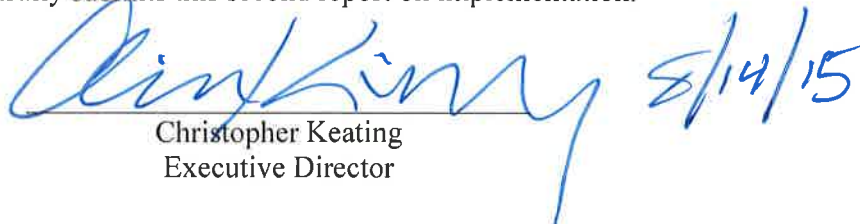


New Hampshire Judicial Council
Implementation Progress Report: 2014 LBA Financial Audit Recommendations
August 14, 2015

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. 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. The Judicial Council published a first report on the implementation of the audit's recommendations in October of 2014.

The Judicial Council respectfully submits this second report on implementation.


Christopher Keating
Executive Director

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

Status: ONGOING.

Explanation:

- 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.
- After discussions with Department of Administrative Services staff specializing in the functionality of NHFirst, and meetings with accounts-payable staff from other State agencies, the Council is satisfied that the continuing utilization of the Indigent Defense System database and interface with NHFirst is an efficacious and reliable means of processing its accounts payable.
- Adoption of an entirely NHFirst-based accounts payable system would add increased expense to the Council operational costs and would not permit the Council to protect the confidential nature of some of its court-mandated sealed invoices.
- The Council implemented payment system controls to ensure that only payments approved by the executive director are interfaced from IDS to NHFirst for payment.
- Contract counsel payments are now processed through NHFirst and Shared Services.

Judicial Council Plan:

- The Council must work with DOIT to update the Agency's Information Technology Plan.
- The Council must find a way to implement LEAN processes to improve and streamline the information flow among the Office of Cost Containment, the Judicial Council and the Judicial Branch.
- The Council must add 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: COMPLETED.

Explanation: The Council met with representatives from CASA and the Public Defender Program to negotiate stronger reporting protocols and to adopt those protocols in a memorandum of understanding. Specifically, the organizations agreed to the following measures:

- NHPD agreed to new language to define with greater clarity the means by which the organization calculates any lapse payment to the State at the conclusion of the biennium.
- NHPD agreed to adopt the terms of a contract closing protocol to provide improved accountability and transparency in concluding the contract term.
- CASA agreed to a complete revision of its reporting obligations to the Judicial Council.
- CASA agreed to adopt the terms of a contract closing protocol to provide improved accountability and transparency in concluding the contract term.

In addition, the Judicial Council updated its administrative oversight procedures to include reminders regarding the annual reporting obligations of each reporting entity.

Observation Number Three: Improve Controls over Payments to Providers

Status: COMPLETED.

Explanation: 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). The Agency has revised its written Financial Management Controls policy accordingly.

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

Status: COMPLETED.

Explanation: The Council developed and adopted a Comprehensive Risk Assessment and Business Continuity and Disaster Recovery plan.

Observation Number Five: Revise Interface Coding

Status: COMPLETED.

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

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

Status: COMPLETED.

Explanation: The Judicial Council selected a subcommittee, chaired by Attorney Matthew Houde, to review the existing law and procedures and to draft proposed legislation. The Chair of the Senate Judiciary Committee, Senator Sharon Carson, sponsored SB14, a bill designed to clarify the Judicial Council's appointment authority and compensation parameters for the Council's executive director. The bill passed the House and the Senate and was signed by Governor Hassan in July of 2015. The law makes clear the appointment authority for the selection and hiring of an executive director and ties the executive director's compensation to the statutory framework contained in RSA 9:C.

Observation Number Seven: Request Revision or Repeal of Unapplied Statute

Status: COMPLETED.

Explanation: The Council instructed the Executive Director to draft proposed language and bring it to the attention of the Senate Judiciary Committee Chairperson for possible legislative action. Language repealing the statute in question was included in SB14, described above. With the passage of SB14, the Legislature repealed the unconstitutional statute.