

**STATE OF FLORIDA
AUDITOR GENERAL**



*OPERATIONAL AUDIT
OF THE*

*OFFICE OF THE STATE ATTORNEY
FOURTEENTH JUDICIAL CIRCUIT*

For the Period January 1, 1998, Through December 31, 1998

STATE OF FLORIDA

AUDITOR GENERAL

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CHARLES L. LESTER, CPA
AUDITOR GENERAL

STATE OF FLORIDA
AUDITOR GENERAL
TALLAHASSEE

May 3, 1999

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,
FOURTEENTH JUDICIAL CIRCUIT,***

For the Period January 1, 1998, Through December 31, 1998.

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

Respectfully submitted,

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

Charles L. Lester
Auditor General

Audit supervised by:
Gregory L. Centers

Audit made by:
James H. Craven

**OPERATIONAL AUDIT
OF THE
OFFICE OF THE STATE ATTORNEY
FOURTEENTH JUDICIAL CIRCUIT
For the Period January 1, 1998, Through December 31, 1998**

Par.
No.

BACKGROUND

Authority

- (1) 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 Fourteenth 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 Fourteenth Judicial Circuit and in cases of preliminary trials of persons charged with capital offenses.

Organizational Structure

- (2) Jim Appleman is the State Attorney of the Fourteenth Judicial Circuit. The State Attorney of the Fourteenth Judicial Circuit is responsible for performing the duties described above, as provided by law, in Bay, Calhoun, Gulf, Holmes, Jackson, and Washington Counties. Offices are maintained at Panama City in Bay County, Blountstown in Calhoun County, Port St. Joe in Gulf County, Bonifay in Holmes County, Marianna in Jackson County, and Chipley in Washington County. At June 30, 1998, the Office of the State Attorney employed 83 people in 85.50 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.

- (3) The Office of the State Attorney, Fourteenth Judicial Circuit, was funded primarily by State appropriations for the 1997-98 and 1998-99 fiscal years, respectively, pursuant to Chapters 97-152 and 98-422, Laws of Florida, the General Appropriations Acts. The following is a summary of released General Revenue appropriations by appropriation category for the 1997-98 fiscal year:

Appropriation Category	Amount Released
Salaries and Benefits	\$ 3,840,056.00
Other Personal Services	2,721.00
Expenses	239,301.36
Operating Capital Outlay	16,360.00
Special Category:	
Risk Management Insurance	15,728.00
Salary Incentive Payments	11,466.64
State Attorneys - Law Library	11,958.00
Transfer to State Employees' Health Insurance Trust Fund	<u>39,877.00</u>
Total	<u>\$4,177,468.00</u>

- (4) As required by Section 27.34(2), Florida Statutes, the counties which compose the Fourteenth 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.
- (5) 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.
- (6) A comparison of the Office of the State Attorney's budgeted with actual expenditures and commitments for the 1997-98 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 1997-98 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.

- (7) 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.

Year 2000 Compliance

- (8) The Office of the State Attorney is responsible for assessing the effects of the Year 2000 compliance issue on its significant information technology systems and processes and taking appropriate remedial action. Generally, the Year 2000 compliance issue arises from concerns that information technology systems and processes will not be Year 2000 compliant at January 1, 2000. Year 2000 compliant information technology systems and processes are those that are capable of successfully processing year-date data beyond the year 1999. The Office has reported progress toward achieving Year 2000 compliance in its information technology resources and plans to bring all major applications into Year 2000 compliance by May 31, 1999.
- (9) Because of the unprecedented nature of the Year 2000 issue, its operational effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Accordingly, we do not provide assurance with regard to the representations made by Office management relative to Year 2000 compliance status. Further, we do not provide assurance that the Office is or will be Year 2000 ready, that the Office's Year 2000 remediation efforts will be successful in whole or in part, or that the parties with which the Office does business will be Year 2000 ready.

Related Audits

- (10) Our audit did not extend to an examination of the Office of the State Attorney's financial statements. On February 17, 1999, this Office issued audit report No. 13393, with accompanying general purpose financial statements of the State of Florida as of and for the fiscal year ended June 30, 1998. 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, 1999, will be the subject of a separate audit report.
- (11) 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. The results of our Statewide audits of Federal awards administered by the State of Florida for the fiscal years ended June 30, 1998, and June 30, 1999, respectively, will be the subject of separate audit reports. Federal awards administered by the Office of the State Attorney will be included in the scope of those audits.



CHARLES L. LESTER, CPA
AUDITOR GENERAL

STATE OF FLORIDA
AUDITOR GENERAL
TALLAHASSEE

April 26, 1999

REPORT ON COMPLIANCE AND INTERNAL CONTROL

- (12) Office of the State Attorney, Fourteenth 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.
- (13) The scope of this audit focused primarily on assets, liabilities, fund equities, revenues and cash receipts, expenditures and disbursements, budgetary controls, and management reporting. For each of these areas, our audit included examinations of various transactions (as well as events and conditions) during the period January 1, 1998, through December 31, 1998.
- (14) 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.

- (15) 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, and accordingly, we do not express such an opinion.
- (16) 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.
- (17) 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.
- (18) Our consideration of internal control would not necessarily disclose all matters in the Office's internal control that might be material weaknesses. 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. We noted no matters involving the system of internal control and its operation that we consider to be material weaknesses.

- (19) 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.

Respectfully submitted,

A handwritten signature in black ink that reads "Charles L. Lester". The signature is written in a cursive, flowing style.

Charles L. Lester, CPA
Auditor General

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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 – A
OFFICE OF THE STATE ATTORNEY
FOURTEENTH JUDICIAL CIRCUIT
COMPARISON OF BUDGETED WITH ACTUAL
EXPENDITURES AND COMMITMENTS – BY STATE FUND TYPE
For the Fiscal Year Ended June 30, 1998

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	\$3,840,056.00	\$3,840,056.00	\$ -	\$3,840,056.00	\$ -
Other Personal Services	2,721.00	2,721.00	-	2,721.00	-
Expenses	239,301.36	238,815.57	-	238,815.57	485.79
Operating Capital Outlay	16,360.00	15,722.00	625.00	16,347.00	13.00
Special Category:					
Risk Management Insurance	15,728.00	15,728.00	-	15,728.00	-
Salary Incentive Payments	11,466.64	11,466.48	-	11,466.48	0.16
State Attorneys - Law Library	11,958.00	42.00	11,916.00	11,958.00	-
Transfer to State Employees' Health Insurance Trust Fund	<u>39,877.00</u>	<u>39,877.00</u>	<u>-</u>	<u>39,877.00</u>	<u>-</u>
TOTAL GENERAL REVENUE FUND	<u>4,177,468.00</u>	<u>4,164,428.05</u>	<u>12,541.00</u>	<u>4,176,969.05</u>	<u>498.95</u>
TRUST FUNDS					
Current:					
Salaries and Benefits	200,726.00	183,451.95	-	183,451.95	17,274.05
Other Personal Services	29,900.00	20,008.64	-	20,008.64	9,891.36
Expenses	4,000.00	-	-	-	4,000.00
Special Category:					
Acquisition of Motor Vehicles	32,600.00	-	30,596.00	30,596.00	2,004.00
Transfer to State Employees' Health Insurance Trust Fund	<u>1,144.00</u>	<u>1,144.00</u>	<u>-</u>	<u>1,144.00</u>	<u>-</u>
TOTAL TRUST FUNDS	<u>268,370.00</u>	<u>204,604.59</u>	<u>30,596.00</u>	<u>235,200.59</u>	<u>33,169.41</u>
TOTAL FUNDS	<u>\$4,445,838.00</u>	<u>\$4,369,032.64</u>	<u>\$ 43,137.00</u>	<u>\$4,412,169.64</u>	<u>\$ 33,668.36</u>

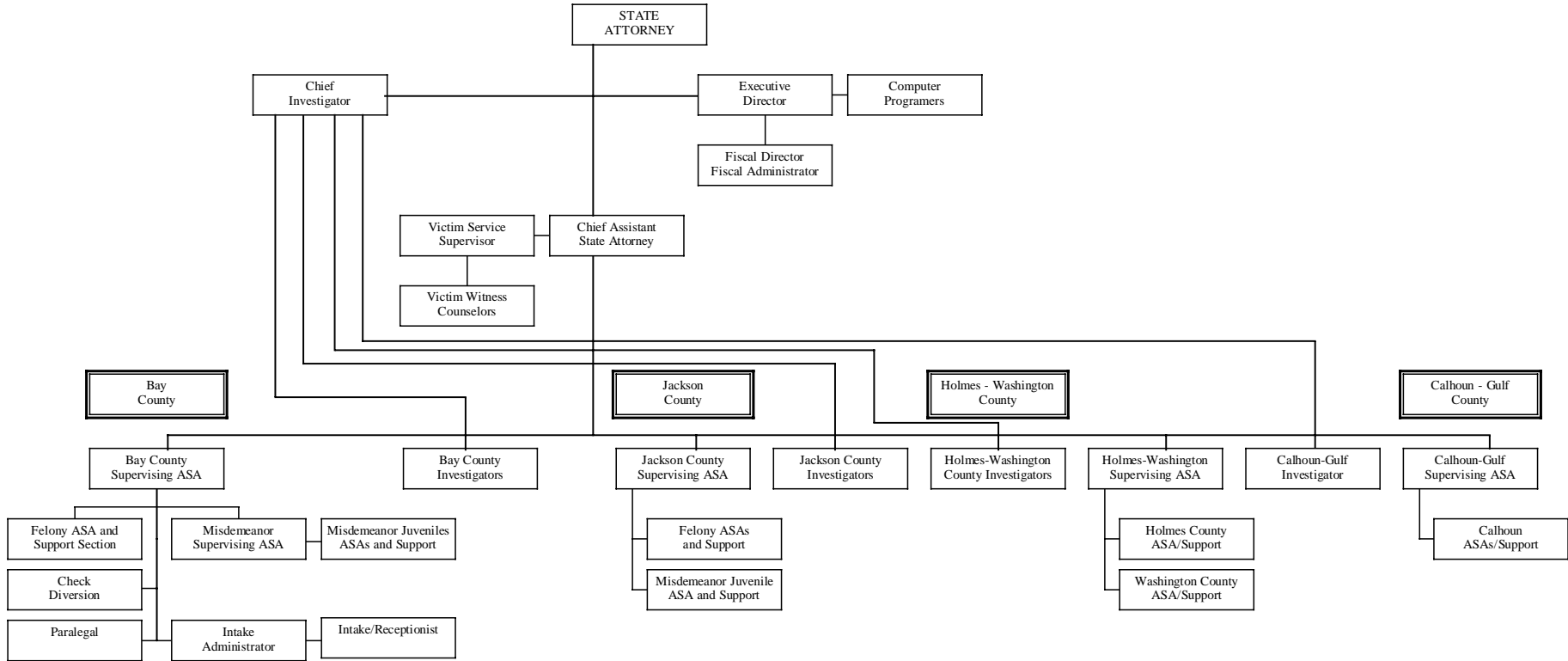
The accompanying notes to this Exhibit describe in more detail the information included in this comparison.

EXHIBIT – B
OFFICE OF THE STATE ATTORNEY
FOURTEENTH JUDICIAL CIRCUIT
NOTES TO COMPARISON OF BUDGETED WITH ACTUAL
EXPENDITURES AND COMMITMENTS – BY STATE FUND TYPE
For the Fiscal Year Ended June 30, 1998

- (1) The following procedures are used in adopting, amending, and reporting budgets and budgetary data:
- Section 216.011(1)(mm), 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 1997-98 fiscal year appropriations have been shown in the “Actual Expenditures of Current Appropriations” column. Additionally, encumbrances at June 30, 1998, which were approved for certification forward to be paid in the 1998-99 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 Funds
Appropriated by Chapter 97-152, Laws of Florida	\$ 4,076,718	\$ 200,822
Changes Authorized by the Executive Office of the Governor	<u>100,750</u>	<u>67,548</u>
Total Final Operating Budget, Exhibit A	<u>\$ 4,177,468</u>	<u>\$ 268,370</u>

EXHIBIT - C
OFFICE OF THE STATE ATTORNEY
FOURTEENTH JUDICIAL CIRCUIT
ORGANIZATIONAL CHART
As of December 31, 1998



Legend:
 ASA = Assistant State Attorney