

## **LBA Financial Audit Report Summary:**

### **Judicial Council Audit Report For The Year Ended June 30, 2000**

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#### **Reporting Entity And Scope**

The reporting entity and scope of this audit and audit report is the revenue, expenditures, and fixed assets reported by the New Hampshire Judicial Council (Council) for the year ended June 30, 2000. The Council's responsibilities include processing payments for legal representation on behalf of indigent individuals and studying the issues affecting the administration of justice.

#### **Organization**

RSA 494:1 establishes the 24 member Judicial Council and defines its membership as follows:

- Five members of the judicial branch administrative council,
- Attorney general or designee,
- A clerk of the superior court,
- A clerk of the district court,
- President-elect of the New Hampshire Bar Association,
- Chairperson of the senate judiciary committee,
- Chairperson of the house judiciary committee,
- Eight other members appointed by governor and council, and
- Five other members appointed by the chief justice of the supreme court.

The Judicial Council is supported by an Executive Director, two full-time employees, and one part-time employee. The Executive Director is a non-classified employee who serves at the pleasure of the Judicial Council. Each member of the Executive Director's three-person staff is a classified employee. The Council's office is located in the State House Annex at 25 Capitol Street in Concord.

#### **Responsibilities**

The Council's duties include processing payments for legal representation and guardian ad litem services provided to indigent individuals. During fiscal year 2000, the Council processed \$13.2 million in payments for those services. The majority of indigent individuals receive legal defense services through the New Hampshire Public Defender (NHPD). The courts are responsible for counsel appointments in indigent cases. RSA 604-A:2 directs the sequence of representation choices based on availability. The public defender program is the first choice, followed by contract counsel, then assigned counsel. Contract counsel are attorneys the Judicial Council

has contracted with to handle a set number of case units for a specific case unit price. Assigned counsel is used by the courts when neither the NHPD nor contract counsel is available. The fees paid to assigned counsel are set by the courts.

In accordance with RSA 490:26-f, the Judicial Council also contracts with Court Appointed Special Advocates of New Hampshire, Inc. (CASA) and individuals to provide guardian ad litem services. Guardians ad litem are appointed by the courts and services include representing the interests of the child in abuse and neglect, divorce, and termination of parental rights cases.

The Council's other responsibilities, as described in RSA 494:3, include serving as an institutional forum for the consideration of issues affecting the administration of justice, including devising ways to simplify judicial procedures, providing recommendations with regards to changes in the law affecting the operations of the court system, and serving as a catalyst for discussion of legal and judicial issues.

## **Funding**

The Council is funded by General Fund appropriations. The fiscal year 2000 appropriations combined with supplemental warrants, balances forward, and transfers resulted in spending authority of \$14,185,499. The following table summarizes the financial activity of the Council for the year ended June 30, 2000.

### **Summary Of Revenues And Expenditures Fiscal Year Ended June 30, 2000**

	<u>General Fund</u>
<b>Total Revenues</b>	<u>\$ 243,173</u>
<b>Total Expenditures</b>	<u>\$ 13,374,029</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u><b>\$(13,130,856)</b></u>

The auditor's report on the Judicial Council's financial statement was qualified due the lack of presentation of the financial position of the Council in the General Fund.

The audit report included auditor's reports on compliance and on internal control over financial reporting and on management issues. The following is a list of the comments in the report.

### **Internal Control Comments**

#### *Reportable Conditions*

- Standard For Evidencing Court's Authorizations Should Be Developed

- Expenditure Recording And Approval Functions Should Be Segregated
- Expenditures Recorded In Database Applications Should Be Reconciled To State Accounting System
- Procedures For The Payment Of Contract Attorneys Should Be Improved
- Procedure Manuals Should Be Updated Or Developed As Necessary

### **Compliance Comments**

#### *State Compliance*

- Information Technology Plan Should Be Developed
- Biennial Report Should Be Filed With Governor And Council
- Statutes Should Be Amended To Reflect Current Responsibilities

### **Management Issue Comments**

- Public Defender Contract Refunds Should Be Made More Often
- Reversionary Interest In Equipment Should Be Monitored