

**Implementation Progress Report for the
2014 Office of the Legislative Budget Assistant Financial Audit of the NH Judicial Council
October 27, 2014**

Governor Hassan's Executive Order 2014-03 requires audited entities of government to report regularly on their progress in implementing the recommendations of any audit issued since January 2013. Specifically, the audited entity must submit an initial response within 30 days of the audit's release. The Office of the Legislative Budget Assistant submitted its financial audit of the Judicial Council to the Fiscal Committee of the General Court on September 26, 2014. Accordingly, the Judicial Council submits this first report on its efforts to date and its future plans to address the audit's recommendations.

Observation Number One: Continue automating and consolidating IT systems and processes

Status of the Measures taken in Response to the Observation: ONGOING

In keeping with the Agency's current information technology plan, steps were taken to reduce the number of databases employed by the Agency from three to just one. Effective July 1, 2014, the Judicial Council employs only one database to enter cases, store information, and pay invoices. We met in July of 2014 with Department of Administrative Services staff specializing in the functionality of NHFirst. It was determined that the Agency's need for information about prior pays and invoice details over time favor the continuing utilization of the Indigent Defense System database and interface with NHFirst. Further, it is not clear that greater utilization of Shared Services would result in a decreased paper flow, as all invoices are delivered to the Judicial Council by mail from individual courts throughout the State.

Judicial Council Plan: When the Council met in October to review this observation, some members expressed concern that the recommendations require resources that are currently unavailable to the Agency. Nevertheless, the executive director was instructed by the Council to work with DOIT to update the Agency's Information Technology Plan, to look for ways to automate current practices and procedures, and to work with the Judicial Branch to find ways to streamline the information flow among the Office of Cost Containment, the Judicial Council and the Judicial Branch. The executive director was further instructed to investigate the use of additional user accounts in IDS to establish accountability for transactions in the system and limit a user's access to the system to only his or her responsibilities.

Observation Number Two: Strengthen Contract Monitoring

Status of the Measures taken in Response to the Observation: ONGOING

The Agency implemented a number of process improvements to guarantee formal review of quarterly reports from CASA of New Hampshire and the Public Defender Program.

Judicial Council Plan: When the Council met in October to review this observation, it instructed the executive director to consider options for continuing education in contract monitoring and to define the methodology for calculating the annual cost of operations to determine the "amount of excess funding" within the terms of its future contract with the Public Defender Program or successor organization.

Observation Number Three: Improve Controls over Payments to Providers

Status of the Measures taken in Response to the Observation: COMPLETED

The Agency completed the segregation of its invoice preparation and queuing tasks, (performed by the Agency staff), from the approval and transmittal functions, (performed by the Executive Director). In addition, we met in July of 2014 with Department of Administrative Services staff specializing in the functionality of NHFirst. It was determined that the Agency's need for information about prior pays and invoice details over time favor the continuing utilization of the Indigent Defense System database and interface with NHFirst, and that the interface was an acceptable and reliable method of payment.

Observation Number Four: Develop and Implement Comprehensive Risk Assessment Process and Business Continuity and Disaster Recovery Plans

Status of the Measures taken in Response to the Observation: ONGOING

The Council has spent the last year organizing its operations files and improving its existing written procedure manuals.

Judicial Council Plan: When the Council met in October to review this observation, it was agreed that for an agency with two staff members, any unanticipated, prolonged absence by an employee represents a potential disaster. Accordingly, the Council instructed the executive director to press the case for the addition of a part-time employee in the next biennium's budget. The Council also urged the executive director to develop and implement comprehensive risk assessments and Continuity and Recovery plans within the constraints of the Agency's extremely limited resources.

Observation Number Five: Revise Interface Coding

Status of the Measures taken in Response to the Observation: COMPLETED

The Council revised its interface coding to more accurately report Judicial Council expenditures.

Observation Number Six: Clarify Authority for Appointing and Compensating the Executive Director

Status of the Measures taken in Response to the Observation: ONGOING

Judicial Council Plan: After meeting in October to review this recommendation, the Judicial Council selected a subcommittee, chaired by Attorney Matthew Houde, to review the existing law and procedures and to draft proposed language for submission to the Senate Judiciary Committee Chairperson for possible legislative action to clarify the Judicial Council's appointment authority and compensation parameters for the Council's executive director. The Council determined that the executive director would not participate in this project.

Observation Number Seven: Request Revision or Repeal of Unapplied Statute

Status of the Measures taken in Response to the Observation: ONGOING

Judicial Council Plan: When it met in October to review this recommendation, the Judicial Council observed that legislation to repeal or revise RSA 604-A:5 will highlight the artisanal tension our founding fathers devised in crafting our system of divided government. The Council instructed the Executive Director to delicately draft proposed language and bring it to the attention of the Senate Judiciary Committee Chairperson for possible legislative action.

Respectfully Submitted,

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