

# REPORT HIGHLIGHTS



STATE COURT ADMINISTRATOR'S OFFICE  
PERFORMANCE AUDIT, NOVEMBER 2020

JUDICIAL DEPARTMENT

## CONCERN

Overall, we found that the State Court Administrator's Office (SCAO) should improve its administrative framework to increase accountability and cultivate public trust in its operations, including improvement to controls over awarding voluntary separation incentives and sole source contracts, staff use of paid administrative leave and procurement cards, and human resources document retention.

## KEY FINDINGS

- The SCAO awarded \$518,000 in voluntary separation incentives to nine staff without all of the required approvals, without targeting the specific positions to receive incentives, and without knowing what the maximum payout amounts would be.
- For 3,600 of the 13,710 hours (27 percent) of administrative leave granted by delegated discretion, there were no records of the reasons the leave was granted.
- We identified 102 instances of staff who were granted, in total more than 1,060 hours of paid administrative leave above the "normal" amount that most staff received, including two staff who received more than 300 of these hours.
- The SCAO did not maintain documentation required to support decisions and actions taken in 10 Family Medical Leave Act cases and two disciplinary actions.
- We found that 6 of 10 sole source contracts awarded during the audit period, totaling up to \$3.87 million, did not include sufficient documentation to support the decisions to award the contracts. One contract was awarded to a former SCAO employee who had resigned 6 days before the sole source justification was signed.
- We identified issues with the approvals for 30 of the 100 procurement card purchases (30 percent) we reviewed totaling \$49,500.
- We identified problems with the SCAO's oversight of and accountability for its human resources and financial services functions that raise questions about the efficacy of the SCAO's system of internal control, including, in particular, its culture of accountability.

## BACKGROUND

- The Chief Justice of the Colorado Supreme Court appoints a State Court Administrator who heads the SCAO, which had 260 FTE and about \$47 million in expenditures in Fiscal Year 2020.
- The SCAO provides administrative services, including financial (e.g. budgeting, procurement), human resources, and IT management services to the Judicial Department. It also provides policy guidance on Supreme Court rules and directives to the district courts.

## KEY RECOMMENDATIONS

The SCAO should implement written rules, policies, and procedures for:

- Offering voluntary separation agreements that specify who must approve the incentives, what strategic goals the incentives will serve, and what types and maximum amounts will be paid out.
- Defining the appropriate uses for paid administrative leave, requiring documentation and oversight of its usage, and establishing limits on its uses for certain purposes.
- Properly securing and storing all human resources documentation.
- Sole source contracting, including establishing required approvals and identifying required justification information, and prohibiting contracting with former employees within a specified time after resignation.
- Improving controls over the use of procurement cards, including who may serve as a "budget authority," that take into account the proper segregation of duties.

The SCAO should implement an effective system of internal control that fosters a culture of integrity, including implementing policies and monitoring activities to ensure that controls are working properly and staff adhere to Rules.

The SCAO agreed with these recommendations.