

**STATE OF FLORIDA  
AUDITOR GENERAL**



*OPERATIONAL AUDIT  
OF THE*

*OFFICE OF THE PUBLIC DEFENDER  
SECOND JUDICIAL CIRCUIT*

*For the Period February 1, 1998, Through January 31, 1999,  
and Selected Office Actions Taken Through June 30, 1999*

*STATE OF FLORIDA*

*AUDITOR GENERAL*

*OPERATIONAL AUDIT  
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**OFFICE OF THE PUBLIC DEFENDER  
SECOND JUDICIAL CIRCUIT**

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CHARLES L. LESTER, CPA  
AUDITOR GENERAL

**STATE OF FLORIDA  
AUDITOR GENERAL  
TALLAHASSEE**

August 24, 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 PUBLIC DEFENDER,  
SECOND JUDICIAL CIRCUIT,***

***For the Period February 1, 1998, Through January 31, 1999,  
and Selected Office Actions Taken Through June 30, 1999.***

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

Respectfully submitted,

A handwritten signature in black ink 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 February 1, 1998, Through January 31, 1999,  
and Selected Office Actions Taken Through June 30, 1999***

***AUDIT REPORT SUMMARY***

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This audit report summary highlights the scope, objectives, methodology, and findings of audit report No. 13533. 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.

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***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 payroll, personnel, and leave records; budgetary controls; procurement; 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 February 1, 1998, through January 31, 1999, and selected Office actions taken through June 30, 1999.

## **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, 1998, the actual salary rate of the Office of the Public Defender's Trial Division, as determined by the Florida Justice Administrative Commission, exceeded by \$56,411 the approved salary rate established pursuant to Section 216.181, Florida Statutes, and approved by the Executive Office of the Governor. (See [paragraphs 22](#) through 26.)

### **Leave Policies**

Contrary to the provisions of the *Classification and Pay Procedures for the Employees of the Public Defender Offices of the State of Florida*, the Office of the Public Defender allowed several employees to take annual leave in excess of their annual leave balances. Also, the Office granted advanced sick leave in excess of that allowed by the *Classification and Pay Procedures*. (See [paragraphs 27](#) through 29.)

### **Voucher Processing**

Contrary to State Comptroller's Memorandum No. 10 (1989-90), the Office of the Public Defender did not record accurate voucher processing dates in the accounting records; therefore, neither the Office nor the Florida Department of Banking and Finance was able to properly monitor compliance with the voucher processing time limits prescribed by Section 215.422, Florida Statutes. Our review of compliance based on the actual processing dates disclosed that Office vouchers authorizing the payment of invoices were not always filed with the State

Comptroller within the 20-day time limit; some payments were not made within the 40-day time limit; and, for payments not made within the 40-day time limit, interest was not paid. (See [paragraphs 30](#) through 35.)

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The Public Defender's written response to the audit findings and recommendations included in audit report No. 13533 is presented as [Exhibit D](#).

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**OPERATIONAL AUDIT  
OF THE  
OFFICE OF THE PUBLIC DEFENDER  
SECOND JUDICIAL CIRCUIT  
For the Period February 1, 1998, Through January 31, 1999,  
and Selected Office Actions Taken Through June 30, 1999**

Par.  
No.

**BACKGROUND**

**Authority**

- (1) 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**

- (2) 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 composing the First

District Court of Appeal, when requested by the applicable Public Defender. At June 30, 1998, the Office of the Public Defender employed 101 people in 105.5 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](#).

- (3) The Office of the Public Defender, Second Judicial Circuit, was funded primarily by State appropriations for the 1997-98 fiscal year pursuant to the applicable General Appropriations Act. The following is a summary of released General Revenue appropriations by appropriation category for the 1997-98 fiscal year:

Appropriation Category	Amount Released	
	Trial Division	Appellate Division
Salaries and Benefits	\$ 3,347,801.19	\$ 1,522,924.14
Other Personal Services	36,053.66	6,179.65
Expenses	223,682.87	68,941.72
Data Processing Services	37,373.19	
Operating Capital Outlay	51,155.00	33,433.52
Special Category:		
Public Defenders - Law Library	15,596.00	15,126.00
Risk Management Insurance	16,755.00	
Transfer to State Employees' Health Insurance Trust Fund	<u>37,757.00</u>	<u>14,829.00</u>
Total	<u>\$ 3,766,173.91</u>	<u>\$ 1,661,434.03</u>

- (4) As required by Section 27.54(3), Florida Statutes, the counties which compose 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.
- (5) 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.

- (6) A comparison of the Office of the Public Defender'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 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 1997-98 General Appropriations Act, as further described in the notes to the Exhibit. The Exhibit was prepared by us from Office 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 Public Defender 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. In April 1999, the Leon County Management Information System (MIS) Group performed an inventory and Year 2000 assessment of the Office's information technology resources, which include 101 personal computers. The Group concluded that, because the Office of the Public Defender was connected to the Leon County MIS, any personal computers that were not Year 2000 compliant would need to be replaced or remedial actions would need to be taken. The Group identified 31 personal computers that were not Year 2000 complaint and required replacement. Office management indicated on June 28, 1999, that 20 new personal computers had been

purchased and were being installed and that Leon County has agreed to order additional personal computers for the Office by September 30, 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 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 Public Defender'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 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. 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 Public Defender under contract and grant agreements to finance specific programs and projects. On June 3, 1999, this Office issued audit report No. 13490, presenting the results of our Statewide audit of Federal awards administered by the State of Florida for the fiscal year ended June 30, 1998. Federal awards administered by the Office of the Public Defender were included in the scope of that audit. A similar audit of Federal awards administered by the State of Florida for the fiscal year ended June 30, 1999, will be the subject of a separate audit report.



CHARLES L. LESTER, CPA  
AUDITOR GENERAL

STATE OF FLORIDA  
AUDITOR GENERAL  
TALLAHASSEE

August 19, 1999

***REPORT ON COMPLIANCE AND INTERNAL CONTROL***

- (12) 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.
- (13) The scope of this audit focused primarily on payroll, personnel, and leave records; budgetary controls; procurement; 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 February 1, 1998, through January 31, 1999, and selected Office actions taken through June 30, 1999.
- (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.

- To determine whether the Office has corrected, or is in the process of correcting, all deficiencies disclosed in the prior audit (report No. 13214).
- (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. 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.
- (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) 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.

- (19) 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.
- (20) 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,



Charles L. Lester, CPA  
Auditor General

## ***FINDINGS AND RECOMMENDATIONS***

- (21) 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 the *Classification and Pay Procedures for the Employees of the Public Defender Offices of the State of Florida (Classification and Pay Procedures)*, 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**

- (22) At June 30, 1998, the actual salary rate of the Office of the Public Defender's Trial Division, as determined by the Florida Justice Administrative Commission, exceeded by \$56,411 the approved salary rate established pursuant to Section 216.181, Florida Statutes, and approved by the Executive Office of the Governor.
- (23) 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 to submit in writing to the Executive Office of the Governor, Office of Planning and Budgeting, a plan detailing the actions planned to bring the actual rate into compliance with the approved rate.
- (24) Generally, each Office of the Public Defender represents a single budget entity and each Office's salary rate is established at the Office level. However, for those Public Defenders (such as the Public Defender, Second Judicial Circuit) with appellate responsibilities within the

respective appellate district pursuant to Section 27.51(4), Florida Statutes, two budget entities exist, a trial division and an appellate division. A salary rate is established for each of these divisions.

- (25) As similarly reported in audit report No. 13214, the actual salary rate of the Office's Trial Division at June 30, 1998, as determined by the Florida Justice Administrative Commission, was \$2,591,370, or \$56,411 in excess of the Trial Division's maximum approved salary rate of \$2,534,959 established pursuant to Section 216.181, Florida Statutes, and approved by the Executive Office of the Governor. The Public Defender, in her August 21, 1998, response to the Office of Planning and Budgeting stated, "The problems experienced with salary rate last year have not changed. The trial section of our office exceeded the authorized salary rate at June 30, 1998. 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 have kept our positions filled and have not made any effort to disguise the rate problem. I am hopeful that some day, we will not have to continue facing this problem."
- (26) As indicated in audit report No. 13214, 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 continue its efforts bring its actual salary rate within the approved salary rate limits established pursuant to Section 216.181, Florida Statutes.

#### *Leave Policies*

- (27) Contrary to the provisions of the *Classification and Pay Procedures*, the Office of the Public Defender allowed several employees to take annual leave in excess of their annual leave balances. Also, the Office granted advanced sick leave in excess of that allowed by the *Classification and Pay Procedures*.
- (28) The *Classification and Pay Procedures* govern the accrual and use of leave by employees of the various Public Defender offices. The Office's *Employee Handbook* also addresses leave

policies. Our review of Office compliance with these established leave policies disclosed the following:

- Section 3.07(1)(e) of the *Classification and Pay Procedures* provides that annual leave earned during any pay period shall be credited to the employee on the last day of that pay period. Section 3.07(2) further provides, “Use of annual leave shall not be authorized prior to the time it is earned and credited to the employee . . . .” The annual leave provisions in the *Employee Handbook* do not address this issue. Our review disclosed that the Office allowed three employees to take annual leave in excess of their annual leave balances. As a result, these employees had negative annual leave balances at various times during the audit period ranging from 19 to 32.15 hours.
- Section 3.08(2) of the *Classification and Pay Procedures* provides, “Use of sick leave shall not be authorized prior to the time it is earned and credited to the employee and shall only be used with the approval of the proper authority within the Public Defender office; however, an employee may be granted advanced sick leave not to exceed 10 days [80 hours] subject to approval of the Public Defender.” The sick leave provisions of the *Employee Handbook* provide, “When an employee must remain absent after using all available sick leave, time off will be charged to annual leave. If annual leave hours are unavailable, the employee will be placed on leave without pay. An employee may not have a leave deficit on June 30<sup>th</sup> of any year.” Our review disclosed that the Office granted two employees advanced sick leave in excess of the 80 hours allowed by the *Classification and Pay Procedures*. These two employees had negative sick leave balances of 123.77 and 109.31 hours, respectively, as of January 31, 1999.

(29) All of the negative annual and sick leave balances noted were eliminated by June 30, 1999, as new leave hours were earned and credited to the employees, through transfers of annual leave to sick leave, through pay adjustments, and through salary refunds from the employees. However, we recommend that the Office comply with Sections 3.07 and 3.08 of the *Classification and Pay Procedures* and the Office’s *Employee Handbook* and refrain from allowing employees to take annual leave at times when sufficient annual leave balances are not available and from granting advanced sick leave in excess of the amounts allowed.

### *Voucher Processing*

- (30) Contrary to State Comptroller's Memorandum No. 10 (1989-90), the Office of the Public Defender did not record accurate voucher processing dates in the accounting records; therefore, neither the Office nor the Florida Department of Banking and Finance was able to properly monitor compliance with the voucher processing time limits prescribed by Section 215.422, Florida Statutes. Our review of compliance based on the actual processing dates disclosed that Office vouchers authorizing the payment of invoices were not always filed with the State Comptroller within the 20-day time limit; some payments were not made within the 40-day time limit; and, for payments not made within the 40-day time limit, interest was not paid.
- (31) Section 215.422, Florida Statutes, generally requires that vouchers authorizing payment of invoices be filed with the State Comptroller not later than 20 days after receipt of the invoice and receipt, inspection, and approval of the goods and services. Section 215.422(3)(b), Florida Statutes, provides that if a warrant in payment of an invoice is not issued within 40 days after receipt of the invoice and receipt, inspection, and approval of the goods and services, the agency, within 15 days after issuing the warrant, shall pay the vendor interest.
- (32) Section 215.422(6), Florida Statutes, requires that the Florida Department of Banking and Finance (FDBF) monitor each agency's compliance with the voucher processing time limits and interest penalty provisions of Section 215.422, Florida Statutes. In connection with this responsibility, the FDBF issued State Comptroller's Memorandum No. 10 (1989-90), which requires that, for purposes of determining compliance with Section 215.422, Florida Statutes, agencies should record in the transaction date field of the Florida Accounting Information Resource Subsystem (FLAIR) the later of the date the goods or services are received, inspected, and approved, or the date the invoice is received.
- (33) The FDBF uses FLAIR information to monitor agency compliance with the requirements of Section 215.422, Florida Statutes. Compliance information for the Public Defender offices is included in compliance reports for the Judicial Branch, which are submitted to the Florida Justice Administrative Commission (JAC). The Office's Administrative Director stated that interest payments, when due, are automatically generated by the JAC, but the Office has not received any notices of interest due from the JAC for the audit period.

(34) As part of our audit, we tested a sample of 66 expenditure items to determine Office compliance with applicable voucher processing guidelines. For 44 of the 66 items tested, the Office had submitted to the JAC incorrect dates for recording in the FLAIR transaction date field. Had the appropriate dates been recorded for these 44 items, monitoring of Office compliance with Section 215.422, Florida Statutes, would have disclosed:

- Noncompliance with the 20-day voucher filing requirements for 11 of the 44 items. For these 11 items, the Office exceeded the 20-day filing limit by a range of 3 to 26 days.
- Noncompliance with the 40-day warrant issue requirements for 3 of the 44 items. For these 3 items, the Office exceeded the 40-day warrant issue requirement by a range of 1 to 6 days. As noted above, Office management indicated that the Office had not been notified by the JAC of any interest due.
- Twelve instances in which the Office's compliance with the 20-day voucher filing requirement and the 40-day warrant issue requirement could not be determined because necessary dates were not recorded for the dates the goods or services were received, inspected, and approved.

(35) Because the Office's failure to submit the appropriate dates adversely affects both the Office's and the FDBF's ability to monitor compliance with Section 215.422, Florida Statutes, the Office should take the necessary steps to ensure that the proper transaction dates are recorded in the FLAIR as required by State Comptroller's Memorandum No. 10 (1989-90). Additionally, because the timely processing of invoices for payment is a good business practice that encourages vendors to do business with the State, thereby maintaining a level of competition conducive to the State's purchase of goods and services at favorable prices, the Office should take steps to ensure that all vouchers are filed with the State Comptroller within 20 days, that warrants in payment of invoices are issued within 40 days, and that interest is paid when due.

**Prior Audit Findings**

- (36) For those operating units, programs, activities, functions, and classes of transactions within the scope of this audit, the Office of the Public Defender has substantially corrected the deficiencies noted in audit report No. 13214, except as noted in the preceding paragraphs of this report.

**STATEMENT FROM AUDITED OFFICIAL**

- (37) 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.

## ***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, 1998**

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)
<b>GENERAL REVENUE FUND</b>					
<b>Trial Division</b>					
Current:					
Salaries and Benefits	\$ 3,347,801.19	\$ 3,347,801.19	\$ -	\$ 3,347,801.19	\$ -
Other Personal Services	36,053.66	36,053.66	-	36,053.66	-
Expenses	223,682.87	191,581.29	32,086.58	223,667.87	15.00
Data Processing Services	37,373.19	18,464.19	18,909.00	37,373.19	-
Operating Capital Outlay	51,155.00	10,715.00	40,440.00	51,155.00	-
Special Category:					
Public Defenders - Law Library	15,596.06	15,127.31	468.75	15,596.06	-
Risk Management Insurance	16,755.00	16,755.00	-	16,755.00	-
Transfer to State Employees' Health Insurance Trust Fund	<u>37,757.00</u>	<u>37,757.00</u>	<u>-</u>	<u>37,757.00</u>	<u>-</u>
<b>Total Trial Division</b>	<u>3,766,173.97</u>	<u>3,674,254.64</u>	<u>91,904.33</u>	<u>3,766,158.97</u>	<u>15.00</u>
<b>Appellate Division</b>					
Current:					
Salaries and Benefits	1,522,924.14	1,522,924.14	-	1,522,924.14	-
Other Personal Services	6,179.65	6,179.65	-	6,179.65	-
Expenses	68,941.72	60,414.65	8,511.99	68,926.64	15.08
Operating Capital Outlay	33,433.52	25,007.60	8,425.92	33,433.52	-
Special Category:					
Public Defenders - Law Library	15,126.00	14,860.89	265.11	15,126.00	-
Transfer to State Employees' Health Insurance Trust Fund	<u>14,829.00</u>	<u>14,829.00</u>	<u>-</u>	<u>14,829.00</u>	<u>-</u>
<b>Total Appellate Division</b>	<u>1,661,434.03</u>	<u>1,644,215.93</u>	<u>17,203.02</u>	<u>1,661,418.95</u>	<u>15.08</u>
<b>TOTAL GENERAL REVENUE FUND</b>	<u>5,427,608.00</u>	<u>5,318,470.57</u>	<u>109,107.35</u>	<u>5,427,577.92</u>	<u>30.08</u>
<b>TRUST FUND</b>					
Current:					
Salaries and Benefits	31,488.00	16,540.00	-	16,540.00	14,948.00
Expenses	3,150.00	-	-	-	3,150.00
Special Category:					
Transfer to State Employees' Health Insurance Trust Fund	<u>277.00</u>	<u>277.00</u>	<u>-</u>	<u>277.00</u>	<u>-</u>
<b>TOTAL TRUST FUND</b>	<u>34,915.00</u>	<u>16,817.00</u>	<u>-</u>	<u>16,817.00</u>	<u>18,098.00</u>
<b>TOTAL FUNDS</b>	<u>\$ 5,462,523.00</u>	<u>\$ 5,335,287.57</u>	<u>\$ 109,107.35</u>	<u>\$ 5,444,394.92</u>	<u>\$ 18,128.08</u>

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

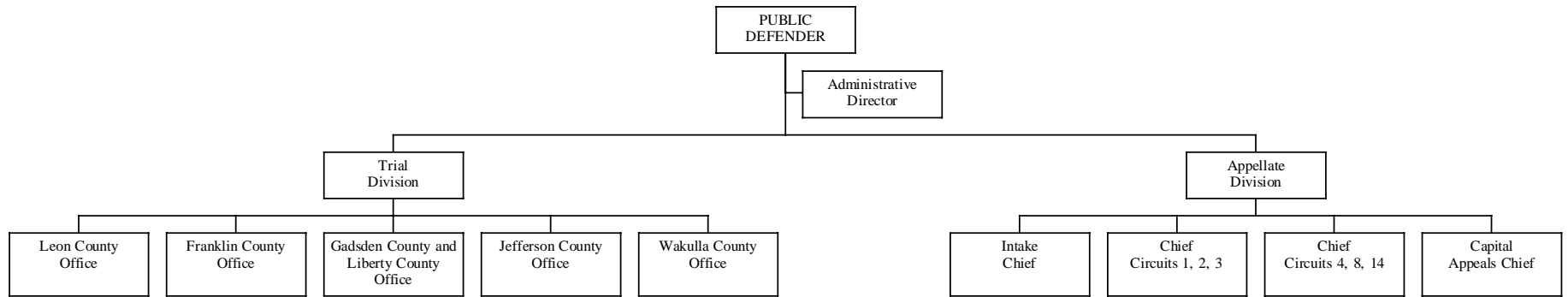
**EXHIBIT – B**  
**OFFICE OF THE PUBLIC DEFENDER**  
**SECOND JUDICIAL CIRCUIT**  
**NOTES TO COMPARISON OF BUDGETED WITH ACTUAL**  
**EXPENDITURES AND COMMITMENTS – BY STATE FUND TYPE**  
**For the Fiscal Year Ended June 30, 1998**

- (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, 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 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 Fund
Appropriated by Chapter 97-152, Laws of Florida	\$ 5,294,672	\$ 34,116
Changes Authorized by the Executive Office of the Governor	<u>132,936</u>	<u>799</u>
Total Final Operating Budget, Exhibit A	<u>\$ 5,427,608</u>	<u>\$ 34,915</u>

**EXHIBIT - C**  
**OFFICE OF THE PUBLIC DEFENDER**  
**SECOND JUDICIAL CIRCUIT**  
**ORGANIZATIONAL CHART**  
*As of June 30, 1999*



**EXHIBIT – D**  
**OFFICE OF THE PUBLIC DEFENDER**  
**SECOND JUDICIAL CIRCUIT**  
**STATEMENT FROM AUDITED OFFICIAL**  
*For the Period February 1, 1998, Through January 31, 1999,*  
*and Selected Office Actions Taken Through June 30, 1999*

Telephone  
(850) 488-2458  
Suncom: 278-2458

Fax Number - Administration  
(850) 487-7964  
Suncom: 277-7964



Fax Number - Trials  
(850) 488-9148  
Suncom: 278-9148

Fax Number - Appeals  
(850) 488-0299  
Suncom: 278-0299

LAW OFFICES OF THE  
**PUBLIC DEFENDER**

NANCY DANIELS

SECOND JUDICIAL CIRCUIT OF FLORIDA  
Franklin • Gadsden • Jefferson • Leon • Liberty • Wakulla

August 19, 1999

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

Dear Mr. Lester:

Audit  
Report  
Par. No.

(22-26)



This is in response to your letter of August 10, 1999, in which you listed preliminary and tentative audit findings and recommendations resulting from your audit of our office. The audit covered the period February 1, 1998, through January 31, 1999, and selected office actions taken through June 30, 1999.

**Salary Rate Finding:** We are aware that we are over the approved salary rate; however we have worked very hard to meet the requirement to stay within rate and have made great strides toward accomplishing that goal. We will continue to address this issue through attrition and careful budgeting. However, I must reiterate that when given the choice between staying within rate and hiring experienced employees necessary to perform our function, we have chosen the latter.

(27-29)



**Leave Policies:** We have revised our office handbook to address the annual and sick leave policy as recommended. In addition, we have automated our leave time accounting so that employees can be completely current on leave accrual and balances. I think it is important to point out that all identified employees had eliminated their deficit balances by June 30, 1999, as correctly noted in the findings.

(30-35)



**Voucher Processing:** The failure to record accurate voucher processing dates was primarily the result of a default setting in our new accounting software which automatically entered the date of data entry. That has already been noted and corrected. This should eliminate any confusion as to when goods are received and invoices processed. Only three items were identified in the course of your audit which may have exceeded the 40-day limit and they did not result in any significant interest charges. Our goal, of course, is to meet all time limits, despite the very small administrative staff that we have in this office.

***EXHIBIT – D (Continued)***  
***OFFICE OF THE PUBLIC DEFENDER***  
***SECOND JUDICIAL CIRCUIT***  
***STATEMENT FROM AUDITED OFFICIAL***  
***For the Period February 1, 1998, Through January 31, 1999,***  
***and Selected Office Actions Taken Through June 30, 1999***

Charles L. Lester  
Page Two  
August 19, 1999

Your staff worked hard on our audit and we appreciate their suggestions for improvement. We have already incorporated those into our procedures. Thank you for your cooperation and assistance.

Sincerely,

*Olona McNeill*  
*for Nancy Daniels*

Nancy Daniels  
Public Defender

NAD/sf