

**STATE OF FLORIDA
AUDITOR GENERAL**



*OPERATIONAL AUDIT
OF THE*

*OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT*

*For the Period July 1, 1996, Through June 30, 1997,
And Selected Office Actions Taken Through December 12, 1997*

Dated: April 23, 1998

STATE OF FLORIDA
AUDITOR GENERAL

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For the Period July 1, 1996, Through June 30, 1997,
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SECOND JUDICIAL CIRCUIT**

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CHARLES L. LESTER, CPA
AUDITOR GENERAL

STATE OF FLORIDA
AUDITOR GENERAL
TALLAHASSEE

April 23, 1998

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

Pursuant to the provisions of Section 11.45, Florida Statutes, and as part of the
Legislature's oversight responsibility for operations of State agencies, I have directed that an
operational audit be made of the

***OFFICE OF THE PUBLIC DEFENDER,
SECOND JUDICIAL CIRCUIT,***

***For the Period July 1, 1996, Through June 30, 1997,
and Selected Office Actions Taken Through December 12, 1997.***

The results of the audit of the Office of the Public Defender are presented herewith.

Respectfully submitted,

A handwritten signature in cursive script that reads "Charles L. Lester".

Charles L. Lester
Auditor General

Audit supervised by:
Ben H. Cox

Audit made by:
Anna Beth Griffin

***OPERATIONAL AUDIT
OF THE***

***OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT
For the Period July 1, 1996, Through June 30, 1997,
and Selected Office Actions Taken Through December 12, 1997***

AUDIT REPORT SUMMARY

This audit report summary highlights the scope, objectives, methodology, and findings of audit report No. 13214, dated April 23, 1998. It is intended to present the findings of our report in a condensed fashion. The entire audit report should be read for a comprehensive understanding of our audit findings.

SCOPE/OBJECTIVES

The Auditor General, as part of the Legislature's oversight responsibility for operations of State agencies, makes operational audits to evaluate management's performance in administering assigned responsibilities in accordance with applicable laws, administrative rules, and other guidelines and to determine the extent to which the internal control, as designed and placed in operation, promotes and encourages the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of financial records and reports, and safeguarding of assets.

The scope of this audit of the Office of the Public Defender, Second Judicial Circuit, focused primarily on budgetary controls; payroll, personnel, and leave records; procurement of goods and services; and tangible personal property for the period July 1, 1996, through June 30, 1997, and selected Office actions taken through December 12, 1997.

METHODOLOGY

We conducted our audit in accordance with generally accepted auditing standards and applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

FINDINGS

Matters coming to our attention relating to noncompliance with various guidelines and those relating to significant deficiencies in the design or operation of the internal control for those operations audited are as follows:

Salary Rate

At June 30, 1997, the actual salary rate of the Office's Trial Division, as determined by the Florida Justice Administrative Commission, exceeded by \$70,215 the salary rate limit established pursuant to Section 216.181, Florida Statutes, and approved by the Executive Office of the Governor. (See paragraphs 20 through 24.)

Tangible Personal Property

Office records (as amended on October 14, 1997) disclosed an ending tangible personal property balance of \$513,916 at June 30, 1997. Contrary to Chapter 273, Florida Statutes, and Chapter 10.300, Rules of the Auditor General for State-Owned Tangible Personal Property, the Office had not fully developed and implemented controls over tangible personal property. Absent the development and implementation of appropriate controls, management has limited assurance that Office property is adequately safeguarded and that property records are accurate and complete. (See paragraphs 25 through 29.)

The Public Defender's written response to the audit findings and recommendations included in audit report No. 13214 is presented as Exhibit D.

**OPERATIONAL AUDIT
OF THE**

**OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT
For the Period July 1, 1996, Through June 30, 1997,
and Selected Office Actions Taken Through December 12, 1997**

Par.
No.

REPORT ON COMPLIANCE AND INTERNAL CONTROL

- (1) Office of the Public Defender, Second Judicial Circuit, management is responsible for administering numerous operating units, programs, activities, functions, and classes of transactions in accordance with governing provisions of laws, administrative rules, and other guidelines. Additionally, the proper administration of public funds requires that management establish and maintain a system of internal control to provide reasonable assurance that specific entity objectives will be achieved. The Auditor General, as part of the Legislature's oversight responsibility for operations of State agencies, makes operational audits to determine the extent to which management has fulfilled those responsibilities.
- (2) The scope of this audit focused primarily on budgetary controls; payroll, personnel, and leave records; procurement of goods and services; and tangible personal property. For each of these areas, our audit included examinations of various transactions (as well as events and conditions) during the period July 1, 1996, through June 30, 1997, and selected Office actions taken through December 12, 1997.
- (3) We conducted our audit in accordance with generally accepted auditing standards and applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our audit objectives for the operating units, programs, activities, functions, and classes of transactions within the scope of audit were:
 - To evaluate the Office's performance in administering its assigned responsibilities in accordance with applicable laws, administrative rules, and other guidelines.
 - To determine the extent to which the Office's system of internal control, and selected relevant controls, promotes and encourages the achievement of management's objectives in the categories of compliance with applicable laws, administrative rules, and other

guidelines; the economic and efficient operation of the Office; the reliability of financial records and reports; and the safeguarding of assets.

- (4) As a part of our audit, we examined, on a test basis, evidence supporting transactions (as well as events and conditions) which occurred; performed analytical procedures; reviewed management's administrative constructions of law; and performed such other procedures as we considered necessary in the circumstances. Our objective was to evaluate management's compliance with significant provisions of laws, administrative rules, and other guidelines governing those operating units, programs, activities, functions, and classes of transactions within the scope of audit. However, providing an opinion on compliance with those provisions was not an objective of our audit.
- (5) The results of our tests of compliance indicated that, with respect to the items tested, the Office had generally complied with the significant provisions of laws, administrative rules, and other guidelines governing those operating units, programs, activities, functions, and classes of transactions within the scope of audit. Matters coming to our attention relating to noncompliance with various guidelines for those operations audited are noted in the ***FINDINGS AND RECOMMENDATIONS*** section of this report.
- (6) In planning and performing our audit, we considered the Office's internal control relevant to those operating units, programs, activities, functions, and classes of transactions within the scope of audit. Our purpose in considering internal control was to determine the nature, timing, and extent of substantive audit tests and procedures necessary to the accomplishment of our audit objectives, not to provide assurance on internal control.
- (7) We noted certain matters involving the design and operation of the Office's internal control that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect management's assurance of compliance with applicable laws, administrative rules, and other guidelines; the economic and efficient operation of the Office; the reliability of financial records and reports; and the safeguarding of assets. Those matters coming to our attention for the operating units, programs, activities, functions, and classes of transactions within the scope of audit are noted in the ***FINDINGS AND RECOMMENDATIONS*** section of this report.

- (8) A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that operating deficiencies, material in relation to the financial records and resources of the operating units, programs, activities, functions, and classes of transactions being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control would not necessarily disclose all matters in the Office's internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described in the ***FINDINGS AND RECOMMENDATIONS*** section of this report is a material weakness.
- (9) This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, and applicable management. Copies of this report are available pursuant to Section 11.45(7), Florida Statutes, and its distribution is not limited.

BACKGROUND

Authority

- (10) Section 27.50, Florida Statutes, provides that there shall be a Public Defender for each of the judicial circuits of the State who shall be elected at the General Election by the qualified electors of the circuit. The duties of the Public Defender as prescribed by Chapter 27, Part III, Florida Statutes, include representing, without additional compensation, any person who is determined by the court to be indigent as provided in Section 27.52, Florida Statutes, and who is: (1) under arrest for, or is charged with, a felony; (2) under arrest for, or is charged with, a misdemeanor, a violation of Chapter 316, Florida Statutes, which is punishable by imprisonment, criminal contempt, or a violation of a municipal or county ordinance in the county court, unless the court, prior to trial, files in the cause an order of no imprisonment which states that the defendant will not be imprisoned if he or she is convicted; (3) alleged to be a delinquent child pursuant to a petition filed before a circuit court; or (4) sought by petition filed in such court to be involuntarily placed as a mentally ill person or involuntarily admitted to residential services as a person with developmental disabilities.

Organizational Structure

- (11) Nancy A. Daniels is the Public Defender of the Second Judicial Circuit. The Public Defender of the Second Judicial Circuit is responsible for performing the duties described above, as provided by law, in Leon, Gadsden, Wakulla, Jefferson, Franklin, and Liberty Counties. Offices are maintained at Tallahassee in Leon County, Quincy in Gadsden County, Crawfordville in Wakulla County, Monticello in Jefferson County, and Apalachicola in Franklin County. The Quincy office also serves Liberty County. The Public Defender of the Second Judicial Circuit is also designated, pursuant to Section 27.51(4)(a), Florida Statutes, to perform duties relating to indigent criminal appeals within the counties comprising the First District Court of Appeal, when requested by the applicable Public Defender. At June 30, 1997, the Office of the Public Defender employed 97 people in 104 full-time equivalent positions to perform the duties of the Office. An organizational chart of the Office of the Public Defender is presented as Exhibit C.
- (12) The Office of the Public Defender, Second Judicial Circuit, was funded primarily by State appropriations for the 1996-97 fiscal year pursuant to the applicable General Appropriations Act. The following is a summary of released General Revenue appropriations by appropriation category for the 1996-97 fiscal year:

Appropriation Category	Amount Released	
	Trial Division	Appellate Division
Salaries and Benefits	\$ 3,150,651.89	\$ 1,344,431.22
Other Personal Services	40,913.23	
Expenses	170,455.33	88,875.00
Data Processing Services	183,134.89	170.00
Operating Capital Outlay	16,135.44	27,315.44
Special Category:		
Public Defenders - Law Library	<u>12,795.56</u>	<u>14,526.00</u>
Total	<u>\$ 3,574,086.34</u>	<u>\$ 1,475,317.66</u>

- (13) As required by Section 27.54, Florida Statutes, the counties which comprise the Second Judicial Circuit provided facilities and services to the Office of the Public Defender. These facilities and services included office space, utilities, telephone service, and other support as itemized in Section 27.54(3), Florida Statutes.
- (14) The Public Defender's salary was governed by Section 27.5301(1), Florida Statutes, and applicable General Appropriations Acts of the Legislature. Section 27.5301(2), Florida Statutes, provides that the salary for each assistant public defender shall be set by the Public Defender at an amount not to exceed 100 percent of the Public Defender's salary. The *Classification and Pay Procedures for the Employees of the Public Defender Offices of the State of Florida*, promulgated by the Florida Public Defender Association, Inc., as required by Section 27.53(1), Florida Statutes, was used to set the salary ranges for the several classes of employees. The Office's expenditures and commitments for salaries and benefits for the fiscal year ended June 30, 1997, are shown on Exhibit A.
- (15) A comparison of the Office of the Public Defender's budgeted with actual expenditures and commitments for the 1996-97 fiscal year is presented as Exhibit A. The purpose of this budgetary comparison is to provide information useful to an understanding of the budgetary structure and operations of the Office of the Public Defender. This comparison presents both budgetary and actual amounts on the basis specified in Chapter 216, Florida Statutes, and the applicable portions of the 1996-97 General Appropriations Act, as further described in the notes to the Exhibit. The Exhibit was prepared by us from the Office's records and was reviewed by Office management.
- (16) The objectives of this audit did not include the expression of an opinion on the comparison of budgeted with actual expenditures and commitments, which is presented on the basis specified

in Chapter 216, Florida Statutes, and includes several elements and accounts relating to the Office's budgetary operations. Therefore, an independent auditor's report on the budgetary comparison, as contemplated by *AU Section 623, Special Reports, Codification of Statements on Auditing Standards*, is not included herein.

Related Audits

- (17) Our audit did not extend to an examination of the Office of the Public Defender's financial statements. On January 29, 1998, this Office issued audit report No. 13138, with accompanying general purpose financial statements of the State of Florida as of and for the fiscal year ended June 30, 1997. The Office of the Public Defender is an integral part of the reporting entity of the State of Florida. The financial information relative to the Office of the Public Defender was included by the State Comptroller in the general purpose financial statements that accompany that report.

- (18) Our audit did not extend to an examination of Federal awards administered by the Office of the Public Defender under contract and grant agreements to finance specific programs and projects. The results of our Statewide audit of Federal awards administered by the State of Florida for the fiscal year ended June 30, 1997, will be the subject of a separate audit report. Federal awards administered by the Office of the Public Defender will be included in the scope of that audit.

FINDINGS AND RECOMMENDATIONS

- (19) Chapter 27, Part III, Florida Statutes, provides general authority for the financial administration of the Office of the Public Defender. In addition, the Florida Public Defender Association, Inc., has provided guidance for the financial administration of the Office of the Public Defender. Such guidance includes the adoption of a *Classification and Pay Procedures for the Employees of the Public Defender Offices of the State of Florida*, pursuant to the provisions of Section 27.53(1), Florida Statutes, and the adoption of the *Public Defender Uniform Purchasing Manual*, as required by Chapter 82-215, Laws of Florida. Our detailed findings and recommendations concerning noncompliance with governing laws, administrative rules, and other guidelines as well as those detailed findings and recommendations concerning deficiencies in the design or operation of the system of internal control for those operations audited are presented under appropriate subheadings below.

Salary Rate

- (20) At June 30, 1997, the actual salary rate of the Office's Trial Division, as determined by the Florida Justice Administrative Commission, exceeded by \$70,215 the salary rate limit established pursuant to Section 216.181, Florida Statutes, and approved by the Executive Office of the Governor.
- (21) Section 216.181(9)(b), Florida Statutes, provides that no agency may exceed its maximum approved salary rate for the fiscal year. However, at any time during the fiscal year, an agency may exceed its approved rate for all budget entities by no more than 5 percent, provided that, by June 30 of every fiscal year, the agency has reduced its salary rate so that the salary rate for each budget entity is within the approved rate limit for that budget entity. Agencies with budget entities whose actual salary rate is in excess of the approved maximum annual salary rate as of June 30 are required by the Executive Office of the Governor to submit in writing to the Office of Planning and Budgeting a plan detailing the actions planned to bring the actual rate into compliance with the approved rate.
- (22) Generally, each Public Defender Office represents a single budget entity and each Office's salary rate is established at the Office level. However, for those circuits (such as the Second Judicial Circuit) with appellate divisions within the Office of the Public Defender, two budget entities exist for each Office of the Public Defender, a trial division and an appellate division. As a result, a salary rate is established for each division of these Offices.

- (23) At June 30, 1997, the actual salary rate of the Office's Trial Division, as determined by the Florida Justice Administrative Commission, was \$2,470,375, or \$70,215 in excess of the Trial Division's maximum approved salary rate of \$2,400,160 established pursuant to Section 216.181, Florida Statutes, and approved by the Executive Office of the Governor. Similar findings were noted in previous audit reports, most recently audit report No. 12867.
- (24) The Public Defender, in her August 21, 1997, plan, detailed the actions planned to bring the actual rate into compliance with the approved rate and stated, "We will continue to make every effort to come within approved rate, primarily through attrition. However, it is difficult to stay within rate when it is set so unrealistically low for professional employees. We have had to choose between staying in rate and hiring the experienced attorneys necessary to perform our function, and I have consistently chosen the latter." We recognize that Office management is responsible for taking appropriate actions to ensure that the necessary personnel are available for the conduct of the Office's assigned responsibilities. Nevertheless, to ensure a proper balance between the amounts budgeted for salaries and benefits and the positions authorized, we recommend that the Office maintain its actual salary rates within the approved salary rate limits established pursuant to Section 216.181, Florida Statutes.

Tangible Personal Property

- (25) Contrary to Chapter 273, Florida Statutes, and Chapter 10.300, Rules of the Auditor General for State-Owned Tangible Personal Property, the Office had not fully developed and implemented controls over tangible personal property. Absent the development and implementation of appropriate controls, management has limited assurance that Office property, with total recorded value exceeding \$500,000, is adequately safeguarded and that property records are accurate and complete.
- (26) Chapter 273, Florida Statutes, and Chapter 10.300, Rules of the Auditor General for State-Owned Tangible Personal Property (Rules of the Auditor General), prescribe the controls and the records for establishing accountability for tangible personal property. For the 1996-97 fiscal year, Office tangible personal property records (as amended on October 14, 1997) disclosed a beginning balance of \$413,094 at June 30, 1996; additions of \$148,772; deletions of \$47,950; and an ending balance of \$513,916 at June 30, 1997. For record-keeping and accountability purposes, Section 273.02, Florida Statutes, defines "property" as equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature,

the value or cost of which is \$500 or more and books the value or cost of which is \$100 or more.

(27) Office management is responsible for establishing internal controls over tangible personal property that provide reasonable assurance of the reliability of the financial records and the safeguarding of assets. Our review of Office controls over tangible personal property and related records disclosed the following:

- Section 273.02, Florida Statutes, and Section 10.350, Rules of the Auditor General, require custodians to keep adequate records of tangible personal property. Our review disclosed that a number of property additions and deletions for the 1996-97 fiscal year had not been posted to the Office's tangible personal property records. Our tests of 18 purchases (representing 43 capitalizable assets costing \$116,567) disclosed 15 purchases (representing 29 items costing \$75,104 purchased from August 30, 1996, through May 30, 1997) that had not been posted to the property records as of June 1997. Further inquiry disclosed that the property records were not updated to include many 1996-97 fiscal year transactions until October 14, 1997. Periodic reconciliations of property additions recorded in the property records to purchases recorded in the State Automated Management Accounting Subsystem (SAMAS) records would have provided a means for the Office's timely determination that these property items had not been recorded. However, the Office had not adopted procedures requiring such reconciliations. (Pursuant to Chapter 97-286, Laws of Florida, SAMAS is now known as FLAIR [Florida Accounting Information Resource Subsystem].)
- Section 10.380, Rules of the Auditor General, requires that a physical inventory be made annually and that the results of the inventory be reconciled to the Office's tangible personal property records. For this inventory process to be efficient and effective, the information included in the tangible personal property records must be complete and up to date as of the date of the inventory. Although the Office conducted an inventory in June 1997, the inventory was inefficient and ineffective since, as indicated above, a number of 1996-97 fiscal year property additions and deletions were not posted until October 1997. Specifically, numerous differences existed between what was observed during the physical inventory and what was reflected in the property records, and a reconciliation between the physical inventory results and the property records was impractical.

- Section 10.380(4), Rules of the Auditor General, provides that the custodian or custodian's delegate may not personally inventory items for which they are responsible. We reviewed the inventory forms completed as a result of the June 1997 physical inventory and noted that, contrary to the Rule, all inventories of property were conducted by the custodian's delegates, as evidenced by their signatures.
- Section 10.350(3)(m), Rules of the Auditor General, requires that each property record include the condition of the item as of the last physical inventory date. Contrary to the Rule, Office property records did not include such information.
- Section 10.365(3), Rules of the Auditor General, requires that the individual property records for each item lawfully certified as surplus, upon the custodian's certification, be transferred to a certified surplus property file. Office property records did not utilize a surplus property or an inactive and/or disposed property indicator. Items that had been surplus appeared as active property on the records.

(28) Absent the development and implementation of appropriate controls over State-owned tangible personal property in the Office's custody, management has limited assurance that such property is adequately safeguarded and that the corresponding property records are complete and accurate. Accordingly, we recommend that Office management develop and implement appropriate controls over tangible personal property.

(29) Subsequent to the completion of audit field work, the Public Defender, in January 1998, directed that a complete inventory be taken of all Public Defender locations for the Second Judicial Circuit. The Public Defender indicated in a memorandum dated March 3, 1998, that additional controls had been implemented, including reconciliations of the prior-year to current-year balances, operating capital outlay purchases to property additions, property records to the physical inventory documentation, and all property deletions to supporting documentation. The Public Defender also indicated that new procedures for tangible personal property have been established. We will review the effectiveness of these measures in future audits of the Office.

STATEMENT FROM AUDITED OFFICIAL

(30) In accordance with the provisions of Section 11.45(7)(d), Florida Statutes, a list of audit findings and recommendations was submitted to the Office of the Public Defender, Second Judicial Circuit. The Public Defender's written response to the audit findings and recommendations included in this report is shown as Exhibit D.

AUDIT AUTHORITY

(31) Pursuant to the provisions of Section 11.45(7), Florida Statutes, I have directed that this audit report, including all Exhibits thereto, be prepared to present the results of the operational audit of the Office of the Public Defender, Second Judicial Circuit.

Respectfully submitted,



Charles L. Lester, CPA
Auditor General

EXHIBITS

The following Exhibits are attached to and form an integral part of this report:

[EXHIBIT - A](#) ***Comparison of Budgeted With Actual Expenditures and Commitments - By State Fund Type.***

[EXHIBIT - B](#) ***Notes to Comparison of Budgeted With Actual Expenditures and Commitments - By State Fund Type.***

[EXHIBIT - C](#) ***Organizational Chart.***

[EXHIBIT - D](#) ***Statement from Audited Official.***

EXHIBIT – A
OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT
COMPARISON OF BUDGETED WITH ACTUAL
EXPENDITURES AND COMMITMENTS – BY STATE FUND TYPE
For the Fiscal Year Ended June 30, 1997

Fund Type/ Budget Entity/ Appropriation Category	Final Operating Budget	Actual Expenditures of Current Appropriations	Other Commitments of Budgeted Resources	Total Expenditures and Other Commitments of Current Appropriations	Variance - Favorable (Unfavorable)
GENERAL REVENUE FUND					
Trial Division					
Current:					
Salaries and Benefits	\$ 3,150,651.89	\$ 3,150,651.89	\$ -	\$ 3,150,651.89	\$ -
Other Personal Services	40,913.23	40,913.23	-	40,913.23	-
Expenses	170,455.33	154,387.05	16,275.78	170,662.83	(207.50) (1)
Data Processing Services	183,134.89	133,347.22	49,787.67	183,134.89	-
Capital Outlay:					
Operating Capital Outlay	16,135.44	12,198.53	3,936.91	16,135.44	-
Special Category:					
Public Defenders - Law Library	<u>12,795.56</u>	<u>12,146.91</u>	<u>648.65</u>	<u>12,795.56</u>	<u>-</u>
Total Trial Division	<u>3,574,086.34</u>	<u>3,503,644.83</u>	<u>70,649.01</u>	<u>3,574,293.84</u>	<u>(207.50)</u>
Appellate Division					
Current:					
Salaries and Benefits	1,344,431.22	1,344,431.22	-	1,344,431.22	-
Expenses	88,875.00	52,492.06	36,382.94	88,875.00	-
Data Processing Services	170.00	170.00	-	170.00	-
Capital Outlay:					
Operating Capital Outlay	27,315.44	1,050.00	26,265.44	27,315.44	-
Special Category:					
Public Defenders - Law Library	<u>14,526.00</u>	<u>14,526.00</u>	<u>-</u>	<u>14,526.00</u>	<u>-</u>
Total Appellate Division	<u>1,475,317.66</u>	<u>1,412,669.28</u>	<u>62,648.38</u>	<u>1,475,317.66</u>	<u>-</u>
TOTAL GENERAL REVENUE FUND	<u>5,049,404.00</u>	<u>4,916,314.11</u>	<u>133,297.39</u>	<u>5,049,611.50</u>	<u>(207.50)</u>
TRUST FUND					
Current:					
Salaries and Benefits	30,439.00	26,313.66	-	26,313.66	4,125.34
Expenses	3,150.00	3,150.00	-	3,150.00	-
Capital Outlay:					
Operating Capital Outlay	<u>1,500.00</u>	<u>1,500.00</u>	<u>-</u>	<u>1,500.00</u>	<u>-</u>
TOTAL TRUST FUND	<u>35,089.00</u>	<u>30,963.66</u>	<u>-</u>	<u>30,963.66</u>	<u>4,125.34</u>
TOTAL FUNDS	<u>\$ 5,084,493.00</u>	<u>\$ 4,947,277.77</u>	<u>\$ 133,297.39</u>	<u>\$ 5,080,575.16</u>	<u>\$ 3,917.84</u>

The accompanying notes to this Exhibit describe in more detail the information included in this comparison.

Note: (1) This unfavorable variance represents an unrecorded payable at June 30, 1997.

EXHIBIT – B
OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT
NOTES TO COMPARISON OF BUDGETED WITH ACTUAL
EXPENDITURES AND COMMITMENTS – BY STATE FUND TYPE
For the Fiscal Year Ended June 30, 1997

- (1) The following procedures are used in adopting, amending, and reporting budgets and budgetary data:
- Section 216.011(1)(kk), Florida Statutes, indicates that for purposes of Chapter 216, Florida Statutes, Public Defenders are to be considered State agencies. Accordingly, budgets are prepared and submitted to the Legislature in the form and manner prescribed by Chapter 216, Florida Statutes, for State agencies.
 - As provided by Section 27.60, Florida Statutes, limited transfers of expenditure authority may be made by the Public Defender.
 - Budgetary information is integrated into the accounting system.
 - In accordance with Chapter 216, Florida Statutes, annual appropriations are used for: (1) authorized expenditures incurred during the current fiscal year; (2) encumbrances outstanding at year-end approved for liquidation in the subsequent year; and (3) legal, due, and unpaid obligations relating to the prior year which were not requested and/or approved to be liquidated from appropriations of the prior year.
- (2) Because the budgetary basis of accounting for operating categories described in Chapter 216, Florida Statutes, requires recognition of amounts which are in addition to those used to recognize and report expenditures in accordance with generally accepted accounting principles, the expenditures and commitments presented on Exhibit A have been shown on a basis comparable to the budget. To present these data on a basis comparable to the budget, accrual basis expenditures paid from or charged to 1996-97 fiscal year appropriations have been shown in the “Actual Expenditures of Current Appropriations” column. Additionally, encumbrances at June 30, 1997, which were approved for certification forward to be paid in the 1997-98 fiscal year are shown in the “Other Commitments of Budgeted Resources” column.
- (3) Adjustments to reconcile the budget amounts for the operating categories shown on Exhibit A with amounts appropriated are as follows:

Description	General Revenue Fund		Trust Fund
	Trial Division	Appellate Division	
Appropriated by Chapter 96-424, Laws of Florida	\$ 3,346,455.00	\$ 1,647,603.00	\$ 34,650
Changes Authorized by the Executive Office of the Governor	<u>227,631.34</u>	<u>(172,285.34)</u>	<u>439</u>
Total Final Operating Budget, Exhibit A	<u>\$ 3,574,086.34</u>	<u>\$ 1,475,317.66</u>	<u>\$ 35,089</u>

EXHIBIT – C
OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT
ORGANIZATIONAL CHART
As of June 30, 1997

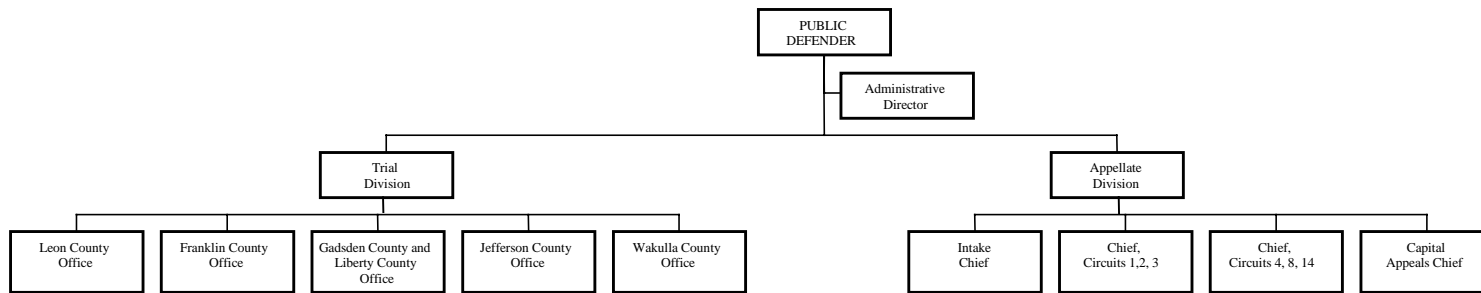


EXHIBIT – D
OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT
STATEMENT FROM AUDITED OFFICIAL
For the Period July 1, 1996, Through June 30, 1997,
And Selected Office Actions Taken Through December 12, 1997



NANCY DANIELS
PUBLIC DEFENDER

LAW OFFICES OF THE
PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT OF FLORIDA
Franklin • Gadsden • Jefferson • Leon • Liberty • Wakulla

Telephone:
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SU794.0301 277-7964

April 20, 1998

Mr. Charles L. Lester
Auditor General
111 West Madison Street
Post Office Box 1735
Tallahassee, FL 32302-1735

Dear Mr. Lester:

Here is our response to the tentative audit findings received by our office on March 30, 1998.

We appreciate the hard work of the Auditor General's Office on our audit this year, and have already incorporated its suggestions into our daily practices and procedures.

Audit
Report
Par. No.

(20-24)

Salary Rate Finding: The finding that we are over salary rate is not surprising, since our office is blessed with several veteran employees who have salaries in excess of the approved rate amount. We are cognizant of the requirement of staying within rate, and are constantly trying to accomplish that goal. However, when given the choice between staying within rate and hiring experienced employees necessary to perform our function, we have chosen the latter. We will continue to address this issue in the upcoming year through attrition and careful budgeting.

(25-29)

Recordkeeping and Inventory of Tangible Personal Property: We agree that our recordkeeping was not perfect this year, primarily because we had a new employee in the technology area who was unfamiliar with our centralized recordkeeping procedures and because we have a very lean administrative staff to supervise this work. The important thing to note is that all of the state's equipment was located and accounted for, and we have now reinstated completely centralized recordkeeping. In addition, we are automating the property recordkeeping function this year, which should solve any remaining issues relating to property. We have also included a "condition" section on our new property record forms; previous audits had not indicated that this was a requirement.

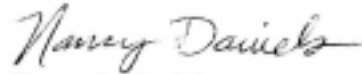
EXHIBIT – D (Continued)
OFFICE OF THE PUBLIC DEFENDER
SECOND JUDICIAL CIRCUIT
STATEMENT FROM AUDITED OFFICIAL
For the Period July 1, 1996, Through June 30, 1997,
And Selected Office Actions Taken Through December 12, 1997

Mr. Charles L. Lester
Page 2

Summary: We understand the need to have procedures which assure complete accountability regarding state property, and have fine-tuned several of our procedures this year to continue our good record in this area.

We thank you for your staff's cooperation and helpfulness in the course of the audit this year.

Sincerely,



Nancy A. Daniels
Public Defender

NAD/dwm