

**STATE OF FLORIDA
AUDITOR GENERAL**



*OPERATIONAL AUDIT
OF THE*

*OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT*

For the Period January 1, 1997, Through December 31, 1997

Dated: June 18, 1998

13267

STATE OF FLORIDA

AUDITOR GENERAL

***OPERATIONAL AUDIT
OF THE***

***OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT***

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**OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT**

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STATE OF FLORIDA
AUDITOR GENERAL
TALLAHASSEE

CHARLES L. LESTER, CPA
AUDITOR GENERAL

June 18, 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 STATE ATTORNEY,
THIRD JUDICIAL CIRCUIT,***

For the Period January 1, 1997, Through December 31, 1997.

The results of the audit of the Office of the State Attorney are presented herewith.

Respectfully submitted,

A handwritten signature in black ink that reads "Charles L. Lester".

Charles L. Lester
Auditor General

Audit supervised by:
Robert L. Kuitert

Audit made by:
Robert E. Taylor

***OPERATIONAL AUDIT
OF THE***

***OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT***

For the Period January 1, 1997, Through December 31, 1997

AUDIT REPORT SUMMARY

This audit report summary highlights the scope, objectives, methodology, and findings of audit report No. 13267, dated June 18, 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 State Attorney, Third Judicial Circuit, focused primarily on assets, liabilities, fund equities, revenues and cash receipts, expenditures and disbursements, budgetary controls, management reporting, motor vehicle assignment and use, and public assistance fraud cases. For each of these areas, our audit included examinations of various transactions (as well as events and conditions) during the period January 1, 1997, through December 31, 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:

Disbursement Controls

One Office of the State Attorney employee performed incompatible procurement-related duties. This employee was responsible for approving purchase orders, authorizing vendor payments, and mailing the payments to the vendors. While our audit tests did not disclose any errors or irregularities resulting from this assignment of incompatible duties, the possibility exists that errors or irregularities could occur and not be subject to timely detection. Goods and services purchased during the 1996-97 fiscal year totaled approximately \$430,000. (See paragraphs 20 through 23.)

Our tests of 40 expenditure items disclosed 6 purchases in amounts ranging from \$475 to \$2,058.20 and totaling \$6,703.93 which were not supported by purchase orders or other documentation demonstrating that the purchases were approved prior to the expenditure being incurred. The issuance of written purchase orders to vendors prior to the purchase documents management's authorization of the purchase of goods and services and provides a basis for controlling the use of appropriated resources. (See paragraphs 24 through 26.)

Travel Expenditures

A total of 13 Office employees attended a conference held in Key West, Florida, on July 27 through 30, 1997. With respect to 9 of these employees who each drove to the conference, it was not apparent from Office records that, in determining the most economical method of travel, adequate consideration was given to the number of employees making the trip. Section 112.061(7)(a), Florida

Statutes, provides that the agency head shall designate the most economical method of travel for each trip (with consideration given to the time of the traveler, the cost of transportation, and per diem or subsistence required as well as the number of persons making the trip). (See paragraphs 27 through 33.)

The State Attorney's written response to the audit findings and recommendations included in audit report No. 13267 is presented as Exhibit D.

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**OPERATIONAL AUDIT
OF THE**

**OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT
For the Period January 1, 1997, Through December 31, 1997**

Par.
No.

REPORT ON COMPLIANCE AND INTERNAL CONTROL

- (1) Office of the State Attorney, Third 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 assets, liabilities, fund equities, revenues and cash receipts, expenditures and disbursements, budgetary controls, management reporting, motor vehicle assignment and use, and public assistance fraud cases. For each of these areas, our audit included examinations of various transactions (as well as events and conditions) during the period January 1, 1997, through December 31, 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.

- To determine whether the Office has corrected, or is in the process of correcting, all deficiencies disclosed in the prior audit (report No. 12758).

- (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 27.01, Florida Statutes, provides that there shall be a State Attorney 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 State Attorney as prescribed by Chapter 27, Part II, Florida Statutes, include prosecuting or defending on behalf of the State in circuit and county courts all suits, applications, or motions, civil or criminal, in which the State is a party; attending the grand jury for the purpose of examining witnesses in their presence, giving legal advice in any matter before them, and preparing bills of indictment; summoning and examining witnesses required on behalf of the State; assisting the Attorney General in the preparation and presentation of all appeals to the Supreme Court, from the circuit court of the Third Judicial Circuit, of all cases, civil or criminal, in which the State is a party; and representing the State in all cases of habeas corpus arising in the Third Judicial Circuit and in cases of preliminary trials of persons charged with capital offenses.

Organizational Structure

- (11) Jerry M. Blair is the State Attorney of the Third Judicial Circuit. The State Attorney of the Third Judicial Circuit is responsible for performing the duties described above, as provided by law, in Columbia, Dixie, Hamilton, Lafayette, Madison, Suwannee, and Taylor Counties. Offices are maintained at Lake City in Columbia County, Cross City in Dixie County, Live Oak in Suwannee County, and Perry in Taylor County. At June 30, 1997, the Office of the State Attorney employed 53 people in 54.5 full-time equivalent positions to perform the duties of the Office. An organizational chart of the Office of the State Attorney is presented as Exhibit C.
- (12) The Office of the State Attorney, Third Judicial Circuit, was funded primarily by State appropriations for the 1996-97 and 1997-98 fiscal years, respectively, pursuant to Chapters 96-424 and 97-152, Laws of Florida, the General Appropriations Acts. The following is a summary of released General Revenue appropriations by appropriation category for the 1996-97 fiscal year:

<u>Appropriation Category</u>	<u>Amount Released</u>
Salaries and Benefits	\$ 2,491,711
Other Personal Services	18,461
Expenses	282,999
Data Processing Services	1,303
Operating Capital Outlay	56,406
Special Category:	
Salary Incentive Payments	5,599
State Attorneys - Law Library	<u>10,607</u>
Total	<u>\$ 2,867,086</u>

- (13) As required by Section 27.34(2), Florida Statutes, the counties which compose the Third Judicial Circuit provided facilities and services to the Office of the State Attorney. These facilities and services included office space, utilities, telephone service, and other support as itemized in Section 27.34(2), Florida Statutes.
- (14) The State Attorney's salary was governed by Section 27.35, Florida Statutes, and applicable General Appropriations Acts of the Legislature. Section 27.181(4), Florida Statutes, provides that the salary for each assistant state attorney shall be set by the State Attorney at an amount not to exceed 100 percent of the State Attorney's salary. The *Classification and Pay Plan for the Employees of the Offices of the State Attorneys of the State of Florida*, promulgated by the Florida Prosecuting Attorney's Association, Inc., as required by Section 27.25(1), Florida Statutes, was used to set the salary ranges for the several classes of employees.
- (15) A comparison of the Office of the State Attorney's budgeted with actual expenditures and commitments for the 1996-97 fiscal year, the last complete year subject to audit, 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 State Attorney. 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 State Attorney'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 State Attorney is an integral part of the reporting entity of the State of Florida. The financial information relative to the Office of the State Attorney was included by the State Comptroller in the general purpose financial statements that accompany that report. A similar audit of the general purpose financial statements of the State of Florida for the fiscal year ended June 30, 1998, will be the subject of a separate audit report.
- (18) Our audit did not extend to an examination of Federal awards administered by the Office of the State Attorney under contract and grant agreements to finance specific programs and projects. On May 29, 1998, this Office issued audit report No. 13256, presenting the results of our Statewide audit of Federal awards administered by the State of Florida for the fiscal year ended June 30, 1997. Federal awards administered by the Office of the State Attorney were included in the scope of that audit. A similar audit of the Federal awards administered by the State of Florida for the fiscal year ended June 30, 1998, will be the subject of a separate audit report.

FINDINGS AND RECOMMENDATIONS

- (19) Chapter 27, Part II, Florida Statutes, provides general authority for the financial administration of the Office of the State Attorney. In addition, the Florida Prosecuting Attorney's Association, Inc., has provided guidance for the financial administration of the Office of the State Attorney. Such guidance includes the adoption of the *Classification and Pay Plan for the Employees of the Offices of the State Attorneys of the State of Florida*, pursuant to the provisions of Section 27.25(1), Florida Statutes, and the adoption of the *State Attorney Purchasing Rules*, 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.

Procurement of Goods and Services

Disbursement Controls

- (20) One Office of the State Attorney employee performed incompatible procurement-related duties. This employee was responsible for approving purchase orders, authorizing vendor payments, and mailing the payments to the vendors.
- (21) Effective internal control over the purchasing function generally provides for the assignment to separate individuals within an organization the tasks of approving purchase orders, authorizing vendor payments, and mailing the payments to the vendors. The vesting of these responsibilities in one employee could create an environment in which errors or irregularities may occur and not be subject to timely detection.
- (22) Our review of the Office of the State Attorney's internal control procedures over the procurement of goods and services disclosed that one employee approved purchase orders through the use of a stamp bearing the Executive Director's signature, authorized the batch sheets which were used to initiate the generation of warrants for vendor payments, and then subsequently mailed the warrants to the vendors. While our audit tests did not disclose any errors or irregularities resulting from this assignment of incompatible duties, the possibility exists that errors or irregularities could occur and not be subject to timely detection. Goods and services purchased during the 1996-97 fiscal year totaled approximately \$430,000.

- (23) We recommend that the Office take steps to provide for an adequate separation of these incompatible duties.
- (24) Our tests of 40 expenditure items disclosed 6 purchases in amounts ranging from \$475 to \$2,058.20 and totaling \$6,703.93 which were not supported by purchase orders or other documentation demonstrating that the purchases were approved prior to the expenditure being incurred.
- (25) The *Purchasing Rules* adopted by the Florida Prosecuting Attorney's Association, Inc., provide that purchases are to be made in accordance with generally established good business and purchasing practices and that purchase orders are required for all purchases over \$5,000. We were advised that, in accordance with *Purchasing Rules* requirements, Office policy requires that purchase orders be utilized for all purchases over \$250. The issuance of written purchase orders to vendors prior to the purchase documents management's authorization of the purchase of goods and services and provides a basis for controlling the use of appropriated resources.
- (26) Our tests of 40 expenditure items disclosed 6 purchases in amounts ranging from \$475 to \$2,058.20 and totaling \$6,703.93 which were not supported by purchase orders or other documentation demonstrating that the purchases were approved prior to the expenditure being incurred. These purchases related to the procurement of printing services, office supplies, and equipment. We recommend that purchase orders be executed to evidence management's authorization of the purchase of goods and services.

Travel Expenditures

- (27) A total of 13 Office employees attended a conference held in Key West, Florida, on July 27 through 30, 1997. With respect to 9 of these employees who each drove to the conference, it was not apparent from Office records that, in determining the most economical method of travel, adequate consideration was given to the number of employees making the trip. Section 112.061(7)(a), Florida Statutes, provides that the agency head shall designate the most economical method of travel for each trip (with consideration given to the time of the traveler, the cost of transportation, and per diem or subsistence required as well as the number of persons making the trip).

- (28) Section 112.061(3)(b), Florida Statutes, provides that travel expenses of travelers shall be limited to those expenses necessarily incurred by them in the performance of a public purpose authorized by law to be performed by the agency. In addition, Section 112.061(7)(a), Florida Statutes, provides that the agency head shall designate the most economical method of travel for each trip (with consideration given to the time of the traveler, the cost of transportation, and per diem or subsistence required as well as the number of persons making the trip).
- (29) Our audit tests disclosed that, in general, the travel expenditures tested were limited to those necessarily incurred in the performance of a public purpose. However, we did note one instance, involving 13 Office employees who attended a conference held in Key West, Florida, on July 27 through 30, 1997, in which Office records did not demonstrate that the most economical method of travel was utilized.
- (30) In a memorandum dated June 16, 1997, to the employees scheduled to attend the Key West conference, the State Attorney indicated that the Office had determined the most economical means of travel to and from the conference to be commercial airline under State contract. The allowable cost as determined by the State Attorney totaled \$370, including airfare from Jacksonville to Key West, transportation to and from the airport, and airport parking and shuttle. The State Attorney further indicated in the memorandum that everyone was encouraged, but not required, to fly and that, if they chose to drive in their personal vehicles, the maximum travel reimbursement provided would be \$370.
- (31) Our review of the documentation supporting the approximately \$7,900 in travel expenses incurred by the Office for the Key West conference disclosed that four employees flew commercially, six employees drove their own vehicles, and three employees drove State vehicles. We noted that none of the employees traveling in personal or State vehicles carpoled. In response to audit inquiry, the Executive Director indicated that, due to the Circuit's seven-county geographical area, carpooling is not always practicable. However, our review of the travel vouchers filed by those nine employees who drove personal or State vehicles disclosed that the point of departure was Lake City for four employees, Live Oak for three employees, and Madison for two employees. In making the determination of the most economical method of travel to this conference, it was not apparent from Office records that, with respect to those employees who drove to the conference, adequate consideration was given to the number of employees making the trip. Although each of the six employees

driving personal vehicles received reimbursements for mileage and tolls which in amount were less than the \$370 maximum travel reimbursement authorized by the State Attorney for each traveler, had there been efforts to carpool, a savings of over \$1,300 could have been realized. The mileage and toll reimbursements to the six employees totaled \$2,045.64.

- (32) Our review also disclosed that the three employees who drove State vehicles to the conference took personal leave during the trip, contrary to the Office's *Policy and Procedures Manual*, Part III, Section 2, which states, "If an employee desires to combine vacation with official travel, the use of state vehicles is not authorized. In such cases, the employee must utilize his or her personal vehicle and claim reimbursement for that portion of the travel connected with official business." Our review of the vehicle logs for the three State vehicles used for transportation to the Key West conference disclosed that mileage shown for this conference exceeded the official State map mileage to and from Key West by 211, 228, and 335 miles, respectively. The vehicle logs did not distinguish between personal mileage and mileage related to attendance at the conference. We provided details of these exceptions to Office management and reimbursements for personal mileage were subsequently obtained from the employees.
- (33) To more reasonably ensure the economic use of motor vehicles, we recommend that Office personnel be required to take advantage of carpooling opportunities whenever possible.

Prior Audit Findings

- (34) For those operating units, programs, activities, functions, and classes of transactions within the scope of this audit, the Office of the State Attorney has substantially corrected the deficiencies noted in audit report No. 12758, except as noted in the preceding paragraphs of this report.

STATEMENT FROM AUDITED OFFICIAL

- (35) 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 State Attorney, Third Judicial Circuit. The State Attorney's written response to the audit findings and recommendations included in this report is shown as Exhibit D.

AUDIT AUTHORITY

- (36) 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 State Attorney, Third Judicial Circuit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles L. Lester". The signature is written in a cursive, flowing style.

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 STATE ATTORNEY
THIRD JUDICIAL CIRCUIT
COMPARISON OF BUDGETED WITH ACTUAL
EXPENDITURES AND COMMITMENTS – BY STATE FUND TYPE
For the Fiscal Year Ended June 30, 1997

Fund Type/ 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					
Current:					
Salaries and Benefits	\$ 2,491,711.00	\$ 2,491,711.47	\$ -	\$ 2,491,711.47	\$ (0.47)
Other Personal Services	18,461.00	18,461.00	-	18,461.00	-
Expenses	282,999.00	281,118.33	1,263.85	282,382.18	616.82
Data Processing Services	1,303.00	1,303.00		1,303.00	-
Operating Capital Outlay	56,406.00	49,020.02	7,384.69	56,404.71	1.29
Special Category:					
Salary Incentive Payments	5,599.00	5,599.00	-	5,599.00	-
State Attorneys - Law Library	<u>10,607.00</u>	<u>10,607.00</u>	<u>-</u>	<u>10,607.00</u>	<u>-</u>
TOTAL GENERAL REVENUE FUND	<u>2,867,086.00</u>	<u>2,857,819.82</u>	<u>8,648.54</u>	<u>2,866,468.36</u>	<u>617.64</u>
TRUST FUNDS					
Current:					
Salaries and Benefits	93,647.00	14,452.53	-	14,452.53	79,194.47
Expenses	24,634.00	1,040.00	-	1,040.00	23,594.00
Special Category:					
Acquisition of Motor Vehicles	85,600.00	85,600.00	-	85,600.00	-
State Attorneys - Law Library	<u>11,946.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,946.00</u>
TOTAL TRUST FUNDS	<u>215,827.00</u>	<u>101,092.53</u>	<u>-</u>	<u>101,092.53</u>	<u>114,734.47</u>
TOTAL FUNDS	<u>\$ 3,082,913.00</u>	<u>\$ 2,958,912.35</u>	<u>\$ 8,648.54</u>	<u>\$ 2,967,560.89</u>	<u>\$ 115,352.11</u>

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

EXHIBIT – B
OFFICE OF THE STATE ATTORNEY
THIRD 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, State Attorneys 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 27.38, Florida Statutes, limited transfers of expenditure authority may be made by the State Attorney.
 - 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.

EXHIBIT – B (Continued)
OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT
NOTES TO COMPARISON OF BUDGETED WITH ACTUAL
EXPENDITURES AND COMMITMENTS – BY STATE FUND TYPE
For the Fiscal Year Ended June 30, 1997

- (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 Funds
Appropriated by Chapter 96-424, Laws of Florida	\$ 2,814,044	\$ 201,811
Changes Authorized by the Executive Office of the Governor	<u>53,042</u>	<u>14,016</u>
Total Final Operating Budget, Exhibit A	<u>\$ 2,867,086</u>	<u>\$ 215,827</u>

EXHIBIT – C
OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT
ORGANIZATIONAL CHART
As of December 31, 1997

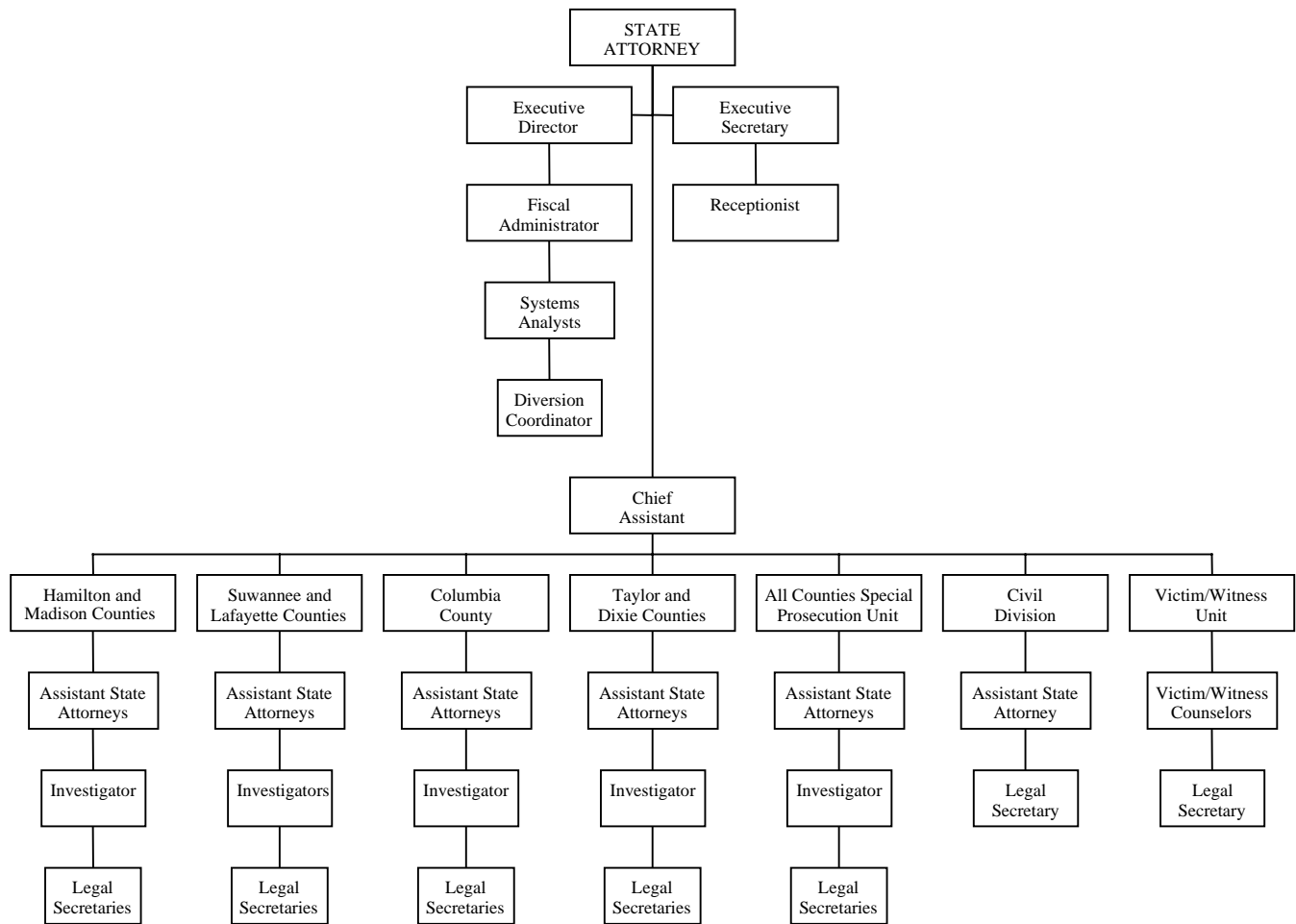


EXHIBIT – D
OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT
STATEMENT FROM AUDITED OFFICIAL
For the Period January 1, 1997, Through December 31, 1997



OFFICE OF THE STATE ATTORNEY
THIRD JUDICIAL CIRCUIT

100 Court Street S. E.
P. O. Box 1546
Live Oak, FL 32064
Telephone (904) 362-2320

Jerry M. Blair
State Attorney

May 29, 1998

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

Dear Mr. Lester:

Pursuant to the provisions of Section 11.45(7)(d), Florida Statutes, the following explanation concerning the preliminary and tentative audit findings is submitted, together with our actual or proposed constructive action:

Disbursement Controls

(20-23) The Executive Director or State Attorney will personally approve purchase orders in the future. The Executive Director or State Attorney is currently personally authorizing batch sheets to generate the warrants for vendors.

(24-26) A review is being undertaken to consider revising office guidelines requiring purchase orders on purchases over \$250, in light of FPAA *Uniform Purchasing Guidelines* which require purchase orders only on purchases over \$5000. In addition, new administrative support software is being implemented to automatically generate purchase orders where required.

Travel Expenditures

(27-33) As noted in the Preliminary and Tentative Audit Findings, the State Attorney did determine the most economical means of travel to the Key West conference, and none of the reimbursements for travel exceeded the amount determined by the State Attorney. However, employees will be encouraged to carpool where practicable in future travel.

We appreciate very much the professionalism displayed by Bob Taylor, Donita Tyre, and Diane Gainey during the course of this audit. Their comments were constructive in nature, and they were extremely cooperative and considerate of our time.

Sincerely,

Jerry M. Blair
State Attorney