollar possible to pay employees a competitive wage. With turn over and increased caseloads, the office regularly assigns attorneys to do more than what would typically be assigned to one attorney, or reassigns and attorney temporarily to another part of the circuit to cover a caseload in that area for a temporary period of time. Temporary pay increases are necessary to compensate employees for the additional assignments or caseloads they are required to cover.

Additionally, during the years covered by the audit, reductions were made to the general operating budget of the office that caused salaries to be readjusted based upon the prospective reduction in salary dollars. Salary increases that had been given with in the rate and budget at the time they were given, had to be taken back based upon Legislative reductions to the operating budget for the next budget year.

The State Attorney pay plan is agreed to state wide by all the agencies and is generally not changed by one of them. The audit findings will be brought to the attention of the State Attorneys of Florida to ensure that the Classification and Pay Plan specifically provides for temporary pay increases and the circumstances under which they may be granted.

Sincerely,

Brad King
State Attorney

:sg



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

BERNIE MCCABE

State Attorney

April 11, 2012

Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-9031

Dear Auditor:

We sent you a copy of our fraud policy in mid-September. Attached is another copy.

Sincerely yours,


Bernie McCabe
State Attorney

BJMc/ef
Attachment

Office of Bernie McCabe, State Attorney, 6th Judicial Circuit

FRAUD POLICY

POLICY STATEMENT

The State Attorney's Office is committed to fostering integrity in the workplace. Employees of this agency are expected to act honestly, with integrity, in good faith and to safeguard the resources for which they are responsible. This policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud in the workplace. It is the policy of this agency to thoroughly and expeditiously investigate any reported cases of suspected fraud to determine if disciplinary, financial recovery and/or legal action should be taken.

DEFINITION

Examples of fraudulent activities may include but are not limited to acts of stealing, misuse, theft or destruction of equipment or other property, misuse or unauthorized access to databases, records, or computer systems, deception, corruption involving soliciting or acceptance of an improper inducement or reward which may influence the decision making process, criminal misconduct or violation of auditing procedures, intentional misrepresentation of facts, the manipulation of office records or documents, or false creation of such documents and other similar acts of improper actions.

POLICY DISSEMINATION

Each employee will be given a copy of this policy and an opportunity to review and discuss it with the Human Resource Director.

COMPLAINT AND REPORTING PROCEDURE

Any individual suspecting an incident of theft or other fraudulent activity should report the incident to their supervisor, Human Resource Director or Chief Investigator immediately. All complaints will be investigated promptly; and where investigation confirms that a fraudulent activity has taken place, appropriate action will be taken. All supervisory personnel who have received a report of fraud are required to report the information immediately to the Human Resource Director, Executive Director or Chief Investigator.

NONRETALIATION AND CONFIDENTIALITY

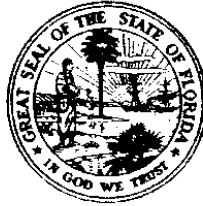
Throughout the entire complaint investigation process and following it, employees and witnesses will remain free from reprisal, retaliation or interference. Retaliation can be the basis for further complaint, investigation and discipline. All reports, investigative and other documents shall remain as confidential as possible and shall be released only to those having a need to know or as required by law.

DISCIPLINARY ACTION

Any employee of this agency who is found to have participated in fraudulent activity will be subject to disciplinary action up to and including termination.

OFFICE OF THE STATE ATTORNEY
SEVENTH JUDICIAL CIRCUIT OF FLORIDA
VOLUSIA, FLAGLER, PUTNAM & ST. JOHNS COUNTIES

R.J. LARIZZA
STATE ATTORNEY



251 North Ridgewood Avenue
Daytona Beach, FL 32114-7509
Phone (386) 239-7710
Fax (386) 239-7711

April 9, 2012

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

Dear Mr. Martin:

Let me commend you on the thoroughness and professionalism of your staff. We have enjoyed working with them and appreciate their efforts. We have reviewed the information contained in the preliminary and tentative findings report. As is customary and requested in the report we have the following responses to the appropriate "Findings".

In regard to "Finding No. 1", we have in place policies both general and specific that deal with fraud issues. In addition, subsequent to your initial inquiry we have enacted a specific "Fraud Policy". The FPAA will be forwarding a collective response for "Finding No. 4" to your office. Adequate provisions for backup and contingency plans have been taken as set forth in the FPAA response. This has allowed my office to keep the software costs paid for by our county partners low as we comply with the mandated of E-Filing and paperless system during this time of reduced budgets.

The FPAA Board will be meeting on April 26th, 2012. I anticipate a proposed Amendment to our "Classification and Pay Plan" specifically providing for temporary pay increases will be approved to address "Finding No. 5".

We appreciate your efforts and the recommendations therefrom and look forward to working with you on future projects. Please call when we may be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "R.J. Larizza", written over a horizontal line.

R. J. LARIZZA
State Attorney

RJL:ko



JEANNE M. SINGER
CHIEF ASSISTANT STATE ATTORNEY

120 WEST UNIVERSITY AVENUE
GAINESVILLE, FLORIDA 32601

DAVID REMER
EXECUTIVE DIRECTOR

WILLIAM P. CERVONE
STATE ATTORNEY
EIGHTH JUDICIAL CIRCUIT OF FLORIDA
SERVING
ALACHUA, BAKER, BRADFORD, GILCHRIST, LEVY
AND UNION COUNTIES

TELEPHONE (352) 374 – 3670

PLEASE REPLY TO:

March 23, 2012

Re: Preliminary and Tentative Findings – Judicial Operational Audit

As previously acknowledged on March 19, 2012, my office is in receipt of the Preliminary and Tentative Findings for the Judicial Operational Audit provided electronically on March 14, 2012. Please allow this letter to respond.

Concerning Finding #1 regarding fraud, I would like to note that there is no statutory mandate or other requirement for such a policy that I know of. Nevertheless, please be advised that on February 9, 2012, my office adopted a specific policy titled Fraudulent, Unethical And Other Dishonest Acts. All current employees of this office have been provided a copy of this policy, have been required to acknowledge the same in writing, and have done so. Prospectively, this policy statement will be a part of the hiring process for all future employees.

The matters raised in Findings #3, #4, and #5 are noted and will be taken under advisement. As to Findings #3 and #4, there are obvious fiscal implications that must be considered. As to Finding #5, I anticipate that the 20 State Attorneys will collectively address the topic of temporary pay increases through the FPAA pay plan.

Please let me know if further questions remain as to my office and its response to this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Cervone".

William P. Cervone
State Attorney

WPC/am



William C. Vose
Chief Assistant State Attorney

Lalozon Lamar
State Attorney
Ninth Judicial Circuit of Florida

415 North Orange Avenue
Post Office Box 1673
Orlando, Florida 32802
407-836-2400

Randy J. Means
Director of Investigations
and Administration

April 16, 2012

Auditor General
Attn: David W. Martin
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Reference: Preliminary and Tentative Findings resulting from operational audit of the State Courts System, Judicial Qualifications Commission, Justice Administrative Commission, State Attorneys, Public Defenders, Offices of Capital Collateral Regional Counsel, Office of Criminal Conflict and Civil Regional Counsel, and Guardian ad Litem

Dear Mr. Martin:

This letter is a response to your recent audit for the State Attorney's Office, Ninth Judicial Circuit.

Finding No. 1: Fraud Policies

Please note that this office implemented a Fraud Policy on September 20, 2011.

Finding No. 3: Internal Audit Function

As noted in your Preliminary and Tentative Findings, our agency is excluded from this requirement of s. 20.055, Florida Statutes.

Finding No. 4: Business Office Management System

The Business Office Management System (BOMS) for this office is paid for by county funds pursuant to s. 29.008, Florida Statutes. Please see the attached group response for this finding.

Sincerely,

A handwritten signature in black ink, appearing to be "William C. Vose", written over a horizontal line.

William C. Vose
Chief Assistant State Attorney

Enclosure

Finding No. 4: Business Office Management System

JAC and the agencies it administratively supports should evaluate the cost-benefit of continuing to expend moneys for BOMS versus purchasing the system or developing an in-house system.

We appreciate the Auditor General's recommendation on the Business Office Management System (BOMS) and believe it is a good business practice to conduct a cost-benefit analysis of any and all business processes in order to be a good steward of taxpayer funds, though it must be pointed out that BOMS is funded minimally with state dollars. The majority of the funding for BOMS, including new programming updates, is provided by county dollars, as authorized by Article V of the State Constitution and s. 29.008, F.S.

As you know, BOMS is a comprehensive and extremely versatile system, incorporating accounting; human resources; asset management; time management; imaging and scanning; reporting and financial management into one, totally integrated system. BOMS has been customized to meet the needs of all the individual agencies. BOMS currently and instantaneously calculates numerous customized reports saving countless work hours and administrative staff. The BOMS vendor, Computer Information and Planning, Inc. (CIP), at the request of Offices of State Attorney and Public Defender, has also developed a criminal case management system (STAC), which can function in tandem with BOMS.

The 44 agencies served by BOMS are not aware of any off-the-shelf product(s) available to address all of these needs, separately or comprehensively and economically, as provided by BOMS. To develop in-house systems, which could function in a manner similar to BOMS and STAC, the Legislature would need to appropriate recurring funds and FTEs. BOMS, just like any other software program, requires maintenance and support. Regardless of whether the state acquires BOMS (an option in which CIP has not expressed an interest), develops an in-house system or requires multiple in-house systems, these types of costs will continue. To develop a new, in-house system(s) that would replace a superbly functioning system would cost untold dollars in workload to develop and take months, if not years, to meet the current needs of each agency already being met by BOMS. Simply put: BOMS efficiently and economically streamlines multiple business functions of the 44 agencies using it, while expenditures are collectively shared. This clearly meets the Auditor General's recommendation in February 2002, which recommended that: "The JAC encourage those State Attorneys and Public Defenders, that currently do not use either BOMS or FLAIR, to consider adopting BOMS, unless their existing systems can be adapted to work in tandem with the BOMS upgrade at JAC."

Additionally, to improve efficiency, JAC should expedite its efforts to automate the transmission of BOMS data to FLAIR and re-evaluate staffing needs when the automation is accomplished.

In the past, JAC and the agencies it administratively serves attempted to automate this process with the use of a flat file electronically transmitted to JAC for upload to FLAIR. However, this did not account for the auditing function performed by JAC accountants. Efficiency was not improved due to the inability to alter the electronic file to correct the transaction, when necessary. Therefore, JAC returned each request for payment to the office from which it originated for correction and submission a second time. This process was not a cost-effective use of state resources and it was, therefore, to our benefit to address this process much later when technology was improved.

The BOMS Steering Committees, comprised of key stakeholders, have tasked CIP to develop a system to electronically transmit records and files from agencies to JAC for audit and upload to FLAIR. JAC will consider the impact on staffing needs based on these enhancements.

Also, formal contingency plans should be developed to protect JAC and the agencies it administratively supports in the event the contractor ceases operation or the system becomes inoperable.

A formal contingency plan is being developed with CIP. The current versions of STAC and BOMS software are kept offsite to safeguard the codes and keep in the event of the need for disaster recovery.

OFFICE OF THE STATE ATTORNEY, TENTH JUDICIAL CIRCUIT
State Attorney Jerry Hill

Polk, Highlands, and Hardee Counties

Main Office

255 North Broadway Avenue, 2nd Floor
Drawer SA, P.O. Box 9000
Bartow, Florida 33831-9000 • (863) 534-4800
www.sao10.com



Lakeland Branch Office

930 East Parker Street, Suite 238
Lakeland, Florida 33801 • (863) 802-6240

Winter Haven Branch Office

3425 Lake Alfred Road 9, Gill Jones Plaza
Winter Haven, Florida 33881 • (863) 401-2477

April 16, 2012

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

Dear Auditor General:

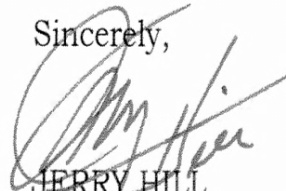
We appreciate the Auditor General's recommendations regarding one area of operation for the Office of State Attorney, Tenth Judicial Circuit. This letter is in rebuttal to the Preliminary and Tentative Audit Findings, dated March 14, 2012, and addresses one concern expressed within the Findings, in accordance with Section 11.45(4)(d), Florida Statutes.

With Regard to Finding No. 1, Fraud Policies:

As stated in your Findings, the State Attorney's Office, Tenth Judicial Circuit has a written Fraud Policy that meets the requirements set forth by your recommendations. We appreciate your noticing of such an important policy.

Should I be of further assistance to you, please feel free to contact me.

Sincerely,



JERRY HILL
State Attorney

**STATE ATTORNEY**

ELEVENTH JUDICIAL CIRCUIT OF FLORIDA
E. R. GRAHAM BUILDING
1350 N.W. 12TH AVENUE
MIAMI, FLORIDA 33136-2111

KATHERINE FERNANDEZ RUNDLE
STATE ATTORNEY

TELEPHONE (305) 547-0100

April 10, 2012

Mr. David W. Martin
Auditor General
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

The Office of the State Attorney, 11th Judicial Circuit (SAO 11), has reviewed your recent audit, and the following is provided in response to your preliminary and tentative audit findings, in accordance with the provisions of Section 11.45(4) (d), Florida Statutes:

Finding No. 1: Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

Finding Number one recommends that State Attorneys (including SAO 11) and other State Court entities develop and implement policies for the mitigation, detection, and reporting of known or suspected fraud.

While there is no statute mandating the creation of a discrete anti-fraud policy, SAO 11 recognizes that creating an anti-fraud policy would set a good example. Accordingly, SAO 11 is developing a policy to aid in the detection and prevention of fraud.

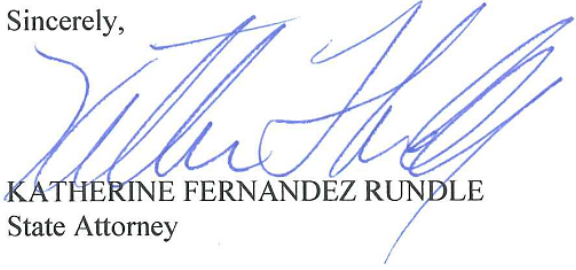
As you know, we have addressed the issue of employee fraud through existing office policies and procedures, such as, our policy prohibiting the personal use of state property, or the reimbursement for such use if it is unavoidable; our policy requiring employees to report unethical or unlawful behavior; and our policy prohibiting retaliation against employees who so report.

Finding No. 5: SAs and PDs could enhance their pay plans to specifically provide for temporary pay increases in their pay plans.

SAO 11 has temporarily increased employees' pay in situations in which employees have temporarily assumed increased duties or responsibilities, e.g., to replace a supervisor who is on an extended leave. Since the Auditor General believes that the State Attorney Classification and Pay Plan (Pay Plan) does not provide specific authority for such increases, an amendment to the Pay Plan to allow temporary pay increases under certain conditions will be addressed by the Florida Prosecuting Attorneys' Association.

In closing, I would like to take this opportunity to thank your staff for the professionalism they demonstrated in conducting their audit.

Sincerely,



KATHERINE FERNANDEZ RUNDLE
State Attorney

EARL MORELAND
STATE ATTORNEY
TWELFTH JUDICIAL CIRCUIT

OFFICES

Sarasota County

Criminal Justice Building
2071 Ringling Blvd., Suite 400
Sarasota, Florida 34237-7000
Telephone: 941-861-4400
Fax No: 941-861-4465

and

South County Courthouse
4000 South Tamiami Trail
Venice, Florida 34293-5028
Telephone: 941-861-3200
Fax No: 941-861-3127



Desoto County

Desoto County Courthouse
115 East Oak Street, Third Floor
Arcadia, Florida 34266-4446
Telephone: 863-993-4881
Fax No: 863-993-4890

Manatee County

1112 Manatee Avenue West
P.O. Box 1000
Bradenton, Florida 34206-1000
Telephone: 941-747-3077
Fax No: 941-742-5868

March 26, 2012

Please Reply To:
Sarasota

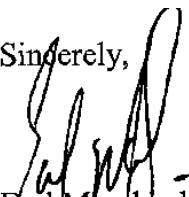
David W. Martin
Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Auditor General,

Pursuant to the provisions of Section 11.45(4)(d), Florida Statutes, submitted herein is my written response to the Preliminary and Tentative Audit Findings concerning Finding No. 1, that judicial-related agencies develop and implement a policy to aid in the detection and prevention of fraud.

While we recognize that this new policy recommendation is not required by statute or rule, based on your recommendation, this office established a policy for the mitigation, detection, and reporting of fraud on March 23, 2012.

Sincerely,


Earl Moreland
State Attorney

Enclosure



State Attorney

MARK A. OBER

Thirteenth Judicial Circuit
419 N. Pierce Street
Tampa, Florida 33602-4022
(813) 272-5400

April 3, 2012

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

Dear Mr. Martin:

Pursuant to the provisions of Section 11.45(4) (d), Florida Statutes, the following is hereby submitted in response to the Preliminary and Tentative Audit Findings for the Office of the State Attorney 13th Judicial Circuit:

Finding No. 1: Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

Finding Number one in the report recommends that State Attorneys (including SAO 13) and other State Court entities develop and implement policies for the mitigation, detection, and reporting of known or suspected fraud.

While there is no statute mandating the creation of a discrete anti-fraud policy, SAO 13 recognizes and concurs with the Auditor General that creating an anti-fraud policy is a good idea. Accordingly, SAO 13 has developed a policy to aid in the detection and prevention of fraud.

Finding No. 5: SAs and PDs could enhance their pay plans to specifically provide for temporary pay increases in their pay plans.

SAO 13 has temporarily increased ASA employees' pay in situations in which the ASA employee has been temporarily assigned for duty at our remote Plant City SAO office. Since the Auditor General feels that the State Attorney Classification and Pay Plan (Pay Plan) does not provide specific authority for such increases, an amendment to the Pay Plan to allow temporary pay increases under certain conditions will be addressed by the Florida Prosecuting Attorneys Association.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Ober".

Mark A. Ober
State Attorney, 13th Judicial Circuit

/wed



Office of the State Attorney
Fourteenth Judicial Circuit of Florida

In and For Bay, Calhoun, Gulf, Holmes, Jackson, and Washington Counties

Glenn Hess
State Attorney

In Reply Refer To:
Post Office Box 1040
Panama City, Florida 32402
(850) 872-4473
(850) 872-4461

April 10, 2012

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

Dear Auditor General:

Pursuant to the provisions of Section 11.45(4) (d), Florida Statutes, submitted herein is the written statement in response to the Preliminary and Tentative Audit Findings for the Office of the State Attorney, 14th Judicial Circuit.

We are pleased that there are no findings reported which required any statutorily mandated corrective action to be taken by the Office of the State Attorney, 14th Judicial Circuit.

Finding number 1: Based on the recommendation in the report for State Attorney's and other State Court entities to develop and implement policies for the mitigation, detection and reporting of known or suspected fraud, this office implemented a policy on March 28, 2012.

Finding number 4: Please refer to the collective response submitted by Justice Administrative Commission Board and collectively approved by the State Attorney's BOMS Committee and the Public Defender's BOMS Committee.

Finding number 5: The pay plan for State Attorney's will be reviewed at the Florida Prosecuting Attorney's Association board meeting on April 26, 2012.

Thank you for the professional manner in which this audit was conducted. Please do not hesitate to contact us if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Hess".

Glenn Hess
State Attorney

If you require special communication methods due to hearing, speech, or dual-sensory (deaf/blind) impairments, you may utilize the services of the Florida Telecommunications Relay, Inc., using a TDD, LVD/TDD, or other devices. The toll-free number for this service is 1-800-955-8770 (Voice) and 1-800-955-8771 (TDD).

**OFFICE OF THE STATE ATTORNEY**FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY**PETER ANTONACCI**
STATE ATTORNEY

March 27, 2012

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

Dear Mr. Martin:

This office has reviewed the preliminary and tentative findings of the operational audit dated March 14, 2012. This response references Finding No. 1 Fraud Policies.

The office respectfully objects to the finding and comment on the perceived inadequacy of our present policies referring to fraud and unethical conduct in that there is no law that mandates this office have such a policy nor any description of what must be included within such a policy. The present office policy outlines the procedure for reporting and describes conduct that qualifies as fraudulent. It further outlines that objectionable conduct of this type is to be addressed through our supervisory chain of command and that such behavior can result in discipline including termination. There should be no finding referencing this policy.

The office does not object to the recommendation to create such a policy for the future and accordingly the policy with the recommendations outlined by the auditor has been redesigned and adopted. These amendments will create a more detailed expression of our commitment to combat any fraudulent behavior consistent with due process. The new policy on Unethical, Fraudulent or Dishonest Acts includes (1) a communication of a zero tolerance policy for fraudulent, unethical and other dishonest activities, (2) the institution of preventive measures, (3) directions for the employee to report any issue immediately, (4) protections for the reporting party and (5) assignment of any investigation to our executive office and investigative unit.

Sincerely,

Peter Antonacci
State Attorney
Fifteenth Judicial Circuit
Palm Beach County, Florida

PA/tb

**OFFICE OF THE STATE ATTORNEY**SIXTEENTH JUDICIAL CIRCUIT
IN AND FOR MONROE COUNTY**DENNIS W. WARD**
STATE ATTORNEY

April 17, 2012

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

Dear Mr. Martin:

In response to your Preliminary and Tentative Findings, I would like to comment on two of the issues.

Finding No. 1. This office did not have a written policy for the mitigation, detection, and reporting of fraud at the time of your audit. However, as soon as it was brought to the office's attention that one was needed, one was adopted and is now a part of the packet provided to new employees.

Finding No. 4. The Justice Administrative Commission will respond in detail to this issue; however, in our response, I would like to comment that the annual maintenance fee to maintain BOMS in this office is paid by Monroe County.

Sincerely,

A handwritten signature in cursive script, reading "Nancy L. Criswell".

Nancy L. Criswell
Executive Director



MICHAEL J. SATZ
STATE ATTORNEY
SEVENTEENTH JUDICIAL CIRCUIT OF FLORIDA
BROWARD COUNTY COURTHOUSE
201 S.E. SIXTH STREET
FORT LAUDERDALE, FLORIDA 33301-3360

PHONE (954) 831-6955

March 26, 2012

David W. Martin, CPA
Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to the provisions of Section 11.45(4) (d), Florida Statutes, submitted herein is the written statement in response to the Preliminary and Tentative Audit Findings for the Office of the State Attorney 17th Judicial Circuit.

We are pleased that there are no findings reported which require any statutorily mandated corrective action to be taken by the Office of the State Attorney 17th Judicial Circuit.

Finding number one in the report does recommend State Attorneys and other State Court entities develop and implement policies for the mitigation, detection and reporting of known or suspected fraud.

This recommendation by the Auditor General, although not required by statute or rule, is based on the position that communicating and reporting known or suspected fraud is essential to aid in the detection and prevention of fraud and that fraud policies will help educate employees about proper conduct, create an environment that deters dishonesty and maintains internal controls that provide reasonable assurance of achieving management objectives and detecting dishonest acts.

Based on the above recommendation, this office has developed a policy to aid in the detection and prevention of fraud.

Please accept our thanks for the professional manner in which this audit was conducted.

If you are in need of any further information please don't hesitate to contact us.

Sincerely,

A handwritten signature in blue ink that reads "Michael J. Satz".

MICHAEL J. SATZ
State Attorney

OFFICE OF THE STATE ATTORNEY**EIGHTEENTH JUDICIAL CIRCUIT OF FLORIDA
BREVARD AND SEMINOLE COUNTIES****NORMAN R. WOLFINGER
STATE ATTORNEY**

Viera Office
2725 Judge Fran Jamieson Way
Bldg. D
Viera, FL 32940
(321) 617-7510

Titusville Office
400 South Street
Suite D
Titusville, FL 32780
(321) 264-6933

Melbourne Office
51 South Nieman Avenue
Melbourne, FL 32901
(321) 952-4617

Seminole County Office
P.O. Box 8006 • 101 Bush Blvd.
Sanford, FL 32772-8006
(407) 665-6000

Seminole Juvenile Center
190 Bush Blvd.
Sanford, FL 32773
(407) 665-5454

Reply to: Viera

April 9, 2012

Mr. David W. Martin, CPA
Auditor General, State of Florida
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

My office is in receipt of your letter and preliminary audit findings and recommendations. Pursuant to Section 11.45(4)(d), Florida Statutes, please find my written statement of explanation concerning the findings related to my entity.

Finding Number 1 Fraud Policies: requires implementation of a policy for the mitigation, detection, and reporting of fraud. The Office of the State Attorney, Eighteenth Judicial Circuit provided our existing policy during the audit. However, in the review it was determined that a more detailed policy was requested. Therefore we have revised our current policy to comply with the audit request.

Finding Number 4 Business Office Management Systems: evaluate the cost benefits and contingency plans if the system is inoperable or contractor ceases operation. The State Attorney's Office BOMS users have a joint response that is being provided on behalf of our circuit.

I wish to thank you for the courtesies extended by your staff. Their suggestions and recommendations in this preliminary audit will be beneficial. If you need any additional information, please feel free to contact me.

Sincerely,

NORMAN R. WOLFINGER

NRW/jb



Bruce H. Colton
State Attorney

OFFICE OF THE
State Attorney
NINETEENTH JUDICIAL CIRCUIT OF FLORIDA
SERVING
INDIAN RIVER, MARTIN, OKEECHOBEE
AND ST. LUCIE COUNTIES

411 South Second Street
Fort Pierce, Florida 34950
(772) 465-3000
Fax (772) 462-1214

March 28, 2012

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

Dear Mr. Martin,

Pursuant to Section 11.45 (4)(d), Florida Statutes, the enclosed response is provided for the preliminary and tentative audit findings included in the Auditor General's operational audit related to my agency.

Finding No. 1: Fraud Policies

Even though I disagree with the finding, this agency did establish a formal, written fraud policy effective January 2012.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bruce H. Colton".

Bruce H. Colton
State Attorney

REPRESENTING:
CHARLOTTE
COLLIER
GLADES
HENDRY
LEE



Stephen B. Russell
State Attorney

OFFICE OF THE STATE ATTORNEY

Twentieth Judicial Circuit of Florida

P.O. Box 399
Fort Myers, FL 33902-0399

Telephone (239) 533-1000
FAX (239) 533-1150

www.sao.cjis20.org

April 12, 2012

Mr. Mike Nichols, Senior Auditor
Florida Auditor General's Office
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Response, 20th Judicial Circuit State Attorney

Dear Mr. Nichols:

Please consider this the response to the "Preliminary and Tentative Findings" of the 2012 audit of the State Courts System, Judicial Qualifying Commission, Justice Administration Commission, State Attorneys, Public Defenders, Offices of Capital Collateral Regional Counsel, Offices of Criminal Conflict and Civil Regional Counsel, and Guardian Ad Litem. The Office of the State Attorney for the 20th Judicial Circuit was mentioned in two (2) of the audit findings which I would like to address in this communication.

Finding 1 of the audit states that "Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud."

While we are in agreement that we did not have a "...formal, written fraud policy" as detailed in your report at the time of the audit, we are of the opinion that we had other operational policies and procedures in place detailing specific actions that would be taken if and when fraud was detected within our agency. In addition, we are of the opinion that we have sufficient internal fiscal policies and audits within our organization to mitigate, detect and take appropriate disciplinary action, up to and including prosecution, if any type of fraud was discovered by our agency or any other agency. Fraud is a criminal violation of the statutes of the State of Florida and we investigate and prosecute criminal violations, when appropriate. Our policies clearly state what action will take place regarding all criminal activity and not just for fraud. It seems redundant to us to have a specific policy relating to fraud and not individual policies relating to violations of other criminal activities.

At no time has our agency ever been advised of a need to issue a policy regarding mitigation, detection, and reporting of fraud. It is our opinion that this audit should reflect that this has not been a requirement of state agencies and the mention should clearly be listed as a recommendation for a policy to be implemented as soon as possible or prior to the next audit.

Mr. Mike Nichols
April 12, 2012
Page Two

Even though we believe that the issuance of a fraud policy is a redundant policy, we have developed and issued a fraud policy according to the guidelines supplied by your office. This policy went into effect on April 1, 2012. The policy is not attached to this letter per your request to limit the size of the response, but is available upon request if you wish to review it.

Old Finding Number 5 and now listed as New Finding Number 4 had questions regarding the Business Office Management System (BOMS). Finding number changed pursuant to your e-mail of March 29, 2012.

We are in agreement with the response being submitted by the Justice Administration Commission (JAC) regarding the BOMS findings and issues.

In addition to their response, we are of the opinion that we should not be mentioned or included in this finding. We do not use state funds to purchase, upgrade or maintain the BOMS program as we follow the Article V revision and allocate the costs associated with the BOMS program on to the county budgets.

In closing, allow me to say that it was a pleasure working with your staff during the audit and post audit to discuss and clarify any issues. Your staff exhibited the highest degree of professionalism during the audit process and we are pleased with the opportunity to respond to the audit findings. Please contact me if you have any questions or follow-up regarding this letter.

Sincerely,



Stephen B. Russell
State Attorney

SBR/so



JAMES OWENS

PUBLIC DEFENDER

Escambia • Santa Rosa • Okaloosa • Walton

April 13, 2012

Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Preliminary and Tentative Findings, Operational Audit

I wanted to take the opportunity to respond and provide additional information relating to three of the issues where Public Defenders were specifically mentioned in the Preliminary and Tentative Findings of the recently concluded operational audits.

Fraud Policy

The Preliminary and Tentative Findings of the recent operational audit of the Public Defenders recommended each office implement a single policy to aid in the detection and prevention of fraud. Although formal, written fraud policies are not required by law or rule, the First Circuit Public Defenders Office agrees with the Auditor General recommendation to develop and implement an individual fraud policy to aid in the detection and prevention of fraud and is in the process of developing this policy.

Special Salary Increases

The findings also indicated that the Public Defender Pay Plan "did not specifically provide for temporary pay increases." It is our position that permanent and temporary salary increases are expressly and specifically permitted pursuant to Section 2.06(3). Although the language in the current pay plan provides the necessary authority to adjust salaries on a temporary basis at the discretion of the elected official, consideration will be given to your recommendation for clarification to future pay plan revisions.



JAMES OWENS

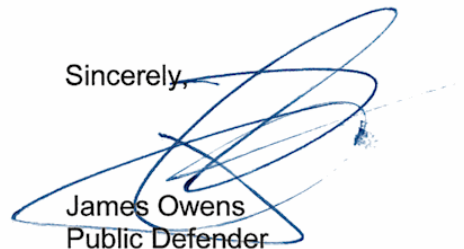
PUBLIC DEFENDER

Escambia • Santa Rosa • Okaloosa • Walton

Business Office Management System (BOMS)

We adopt the response of the Justice Administrative Commission (JAC) with regard to the preliminary finding re: the Business Office Management System (BOMS). We would like to add that we continuously evaluate the cost-benefit of expending funds on BOMS and are confident that BOMS is an efficient and cost-effective option for our office. BOMS is an integrated system that manages not only the financial aspects of our business, but also personnel and inventory functions; we have been able to maximize our use of BOMS in conjunction with STAC, a case management system designed by the same company who created BOMS, to track case costs. Furthermore, because JAC as well as most of the State Attorney and Public Defender offices in the State use the system, agencies have been able to streamline functions and share expenses for development, maintenance, and training. These are the benefits we imagine the Auditor General envisioned in its February 2002 report, where state attorneys and public defenders were encouraged "to consider using or adopting BOMS" instead of maintaining multiple individual systems. We agree with recommendations that we should continue to make efforts to increase automation between FLAIR and BOMS as well as develop a contingency plan in the event the contractor ceases operations or the system becomes inoperable for any reason.

Sincerely,



James Owens
Public Defender

jo/srd

Public Defender's Office
301 S. Monroe, Suite 401
Tallahassee, FL 32301



LAW OFFICES OF THE
PUBLIC DEFENDER
NANCY DANIELS
SECOND JUDICIAL CIRCUIT OF FLORIDA
Franklin • Gadsden • Jefferson
Leon • Liberty • Wakulla
<http://www.flpd2.com>
Main 850-606-1000
Fax 850-606-1001

Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West. Madison St.
Tallahassee, FL 32399-1450

April 10, 2012

Re: Preliminary and Tentative Findings, Operational Audit

Dear Mr. Nichols:

I wanted to take the opportunity to respond to finding No. 1 contained in the Preliminary and Tentative Findings of the recently concluded operational audits.

The Preliminary and Tentative Findings of the recent operational audit of the Public Defenders recommended that each office implement a policy to aid in the detection and prevention of fraud. Although formal, written fraud policies are not required by law or rule, all 19 Public Defender Offices in the Florida Public Defender Association have adopted formal, written fraud policies. Each office already maintained rules, procedures, and processes to prevent and detect fraud; however, the 19 Public Defender Offices agree with the Auditor General recommendation to develop and implement specific fraud policies to aid in the detection and prevention of fraud. Before the conclusion of the audit, on November, 10, 2011, our agency adopted a formal, written fraud policy.

Sincerely,

Nancy Daniels
Public Defender

MAIN OFFICE
Columbia County Courthouse
P.O. Drawer 1209
Lake City, Florida 32056-1209
(386) 758-0540
FAX (386) 758-0497

DIVISION CHIEFS
Fred L. Castleman, Jr.
M. Blair Payne
Lee I. Peters, Jr.

Donald R. Kennedy
Administrative Director



Office of
C. Dennis Roberts
Public Defender

THIRD JUDICIAL CIRCUIT

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

April 5, 2012

BRANCH OFFICES:
106 Dr. M. L. King, Jr.
South Ohio Avenue
Live Oak, Florida 32064
(386) 362-7235

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

P.O. Box 292
Madison, Florida 32341
(850) 973-4258

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

RE: Preliminary and Tentative Findings, Operational Audit for the Public Defenders

Dear Mr. Martin:

Thank you for the opportunity to respond and provide additional information relating to two issues specifically mentioned concerning my office, Public Defender, Third Judicial Circuit of Florida.

Finding No. 1: FRAUD POLICIES:

Although formal, written fraud policies are not required by law or rule, this office will consider adopting a formal, written fraud policy.

Finding No. 5: TEMPORARY PAY INCREASES:

Although the language in the current pay plan provides the necessary authority to adjust salaries on a temporary basis at the discretion of the elected Public Defender, consideration will be given to your recommendation and clarification to our pay plan.

Sincerely,

C. Dennis Roberts
Public Defender
Third Judicial Circuit

CDR/bh



The Honorable Matt Shirk
Public Defender
Fourth Judicial Circuit

April 13, 2012

Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Preliminary and Tentative Findings, Operational Audit

Thank you for the opportunity to respond to the Preliminary and Tentative Findings related to the Justice Administrative Commission (JAC) Operational Audit, specifically as it relates to the Public Defender's Office, Fourth Judicial Circuit Finding Number 1.

Fraud Policy

Recommendation: *"Those judicial-related agencies that have not done so should develop and implement fraud policies to aid in the detection and prevention of fraud."*

Response:

Although formal, written fraud policies are not required by law or rule, the Public Defender's Office, 4th Judicial Circuit agrees with the Auditor General recommendation. The office previously had policies within the office manual which addressed topics such as use of government issued property, confidentiality of records, and contractual services. A formal written fraud policy was implemented in September 2011 and all employees have received formal training on the contents of this policy and a written acknowledgement placed in their personnel files.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "MS", with a long horizontal stroke extending to the left.

Matt Shirk



Telephone
(352) 742-4270

Felony Fax
(352) 742-4297

Administrative Fax
(352) 742-4350

LAW OFFICES OF
HOWARD H. BABB, JR.
PUBLIC DEFENDER

Misd./Juv Fax
(352) 253-6030

Fifth Judicial Circuit of Florida
Marion • Lake • Hernando • Citrus • Sumter

March 19, 2012

Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

To Whom It May Concern:

Pursuant to Section 11.45(4)(d), Florida Statutes, this is a written statement of explanation concerning corrective action taken in response to an operational audit for The Public Defender, Fifth Judicial circuit.

Finding No. 1: Some judicial related agencies had not implemented policies for mitigation, detection, and reporting of fraud.

Explanation of Corrective Action: Upon notification by the Justice Administrative Commission (JAC) in September 2011 that a fraud policy may be required by the Auditor General, the Fifth Circuit Public Defender immediately established a written fraud policy. A signed acknowledgment that the policy had been read is required of all active employees of the Fifth Circuit Public Defender and a copy of this acknowledgment is retained in each employee's personnel file.

If you have questions or require further explanation please contact Michael Lupton, Administrative Director, at MLupton@pdo5.org or cell 352-267-2529.

Sincerely,

Howard H. Babb, Jr.
Public Defender, Fifth Judicial Circuit

123 North Sinclair Avenue • Post Office Box 7800 • Tavares, Florida 32778



BOB DILLINGER
PUBLIC DEFENDER
SIXTH JUDICIAL CIRCUIT OF FLORIDA

April 12, 2012

Mr. David W. Martin, CPA
Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

This is our response to Finding No. 1 of Preliminary and Tentative Findings that applies to this office.

We have adopted a formal Policy Against Fraudulent, Unethical and Other Dishonest Acts and incorporated said policy into our Employee Handbook (pages 34-36). This policy has been distributed to all current employees via e-mail. A hardcopy of our Employee Handbook is provided to each new employee of this office, and the Handbook is available for review on our intranet website.

Thank you for bringing this to our attention.

Sincerely,

Bob Dillinger

PUBLIC DEFENDER OFFICES

Office of the Public Defender
14250 - 49th Street North
Clearwater, FL 33762
Telephone: (727) 464-6516
Fax: (727) 464-6119

Office of the Public Defender
38053 Live Oak Avenue
Dade City, FL 33523
Telephone: (352) 521-4388
Fax: (352) 521-4394

Office of the Public Defender
7530 Little Road
New Port Richey, FL 34654
Telephone: (727) 847-8155
Fax: (727) 847-8025



LAW OFFICES OF
PUBLIC DEFENDER
SEVENTH JUDICIAL CIRCUIT
FLAGLER, PUTNAM, ST. JOHNS & VOLUSIA COUNTIES

JAMES S. PURDY
PUBLIC DEFENDER
CRAIG S. DYER
CHIEF ASSISTANT

April 9, 2012

David W. Martin, CPA
Auditor General
State of Florida
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Preliminary and Tentative Findings, Operational Audit

Dear Mr. Martin,

In reference to your letter of March 14, 2012 and the attached Preliminary and Tentative Findings for the recently concluded operational audit, I offer the following where the Public Defender, Seventh Judicial Circuit, was specifically mentioned:

Finding No. 1: Fraud Policy Although formal, written fraud policies are not required by law or rule, this Office has adopted a formal, written fraud policy.

Finding No. 4: Business Office Management System (BOMS) Please refer to the response of the Justice Administrative Commission (JAC).

Very truly yours,

James S. Purdy
Public Defender
Seventh Judicial Circuit

JSP/snd

STACY A. SCOTT
PUBLIC DEFENDER
Eighth Judicial Circuit

35 North Main Street
P.O. Box 2820
Gainesville, FL 32602-2820
(352) 338-7370

81 N. 3rd Street
Macclenny, FL 32063
(904) 259-4245

Bradford County Courthouse
P.O. Box 1059
Starke, FL 32091-1059
(904) 966-6273

353 South Court Street
P.O. Box 1119
Bronson, FL 32621-1119
(352) 486-5350



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Serving Baker County

Serving Bradford and
Union Counties

Serving Levy and
Gilchrist Counties

Reply to:

April 5, 2012

David W. Martin
Office of the Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Preliminary and Tentative Findings, Operational Audit

Dear Mr. Martin:

Pursuant to Section F.S.11.45(4)(d), I am providing the following responses to the Preliminary and Tentative Audit Findings that were listed in the March 14, 2012 correspondence that I received from you. Your letter instructed me to respond to finding No. 1, and that I may respond, if I so choose, to finding Nos. 3, 4 (formerly 5), and 5 (formerly 6).

Finding No. 1

The Preliminary and Tentative Findings of the recent operational audit of the Public Defenders recommended each office implement a formal, written policy to aid in the mitigation, detection and prevention of fraud. To my knowledge, a formal, written anti-fraud policy is not required by law or rule, and protections were in place in our office to guard against fraud. However, I agree with the Auditor General that the best practice is to have such a formal, written policy. As noted in the audit findings, we implemented a formal, written anti-fraud policy on September 20, 2011.

STACY A. SCOTT
PUBLIC DEFENDER
Eighth Judicial Circuit

35 North Main Street
P.O. Box 2820
Gainesville, FL 32602-2820
(352) 338-7370

81 N. 3rd Street
Maccleddy, FL 32063
(904) 259-4245

Bradford County Courthouse
P.O. Box 1059
Starke, FL 32091-1059
(904) 966-6273

353 South Court Street
P.O. Box 1119
Bronson, FL 32621-1119
(352) 486-5350



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Serving Baker County

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Union Counties

Serving Levy and
Gilchrist Counties

Reply to:

Finding No. 3

As noted in your findings, JAC and the agencies it administratively supports are not included in F.S. 20.055 and thus are not required to establish an internal audit function. Our office will certainly comply with any change in the law in this area.

Finding No. 4 (formerly 5)

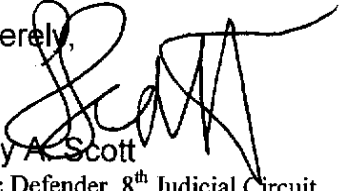
Exploring options other than BOMS is a good recommendation. PDO8 does have a contingency plan in place should BOMS become inoperable.

Finding No. 5 (formerly 6)

The language in the current Public Defender Pay Plan provides the necessary authority to adjust salaries on a temporary basis at the discretion of the elected official. However, careful consideration will be given to your recommendation for further clarification to future revisions of the Public Defender Pay Plan.

Thank you for your recommendations, findings and insights.

Sincerely,


Stacy A. Scott
Public Defender, 8th Judicial Circuit



OFFICE OF THE
PUBLIC DEFENDER
NINTH JUDICIAL CIRCUIT
ORANGE AND OSCEOLA COUNTIES
POST OFFICE BOX 4935
435 NORTH ORANGE AVENUE
ORLANDO, FLORIDA 32802-4935

ROBERT WESLEY
PUBLIC DEFENDER

TELEPHONE: (407) 836-4806
FAX: (407) 836-4819
E-MAIL: WESLEY@CIRCUIT9.ORG



April 2, 2012

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

Dear Mr. Martin,

I have reviewed your findings in the operational audit of the judicial-related agencies report released on March 20, 2012.

Based on your recommendations in finding number one, our office has implemented a comprehensive fraud protection policy. Each employee in our office has received a copy of this policy and a signed copy from each employee is included in the personnel file.

Thank you for your thorough audit. We look forward to working together to achieve better efficiency and accountability for all operations.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Wesley".

Robert Wesley
Public Defender, Ninth Judicial Circuit



POLK COUNTY

POLK COUNTY COURTHOUSE
255 N. BROADWAY • 3RD FLOOR
POST OFFICE BOX 9000-PD
BARTOW, FLORIDA 33831
PHONE: 863/534-4200

HARDEE COUNTY

413 WEST ORANGE STREET
WAUCHULA, FLORIDA 33873
PHONE: 863/773-6758

HIGHLANDS COUNTY

510 FERNLEAF AVENUE
POST OFFICE BOX 3741
SEBRING, FLORIDA 33871
PHONE: 863/402-6724



JAMES MARION MOORMAN
PUBLIC DEFENDER
TENTH JUDICIAL CIRCUIT

April 10, 2012

PLEASE REPLY TO
Bartow

Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Preliminary and Tentative Findings, Operational Audit

I wanted to take the opportunity to respond and provide additional information relating to three of the issues where Public Defenders were specifically mentioned in the Preliminary and Tentative Findings of the recently concluded operational audits.

Fraud Policy

The Preliminary and Tentative Findings of the recent operational audit of the Public Defenders recommended each office implement a single policy to aid in the detection and prevention of fraud. Although formal written fraud policies are not required by law or rule, the 10th Circuit Public Defender's Office has developed and implement an individual fraud policy to aid in the detection and prevention of fraud.

Special Salary Increases

The findings also indicated that the Public Defender Pay Plan "did not specifically provide for temporary pay increases." It is our position that permanent and temporary salary increases are expressly and specifically permitted pursuant to Section 2.06(3). Although the language in the current pay plan provides the necessary authority to adjust salaries on a temporary basis at the discretion of the elected official, consideration will be given to your recommendation for clarification to future pay plan revisions.

Business Office Management System (BOMS)

We adopt the response of the Justice Administrative Commission (JAC) with regard to the preliminary finding re: the Business Office Management System (BOMS). We would like to add that we continuously evaluate the cost-benefit of expending funds on BOMS and are confident that BOMS is an efficient and cost-effective option for our office. BOMS is an integrated system that manages not only the financial

aspects of our business, but also personnel and inventory functions. Furthermore, because JAC as well as most of the State Attorney and Public Defender offices in the state use the system, agencies have been able to streamline functions and share expenses for development, maintenance, and training. These are the benefits we imagine the Auditor General envisioned in its February 2002 report, where state attorneys and public defenders were encouraged "to consider using or adopting BOMS" instead of maintaining multiple individual systems. We agree with recommendations that we should continue to make efforts to increase automation between FLAIR and BOMS as well as develop a contingency plan in the event the contractor ceases operations or the system becomes inoperable for any reason.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Moorman", with a long horizontal flourish extending to the right. The signature is written over the printed name and title.

J. MARION MOORMAN
PUBLIC DEFENDER



LAW OFFICES OF THE
PUBLIC DEFENDER
ELEVENTH JUDICIAL CIRCUIT OF FLORIDA
Bennett H. Brummer Building
1320 NW 14th Street
Miami, Florida 33125

CARLOS J. MARTINEZ
PUBLIC DEFENDER

305.545.1600
www.pdmiami.com

March 27, 2012

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

RE: Preliminary and Tentative Findings, Operational Audit

Dear Mr. Martin:

On behalf of PD11, please consider the following as our response to the issue raised in your Preliminary and Tentative Findings regarding the temporary salary increases paid by PD11 during the period examined - July, 2008 through June, 2011.

The finding calls into question temporary salary increases paid by PD11 during that period because the Public Defender Pay Plan "did not specifically provide for temporary pay increases." It is our position that both permanent and temporary salary increases were authorized by the Legislature and the Public Defender Pay Plan during that period. As such, temporary salary increases paid by PD11 in April, 2009, July, 2009 and May, 2011 were in strict conformity with Florida law and the Public Defender Pay Plan.

In FY 08-09, agencies were authorized "to grant merit increases to the employees based on the employee's exemplary performance." Ch. 2008-152 HB5001, Section 8, paragraph 4(j). In FY09-10 and FY10-11, agencies were authorized "to grant merit pay increases based on the employee's exemplary performance..." Ch. 2009-81, SB2600, Section 8, paragraph 4(j) and Ch. 2010-152HB5001, Section 8, paragraph 4(j). In these enactments, the Legislature used no language or wording that limited the discretion of the elected Public Defender to award merit pay increases on a temporary

March 30, 2012

Page 2

basis. As such, per commonly accepted rules of statutory construction,¹ PD11's grant of temporary salary increases for exemplary performance were legislatively authorized.

During that same period, the Public Defender Pay Plan expressly and specifically authorized temporary merit pay increases in Section 2.06 (1) and (3), which provide:

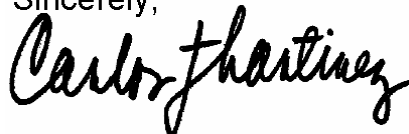
- (1) A merit salary advancement - May be granted to an employee at the discretion of the Public Defender based upon accomplishments and performance of duties and responsibility.
- (3) A special pay increase - If conditions exist which justify pay increases, the Public Defender may approve a special pay increase for any employee. Conditions may include, but not limited to, one or more of the following: reassignment, transfer, added duties and responsibilities, *superior proficiency*, education and training, competitive job offer, and internal pay relationships.

Section (3) provides for "special" pay increases warranted by conditions and circumstances, without additional restriction. There is no temporal or limiting language classifying them as either "permanent special pay increases" or "temporary special pay increases." Again, given the language used in the pay plan its literal and plain meaning, "merit or "special" salary increases can be paid permanently or temporarily, as long as they are warranted by the conditions and circumstances.

Finally, construction of the statutory and pay plan language to provide for payment of temporary, merit salary increases facilitates the elected official's efforts to effectively manage the agency, while demonstrating conservative, fiscal restraint in the handling of the agency budget.

Although the language in the current pay plan provides the necessary authority to adjust salaries on a temporary basis at the discretion of the elected official, consideration will be given to your recommendation for clarification to future pay plan revisions.

Sincerely,



Carlos J. Martinez
Public Defender

¹ *Expressio unius est exclusio alterius* - the expression of one thing is the exclusion of the other, as well as the rule that statutory language must be given its literal and plain meaning.

**LARRY L. EGER***Public Defender*

March 26, 2012

Public Defender
Twelfth Judicial Circuit
State of Florida
2071 Ringling Boulevard
Criminal Justice Center - Fifth Floor
Sarasota, Florida 34237-7009
(941) 861-5500
TDD: (941) 861-4581

DESOTO COUNTY:

Desoto County Courthouse
115 East Oak Street
Room 106
Arcadia, Florida 34266-2412
Phone: 863-993-4891

MANATEE COUNTY:

1051 Manatee Avenue West
Seventh Floor
Bradenton, Florida 34205-7801
Phone: 941-747-6436
TDD: 941-741-3840

VENICE:

4000 South Tamiami Trail
Room 221
Venice, Florida 34293-5075
Phone: 941-861-3540

Please Reply To:

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

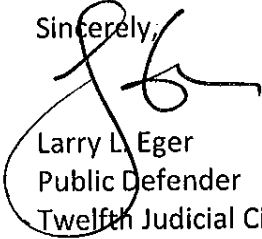
Re: Response, preliminary and tentative findings - Audit of Public Defenders

Dear Mr. Martin,

As required by Section 11.45(4)(d), Florida Statutes, please accept this correspondence as my statement of explanation concerning actual or proposed corrective actions regarding P&T audit finding No. 1, absence of an established fraud policy. Per the recommendation presented by the auditor report, the Office of the Public Defender, Twelfth Judicial Circuit has established a formal and written fraud policy.

I thank you for the recent review of our policies and procedures by the Auditor General's Office and for this recommendation that will improve and strengthen the operation of this office in its service to the people of Florida.

Sincerely,


Larry L. Eger
Public Defender
Twelfth Judicial Circuit



REPLY TO: JULIANNE HOLT
TEL: (813) 307-4000
jholt@pd13.state.fl.us

Law Office of
JULIANNE M. HOLT
Public Defender

Thirteenth Judicial Circuit of Florida
700 East Twiggs Street, Fifth Floor
P.O. Box 172910
Tampa, Florida 33672-0910

April 12, 2012

Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Preliminary and Tentative Findings, Operational Audit

I wanted to take the opportunity to respond and provide additional information relating to three of the issues that referenced our office and were specifically mentioned in the Preliminary and Tentative Findings of the recently concluded operational audits.

Fraud Policy

The Preliminary and Tentative Findings of the recent operational audit of the Public Defenders recommended each office implement a single policy to aid in the detection and prevention of fraud. Although formal, written fraud policies are not required by law or rule, the 13th Circuit Public Defender's Office had formal, written fraud policies in many office manuals in order to assist employees with identifying rules, procedures, and processes to prevent and detect fraud. However, we have complied with the Auditor General recommendation to develop and implement an individual fraud policy to aid in the detection and prevention of fraud.

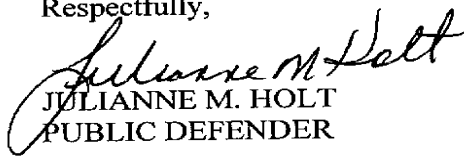
Special Salary Increases

The findings also indicated that the Public Defender Pay Plan "did not specifically provide for temporary pay increases." It is our position that permanent and temporary salary increases are expressly and specifically permitted pursuant to Section 2.06(3). Although the language in the current pay plan provides the necessary authority to adjust salaries on a temporary basis at the discretion of the elected official, consideration will be given to your recommendation for clarification to future pay plan revisions.

Business Office Management System (BOMS)

We adopt the response of the Justice Administrative Commission (JAC) with regard to the preliminary finding re: the Business Office Management System (BOMS). We would like to add that we continuously evaluate the cost-benefit of expending funds on BOMS and are confident that BOMS is an efficient and cost-effective option for our office. BOMS is an integrated system that manages not only the financial aspects of our business, but also personnel and inventory functions; we have been able to maximize our use of BOMS in conjunction with STAC, a case management system designed by the same company who created BOMS, to track case costs. Furthermore, because JAC as well as most of the State Attorney and Public Defender offices in the state use the system, agencies have been able to streamline functions and share expenses for development, maintenance, and training. These are the benefits we imagine the Auditor General envisioned in its February 2002 report, where state attorneys and public defenders were encouraged “to consider using or adopting BOMS” instead of maintaining multiple individual systems. We agree with recommendations that we should continue to make efforts to increase automation between FLAIR and BOMS as well as develop a contingency plan in the event the contractor ceases operations or the system becomes inoperable for any reason.

Respectfully,



JULIANNE M. HOLT
PUBLIC DEFENDER

**Herman D. Laramore**

Public Defender
Fourteenth Judicial Circuit
4437 Jackson Street
Post Office Box 636
Marianna, Florida 32447-0636
Telephone 850-482-9366
Fax 850-482-9388

M. Douglas White
Chief Assistant

H. Guy Green
Chief Assistant

April 11, 2012

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

RE: Operational Audit of the Public Defenders

Dear Mr. Martin:

The following responses are made pursuant to the preliminary and tentative audit findings on your operational audit of this agency:

Finding No. 1: Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

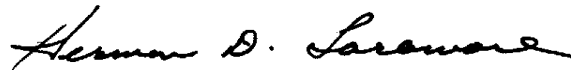
It is always our primary goal to be in compliance with all applicable laws and administrative rules governing Public Defender operations and although formal, written fraud policies are not required by law or rule our agency had implemented procedures to minimize our exposure to fraud. However, we agree with the Auditor General recommendation to aid in the detection and prevention of fraud to develop and implement a written fraud policy. Our agency on September 21, 2011, established a formal, written fraud policy. It was disseminated to all our employees on October 10, 2011. Each employee was asked to read the policy, sign and return to our administrative office. The signed policy was placed in the employees' personnel files.

Finding No. 5: SAs and PDs could enhance their pay plans to specifically provide for temporary pay increases in their pay plans.

Mr. David W. Martin, CPA
Auditor General
PD-14 Operational Audit Response
April 11, 2012
Page 2

It is our position that permanent and temporary salary increases are expressly and specifically permitted pursuant to Section 2.06(3). Although the language in the current pay plan provides the necessary authority to adjust salaries on a temporary basis at the discretion of the elected official, consideration will be given to your recommendation for clarification to future pay plan revisions.

Respectfully submitted,

A handwritten signature in black ink, reading "Herman D. Laramore". The signature is fluid and cursive, with the first name "Herman" being the most prominent.

Herman D. Laramore
Public Defender
Fourteenth Judicial Circuit

HDL:jg



State of Florida
Office of the Public Defender

Fifteenth Judicial Circuit of Florida

Carey Haughwout
Public Defender

421 3rd Street
West Palm Beach, Florida
33401-4297

(561) 355-7500
Direct (561) 355-7651
Fax (561) 355-7737

April 12, 2012

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

Re: Preliminary and Tentative Findings, Operational audit

Dear Mr. Martin:

Thank you for the opportunity to respond to the Preliminary and Tentative Findings of the recently concluded operational audits. Our response is as follows:

Finding No. 1: Fraud Policies

Although we did not have a formal independent fraud policy at the time of your initial inquiry, we did have a variety of policies contained in our office manuals to prevent and detect fraud. Nevertheless, as noted in your report, we acted upon your recommendation and did establish a specific fraud policy subsequent to your inquiry. It will be our practice to include this in our policy manual provided to all employees.

Finding No. 4: Business Office Management System

We adopt the response of the Justice Administrative Commission (JAC) with regards to this preliminary finding. We agree that it is good business practice to constantly conduct cost-benefit analysis of any and all business processes we use. We have found that BOMS is an efficient and effective option for our office. We agree with the recommendation that we should continue to make efforts to increase automation between FLAIR and BOMS as well as develop a contingency plan in the event the contractor ceases operations or the system becomes inoperable for any reason.

David W. Martin, CPA

Page 2

April 12, 2012

Finding No. 5: Special Salary Increases

It is our position that permanent and temporary salary increases are expressly and specifically permitted pursuant to Section 2.06(3) of the Public Defender Pay Plan. We believe the pay plan provides the necessary authority to adjust salaries on a temporary basis to meet the needs of our organization. However, we will certainly consider your recommendation for clarification in future pay plan revisions.

Thank you for your recommendations and guidance in these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Carey Haughwout", written in a cursive style.

Carey Haughwout

CSH:kmm

MONROE COUNTY**KEY WEST**

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KEY WEST, FL 33041-4127
PHONE: (305) 294-2501

MARATHON

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

PLANTATION KEY

50 High Point Rd.
TAVERNIER, FL 33070
PHONE: (305) 853-7410



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

ROSEMARY E. ENRIGHT
PUBLIC DEFENDER

March 29, 2012

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 audit states that "some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud."

The initial inquiry about written fraud policies by the Auditor General's auditors to the agencies included in the audit was on September 15, 2011. This office did not have an official written fraud policy at that time, as it is not nor has it been required by law or rule. In past audits of this office, no such finding had been identified by the Auditor General. However, on September 16, 2011, this office adopted and implemented its "Policy Against Fraudulent, Unethical and Other Dishonest Acts". As such we are now in compliance with the Auditor General's recommendations.

Sincerely,

Rosemary E. Enright
Public Defender, 16th Judicial Circuit



Law Office of the
PUBLIC DEFENDER
 Seventeenth Judicial Circuit

Howard Finkelstein • Public Defender

Broward County Courthouse • 201 S.E. 6th Street • Suite 3872 • Fort Lauderdale, Florida 33301
 Telephone: (954) 831-8650 • Fax: (954) 831-8853 • Internet Address: <http://www.browarddefender.org>

Public Defender
 Howard Finkelstein
 954.831.8644

Executive
 Chief Assistants:

Diane M. Cuddihy
 954.831.8814

Catherine A. Keuthan
 954.831.8665

Chief Assistants:

Renee T. Dadowski
 954.831.8817

Lynn M. DeSanti
 954.831.8810

Frank de la Torre
 954.831.6779

Steven Michaelson
 954.831.8664

Owen F. McNamee
 954.831.8658

Susan L. Porter
 954.831.6752

Gordon H. Weekes, Jr.
 954.831.8636

Robert R. Wills
 954.831.8677

Chief Investigator:
 Allen E. Smith
 954.831.6714

March 20, 2012

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

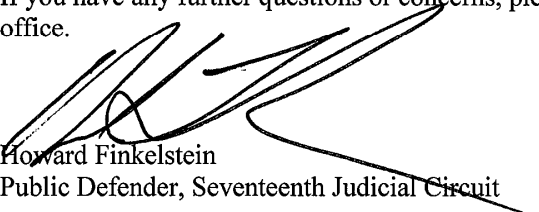
Dear Mr. Martin:

In response to your letter regarding your operational audit of State Courts System, Judicial Qualifications Commission, Justice Administrative Commission, State Attorneys, Public Defenders, Capital Collateral Regional Counsels, Criminal Conflict and Civil Regional Counsels, and Guardian Ad Litem, we have adopted a policy specifically addressing your Finding No. 1: Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

You recommended that those judicial-related agencies that have not done so should develop and implement fraud policies to aid in the detection and prevention of fraud.

Pursuant to our conversation with you on this recommendation, we have added the attached Fraud Policy to our employee office manual. We believe this satisfies the concerns highlighted in your report in Finding No. 1.

If you have any further questions or concerns, please feel free to contact my office.


 Howard Finkelstein
 Public Defender, Seventeenth Judicial Circuit

Fraud Policy

To guard against fraudulent, unethical, and dishonest acts and identify responsibilities for preventing, detecting, reporting, and investigating such.

OVERVIEW

The Law Office of the Public Defender (Public Defender) is committed to the highest standards of moral and ethical behavior. Breaches of these standards, especially through acts involving fraudulent, unethical, and other dishonest behavior, are not only costly, but they erode the public's trust and confidence in the integrity of the agency. By issuing this formal policy statement, this hereby reaffirms its longstanding duty and responsibility to combat such behavior.

This policy is intended to (1) communicate a commitment against fraudulent, unethical, and other dishonest activities; (2) institute preventive measures designed to deter these activities or make them easier to detect; and (3) provide for the reporting and investigation of such, including providing protection to employees who report violations.

An employee who, in good faith, reports wrongful activity meeting the provisions of s. [112.3187](#), F.S., (Whistle-blower's Act), is protected against retaliation for making such a report. The law also provides for the individual's identity to remain confidential. Regardless as to whether or not the provisions of the Whistle-blower's Act are met, it is a violation of this policy for anyone to retaliate against an employee for reporting, in good faith, allegations of wrongdoing or participating in the investigation of such.

A. DEFINITIONS

Fraud generally involves a willful or deliberate act or omission with the intention of obtaining an unauthorized benefit, service, property, or something of value by deception, misrepresentation, or other unethical or unlawful means. Fraud can be committed through many methods, including mail, wire, telephone, and the Internet. Fraudulent, unethical, and other dishonest acts may include, but are not limited to:

1. Forgery or unauthorized alteration of documents or computer records;

2. Falsification or misrepresentation of reports to management and external agencies, including time sheets, official travel claims for reimbursement, or other expense reimbursement reports;
3. Authorizing or receiving payment for time not worked;
4. Misappropriation of funds, securities, supplies, or other assets;
5. Impropriety in handling or reporting of money or financial

transactions;

6. Engaging in unauthorized activities that result in a conflict of interest;
7. Disclosing confidential or proprietary information to unauthorized individuals;
8. Removal of agency property, records, or other assets from the premises without supervisory approval;
9. Unauthorized use or destruction of agency property, records, or other agency assets; and
10. Taking information and using it or providing the information that would lead to identity theft.

B. RESPONSIBILITY FOR DETECTION, REPORTING, AND PREVENTION

Management shall set the appropriate tone by displaying the proper attitude toward complying with laws, rules, and regulations. Management is also responsible for establishing and maintaining proper internal controls that will provide for the security and accountability of the resources entrusted to them. Such controls include, but are not limited to, ensuring that (1) incompatible duties are properly separated; (2) financial transactions are properly authorized and approved; (3) reports of financial activity are periodically reviewed for completeness and accuracy; (4) official personnel actions (i.e., appointments, terminations, promotions) and employee time and leave is properly authorized and approved; (5) assets are physically secured; (6) computer passwords are protected and not shared; (7) confidential and sensitive information is protected from unauthorized access; and (8) employees are effectively supervised. In addition, supervisors shall be cognizant of the risks and exposures inherent in their area of responsibility, take appropriate steps to help mitigate those risks, and be aware of the related symptoms of fraudulent, unethical, and other dishonest actions.

Employees shall be alert to the possibilities of fraud and any indication that unethical or dishonest activity is taking place. Any Public Defender employee who has knowledge of such activity shall immediately notify their supervisor. The supervisor shall then notify the Executive Chief Assistants or the Public Defender. If it appears to be criminal, then the Executive Chief Assistants or the Public Defender will notify the appropriate Police Department. If the employee has reason to believe that their supervisor may be involved, the employee shall immediately

notify the Executive Chief Assistants or Public Defender. In all cases, neither the employee nor the supervisor shall investigate the suspected activity nor discuss the matter with anyone other than the person or office to whom the activity was reported. Employees who knowingly make false allegations may be subject to disciplinary action up to and including dismissal. Allegations that are investigated and deemed unsubstantiated are not necessarily indicative of false allegations.

C. INVESTIGATION

Upon reviewing allegations of fraudulent, unethical, or dishonest acts, if the Executive Chief Assistants or Public Defender determines an investigation is warranted, he/she shall appoint a Chief within the Law Office of the Public Defender to investigate the reported activity. In those instances where the investigation by the Chief-appointee indicates potential criminal activity, the investigation shall immediately be turned over to the appropriate State Attorney Office.

During the investigation, the Constitutional rights of all persons are to be observed. The accused will be afforded the opportunity to respond to the allegations or matters being investigated. The rights of the accused will be safeguarded throughout the investigation.

Pursuant to this policy, all employees are to cooperate fully with those performing an investigation. An employee who does not fully cooperate with an authorized investigation may be disciplined, up to and including termination of employment. An employee may be required to answer any questions that are within the scope of the employee's employment, whether such questions are asked in an investigation conducted by the Chief appointee or Human Resources.

The investigation shall be completed expeditiously and in accordance with established procedures. The results of the investigation conducted by the Chief appointee shall be communicated, either orally or in writing. Allegations or matters of conduct deemed outside the scope of this policy, such as supervisory or personnel-related issues, may be referred to the respective area of management or Human Resources Section for review and appropriate action.

D. ACTIONS

Employees determined to have participated in fraudulent, unethical, or dishonest acts will be subject to disciplinary action in accordance with personnel policies and rules. Criminal, civil, and/or other administrative actions may also be taken against employees who are found to have participated in unlawful acts. Criminal action falls within the sole purview of local, state, or federal law enforcement, prosecuting and judicial authorities. In those instances where disciplinary and/or other administrative action is warranted, the Human Resources Section, or other appropriate office, shall be consulted prior to taking such actions.

2725 JUDGE FRAN JAMIESON WAY
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TELEPHONE: (321) 617-7373

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TELEPHONE: (407) 665-4524

OFFICE OF THE
PUBLIC DEFENDER
EIGHTEENTH JUDICIAL CIRCUIT
BREVARD & SEMINOLE COUNTIES

BLAISE TRETTIS
EXECUTIVE ASSISTANT

MARY LU TOMBLESON
EXECUTIVE DIRECTOR

JAMES RUSSO
PUBLIC DEFENDER

April 12, 2012

David W. Martin, CPA
Auditor General
State Of Florida
GT74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

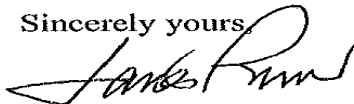
Pursuant to Section 11.45(4)(d), Florida Statutes, I am responding to finding No.1 of your operational audit of my office.

Finding No. 1: Fraud Policies

Recommendation: "Those judicial-related agencies that have not done so should develop and implement fraud policies to aid in the detection and prevention of fraud."

I concur with your finding. Although my office had procedures in place to prevent and protect this office from unethical, dishonest or fraudulent acts, I initiated and implemented a policy against fraudulent, unethical and other dishonest acts on September 26, 2011.

Sincerely yours,



James Russo
Public Defender
18th Judicial Circuit



Law Offices of
DIAMOND R. LITTY
PUBLIC DEFENDER

Nineteenth Judicial Circuit of Florida
200 S. Second Street
Ft. Pierce, FL 34950
(772) 462-2048

April 11, 2012

David W. Martin, CPA
Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Preliminary & Tentative Findings, Operational Audit

Dear Mr. Martin,

Please accept this letter as our response to your letter of March 14, 2012 requesting our actual or proposed corrective actions concerning finding Nos. 1 and 5 (revised).

Finding No. 1: Fraud Policies and Organizational Issues

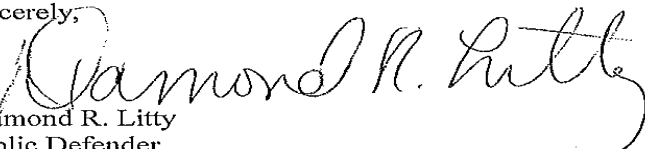
The Nineteenth Circuit does have a written fraud policy. This office already maintained rules, procedures, and processes to prevent and detect fraud, even though no formal written fraud policy is required by law or rule.

Finding No. 5: Temporary Pay Increases

It is our position that the Public Defender Association Pay Plan does specifically provide for "special pay increases" in Section 2.06(3) of the Plan under certain conditions without additional restrictions. There is no temporal or limiting language classifying them as either "permanent" or "temporary" special pay increases and can, therefore, be used for both as long as they are warranted by the conditions, circumstances or state of affairs. Furthermore, these increases were given within the confines of our operational budget and made possible due to sound business practices and responsible fiscal management.

Although not required to respond to Finding No. 3 or Finding No. 4, I would like to point out that the use of the Business Office Management System (BOMS) is our best defense against fraud and does help to serve as an internal audit tool in addition to being essential to maintaining sound fiscal management.

Sincerely,


Diamond R. Litty
Public Defender



KATHLEEN A. SMITH
PUBLIC DEFENDER

Law Offices Of The
Public Defender
Twentieth Judicial Circuit of Florida
Lee, Collier, Charlotte, Hendry & Glades Counties

Lee County - Fort Myers (Main Office)
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Lee County - Cape Coral Office
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Lee County Government Building
1039 SE 9th Place, 2nd Floor
Post Office Box 151327
Cape Coral, FL 33915-1327

March 20, 2012

Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Re: Preliminary and Tentative Audit Findings

Dear Auditor General,

Pursuant to Section 11.45(4)(d), Florida Statutes, the Public Defender, 20th Judicial Circuit is required to respond to Finding No. 1 – “Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud”.

As noted in the audit report (under “Fraud Policies and Organizational Issues”), upon your follow-up review of February 16, 2012, the Public Defender, 20th Judicial Circuit was found to have established a formal written fraud policy.

Thank you,

Kathleen A. Smith
Public Defender
Office of the Public Defender - 20th Judicial Circuit
Fort Myers, Florida

STATE OF FLORIDA
LAW OFFICE OF THE
CAPITAL COLLATERAL
REGIONAL COUNSEL
MIDDLE REGION



BILL JENNINGS
CAPITAL COLLATERAL REGIONAL COUNSEL

VICKI BUTTS
EXECUTIVE DIRECTOR

April 10, 2012

Mr. David W. Martin
Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

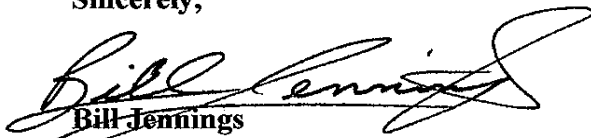
Re: Response to Preliminary and Tentative Audit Findings and Recommendations

Dear Mr. Martin:

Enclosed please find the Capital Collateral Regional Counsel-Middle Region's response to the Preliminary and Tentative Audit Findings and Recommendations issued by your office on March 14, 2012. We appreciate your assistance and the efforts of your staff. Michael Nichols is to be commended for his diligent efforts and cooperative nature. We intend to implement the suggestions found within your preliminary audit report, which will continue to ensure the accountability expected of this agency.

Thank you for your assistance.

Sincerely,


Bill Jennings
Capital Collateral Regional Counsel
Middle Region

BJ/vhb
Enclosure

RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS**Finding No. 1 :**

Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

Response No. 1:

May 2001, Capital Collateral Regional Counsel-Middle Region (CCRC-M) created internal policy documents that clearly defined proper usage of accounts and equipment. These policies included all communication devices, e-mail, internet, suncom, as well as other types of equipment, office items or accounts that are utilized by employees. These policies were created to assist employees with identifying rules, procedures and processes to prevent and detect fraud. All employees are required to annually sign these policy documents.

Based on the Auditor General's recommendation, however, we have also implemented the Capital Collateral Regional Counsel-Middle Region Fraud Policy. A copy of this policy is now included in the CCRC-M's Pay and Classification Manual.

Finding No. 4:

JAC and the agencies it administratively supports should evaluate the cost-benefit of continuing to expend moneys for BOMS versus purchasing the system or developing an in-house system.

Response No. 4:

CCRC-M adopts the response of the Justice Administrative Commission with regard to the preliminary finding of the Business Office Management System (BOMS).

LAW OFFICE OF THE
CAPITAL COLLATERAL REGIONAL COUNSEL-SOUTH

State of Florida

101N.E. 3rd Avenue, Suite 400
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(SC) 453-1284
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FAX (SC) 453-1299



Neal A. Dupree
Capital Collateral Regional Counsel

April 13, 2012

**Mr. David W. Martin
Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450**

Re: Response to Preliminary and Tentative Audit Findings and Recommendations

Dear Mr. Martin:

Enclosed please find the Capital Collateral Regional Counsel-South Region's response to the Preliminary and Tentative Audit Findings and Recommendations issued by your office on March 14, 2012. We appreciate your assistance and the efforts of your staff. We intend to implement the suggestions found within your preliminary audit report and ensure the accountability expected of this agency.

Thank you for your assistance.

Sincerely,

Neal A. Dupree
Capital Collateral Regional Counsel
South Region

ND/pan
Enclosure

RESPONSE TO PRELIMINARY AND TENTATIVE AUDI FINDINGS**Finding No. 1:**

Some judicial-related agencies had not implemented policies for the mitigation, detection, and reporting of fraud.

Response No. 1:

Subsequent to the initial inquiry by the Auditor General, The Capital Collateral Regional Counsel-South Region, established a formal, written fraud policy. We have mandated that all employees sign off on the document and a copy is placed in their personnel file. A copy of this policy will now be included in the CCRC-S's Pay and Classification Manual.

All employees are required to sign this policy document annually.

Finding No. 4:

JAC and the agencies it administratively supports should evaluate the cost-benefit of continuing to expend moneys for BOMS versus purchasing the system or developing an in-house system.

Response No. 4:

CCRC-S defers to the Justice Administrative Commission's response.



STATE OF FLORIDA
OFFICE OF CRIMINAL CONFLICT &
CIVIL REGIONAL COUNSEL,
FIRST REGION
227 N. Bronough Street, Ste 1125
Tallahassee, FL 32301

Jeffrey E. Lewis
Regional Counsel

TEL (850) 922-0179
FAX: (850) 488-0728

April 9, 2012

David Martin, CPA, Auditor General
Local Government Audits / 343
401-0 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Preliminary and Tentative Findings Judicial Operation Audit

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 and Civil Regional Counsel, First DCA Region of Florida (RC1).

In response to finding number 4, RC1 understands the importance of being good stewards of taxpayers' money and, therefore, will work with JAC and the other Regional Counsels regarding your recommendation related to BOMS. Please do not hesitate to contact me should you have any questions regarding this matter.

Sincerely,

Jeffrey E. Lewis
Regional Conflict Counsel, 1st DCA Region

cc: Marilyn Rosetti
Michael Gomez
Michael Nichols



LAW OFFICES OF

ITA M. NEYMOTIN

CRIMINAL CONFLICT AND CIVIL REGIONAL COUNSEL SECOND DISTRICT COURT OF APPEAL

2000 WEST MAIN STREET
FIFTH FLOOR, SUITE 500
FORT MYERS, FLORIDA 33901
PHONE: 239.533.1500
FAX: 239.533.1501

April 12, 2012

David W. Martin, CPA AUDITOR GENERAL STATE OF FLORIDA
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Mr. Martin:

Thank you for your preliminary and tentative audit findings and recommendations that your office has presented to Regional Counsel, Second District. As a recent gubernatorial appointee, the conditions that contributed to these findings occurred prior to my appointment. However, in an abundance of caution, my responses below reflect the procedures and protocols I have put in place to ensure that such issues do not occur again.

Responses:

1. Finding No.1: Fraud Policy

I concur with Finding No. 1 and agree with the corresponding recommendation. I take the issue of fraud very seriously and have implemented a fraud policy that requires the signature of every employee of Regional Counsel, Second District.

2. Finding No.2: Separation of Duties

Please refer to my response to Finding No. 7.

3. Finding No. 3: Internal Audit

I defer to JAC's response on this finding.

4. Finding No.4: BOMS

I understand the importance of being a good steward of taxpayers' money and, therefore, will work with JAC and the other Regional Counsels regarding Finding No.4 and the corresponding recommendation related to BOMS.

5. Finding No.5: Temporary Pay Increases

This finding was not applicable to Regional Counsel, Second District.

6. Finding No.6: P-Cards

I concur with Finding No.6 and agree with the corresponding recommendation. I am taking steps to closely monitor my office's utilization of P-Cards. P-Cards have only been allocated to two individuals: the Regional Counsel and the Administrative Director. Controls have been implemented to ensure transactions are timely reconciled. To ensure proper checks and balances, each P-Card transaction will be reviewed by multiple employees within the agency. Furthermore, routine P-Card activity reports will be distributed to cardholders.

7. Finding No.7: Administrative Duties

I concur with Finding No.7 and the corresponding recommendation. As noted, the prior administration closed the Tallahassee office. In analyzing the issues, a review of prior events was conducted in order to determine controls that are warranted. Duties have been separated to ensure necessary checks and balances. No longer does any one person have unfettered control over all aspects of accounting.

8. Finding No. 8: Related Party Transactions

I concur with Finding No.8 and agree with the corresponding recommendation. As such, I have made changes to mitigate the likelihood that related party transactions will occur in the future. Current contracts are being reviewed to ensure compliance with s. 112.313(3), F.S. Contracts executed by this office will state that neither the contracting party nor its affiliates are related to an employee of the Regional Counsel, Second District.

The Appellant Division Director referenced in the finding is no longer employed by Regional Counsel, Second District. Additionally, Regional Counsel, Second District no longer utilizes his spouse's company.

9. Finding No. 9: Employment of Relatives

I concur with Finding No. 9 and agree with the corresponding recommendation. I am implementing changes to ensure this issue will not arise in the future.

10. Finding No. 10: Tangible Personal Property

I concur with Finding No. 10 and agree with the corresponding recommendation. I am establishing procedures to properly account for all Regional Counsel, Second District's tangible personal property. The office is in the process of conducting a physical inventory. Staff will be trained to use the BOMS Inventory Module, which will account for tangible personal property belonging to this office.

11. Finding No. 11: P-Cards

Please refer to my response to Finding No.6.

12. Finding No. 12: Court Reporting Services

I concur with Finding No. 12 and am considering the corresponding recommendation. My office is in the process of reviewing current court reporting contracts. It is my intent to follow the purchasing practices recommended in Florida law to ensure competitive requirements are being satisfied. Ultimately, my goal is to obtain quality court reporting services while being good stewards of taxpayer funds.

In short, I take these findings very seriously. I have begun implementing policies and procedures to ensure things run smoothly and are in accordance with Florida law and the rules and regulations applicable to Regional Counsels. I am striving to raise the bar for Regional Counsel and appreciate your findings and recommendations in addressing those findings.

If I can be of further assistance, please do not hesitate to call me.

Sincerely,



Ita M. Neymotin
Regional Counsel, Second District

cc: Marilyn Rosetti
Michael Gomez
Michael Nichols



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

April 10, 2012

Auditor General
Local Government Audits/343
401 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Preliminary and Tentative Findings Judicial Operation Audit

Dear Sir or Madam,

Pursuant to Section 11.45 (4)(d), Florida Statutes please find this written response to the Auditor General's preliminary and tentative findings resulting from the operational audit of the Office of Criminal Conflict and Civil Regional Counsel for the Third D.C.A. Region of Florida (hereinafter referred to as RC3).

In response to finding number one (1), RC3 has used the Justice Administrative Commission's "Policy Against Fraudulent, Unethical and Other Dishonest Acts" of September 16, 2011 a prepare a fraud policy that is consistent with that of the JAC. The policy will be disbursed to all employees for their review and signature with the original document to be filed in each employee's personnel file and a copy of same to be provided to each employee.

In response to finding number two (2) the separation of duties is as follows; the Chief Administrative Director no longer prepares nor reconciles the batches for payment. Three separate office employees have been tasked to process payments through BOMS. Once the batches have been prepared they are reviewed and authorized by the Chief Administrative Director. Once processed by JAC and payment is made, the batches are then separated so the employee who prepared it does not reconcile it. Once FLAIR reports are provided to the Chief Administrative Director, the payments are designated as "cleared" in BOMS, thus reconciling the two systems, and the month is closed.

In response to findings three (3) and four (4), RC3 has no objection to participating in a collective discussion with the other referenced agencies to establish standard protocol(s) as an

agency administratively supported by the Justice Administrative Commission in each of these matters accordingly.

If you have any further inquires and or questions please do not hesitate to contact me at your convenience. Thank you for your continued cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jorge I. Sanchez', with a stylized flourish extending to the right.

Jorge I. Sanchez
Chief Administrative Director
Office of Criminal Conflict and Civil Regional Counsel,
Third D.C.A. Region of Florida
JIS/me

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

April 13, 2012

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

RE: Operational Audit – Preliminary and Tentative Findings

Dear Mr. Martin:

Please accept this correspondence as this agency's written response to the Auditor General's preliminary and tentative audit findings. Regarding finding No. 1 (the only item which necessitates a response from this agency), as documented in your report, "RC4" did, in fact, establish a formal written fraud policy subsequent to the Auditor General's initial inquiry.

Gina Gillette, my Administrative Director, and I thank you for the time and consideration that Michael Nichols and Michael Gomez extended to us in explaining the important work of your agency, and we appreciate the great effort and painstaking care that you and your staff have put into this endeavor. Your report is very informative and will assist us to continue to instill best financial practices at this agency. Good governance and responsible financial stewardship are fundamental goals of our administration.

Sincerely,

Antony P. Ryan
Regional Counsel / Director

glg

605 N. Olive Avenue, 2nd Floor, West Palm Beach, FL 33401
Phone (561) 837-5156 – Fax (561) 837-5423



STATE OF FLORIDA
CRIMINAL CONFLICT AND CIVIL REGIONAL COUNSEL

FIFTH DISTRICT OF FLORIDA
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REGIONAL COUNSEL

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April 17, 2012

David Martin, CPA Auditor General
Local Government Audits/343
401-0 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 1, RC5 has adopted a fraud policy similar to the Justice Administrative Commission and RC5 will implement said policy.

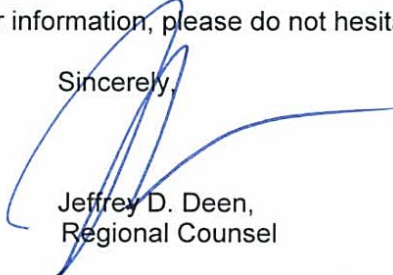
In response to finding number 2, RC5 has added an extra step to the procedure. RC5 will submit a report once a month to the agency head showing all transactions for the month from FLAIR for review of actual monthly disbursements.

In response to finding number 4, With the exception of the Justice Administrative Commission's description of funding sources, RC5 adopts the response of the Justice Administrative Commission.

In response to finding number 6, The only time travel vouchers were not used was when there was no **ACTUAL** travel or when travel was not reimbursed by the office, but a hotel stay was reimbursed. RC5 will use "Travel Vouchers" in those instances in the future. The issue regarding the possession and storage of the P-Cards has been resolved.

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

Sincerely,


Jeffrey D. Deen,
Regional Counsel



Florida Statewide Guardian ad Litem Office
Alan F. Abramowitz, Executive Director

March 21, 2012

David W. Martin, CPA
Auditor General
Local Government Audits
343, 401 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

The Statewide Guardian ad Litem Program has received your audit findings and recommendations. Our office appreciates the time and energy used for our operational audit to evaluate our performance in administering assigned responsibilities in accordance with the applicable law. I have responded to findings No. 1, No. 3, and No. 4. Please review our findings below.

Thank you for allowing the Guardian ad Litem Program the opportunity to respond to your findings. If you have any further questions or comments, please do hesitate to contact me at (850) 922.7213.

Sincerely,

Alan F. Abramowitz

AFA/kar
Enclosures

600 South Calhoun Street
The Holland Building
Suite 274
Tallahassee, Florida 32399

Phone: (850) 922.7213
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P & T Findings - Judicial Operational Audit 2012 Guardian ad Litem Response

Finding No. 1: Fraud Policies

Recommendation: Those judicial-related agencies that have not done so should develop and implement fraud policies to aid in the detection and prevention of fraud.

Guardian ad Litem Corrective Action: Although the audit did not request a formal response to Finding No. 1: Fraud Policies, the Guardian ad Litem Program instituted a Fraud Policy on October 31, 2011.

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.

Guardian ad Litem Response: Although the Guardian ad Litem Program as an agency that the JAC supports administratively does not fall under Section 20.055, Florida Statutes, we agree that it would be beneficial to have management control issues for internal auditing that you have outlined in this report. The Guardian ad Litem Program supports this recommendation and will work with the JAC to explore alternatives to the development of an internal auditing function either through a combination approach with other JAC agencies or through an interagency agreement with another agency.

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Finding No. 4: Business Office Management System

Recommendation: JAC and the agencies it administratively supports should evaluate the cost-benefit of continuing to expend moneys for BOMS versus purchasing the system or developing an in-house system. Additionally, to improve efficiency, JAC should expedite its efforts to automate the transmission of BOMS data to FLAIR and reevaluate staffing needs when the automation is accomplished. Also, formal contingency plans should be developed to protect JAC and the agencies it administratively supports in the event the contractor ceases operation or the system becomes inoperable.

Guardian ad Litem Response: The Guardian ad Litem Program supports this recommendation to do a cost benefit analysis of continuing this system. We do utilize BOMS as our transmission point into FLAIR on the accounting and finance side of our Department, but despite having paid for BOMS usage relative to Human Resources (\$12,000), it still is not functional. BOMS has been initialized within our system and is resident on stand-alone servers in the SSRC. However, we have only been partially trained in the system and it is not being used by GAL for payroll, attendance and leave, or processing PARs (Personnel Action Requests).