



# Colorado

## Department of Personnel & Administration

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Governor

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Executive Director

June 19, 2013

Dianne E. Ray, CPA  
State Auditor  
Colorado Office of the State Auditor  
200 East 14<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
Denver, CO 80203

Dear Ms. Ray:

In response to your request, we have prepared an updated status report regarding the implementation of audit recommendations contained in the September 2012 *Office of Administrative Courts Performance Audit*. The attached report provides a brief explanation of the actions taken by the Office of Administrative Courts to implement each recommendation.

This audit was extremely helpful to the Office of Administrative Courts and, as always, we welcome the feedback.

If you have any questions, please do not hesitate to contact me at (303) 866-6559 or by email at [kathy.nesbitt@state.co.us](mailto:kathy.nesbitt@state.co.us)

Sincerely,

Kathryn Nesbitt  
Executive Director

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## AUDIT RECOMMENDATION STATUS REPORT

**AUDIT NAME:** Office of Administrative Courts

**AUDIT NUMBER:** 2176

**DEPARTMENT/AGENCY/ENTITY:** Department of Personnel & Administration, Office of Administrative Courts

**DATE:** June 2013

### SUMMARY INFORMATION

<b>Recommendation Number</b> <i>(e.g., 1a, 1b, 2, etc.)</i>	<b>Agency's Response</b> <i>(i.e., agree, partially agree, disagree)</i>	<b>Original Implementation Date</b> <i>(as listed in the audit report)</i>	<b>Implementation Status</b> <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i>	<b>Revised Implementation Date</b> <i>(Complete only if agency is revising the original implementation date.)</i>
1a	Agree	October 2012	Implemented	
1b	Agree	October 2012	Implemented	
1c	Agree	October 2012	Implemented	
1d	Agree	Implemented	Implemented	
1e	Agree	Implemented	Implemented	
1f	Agree	Implemented	Implemented	
1g	Agree	Implemented	Implemented	
2a	Agree	December 2012	Implemented	
2b	Agree	December 2012	Implemented	
2c	Agree	Implemented	Implemented	
2d	Agree	June 2013	Implemented and Ongoing	March 2014
2e	Agree	June 2013	Implemented	
3a	Agree	June 2013	Partially Implemented	December 2013
3b	Agree	June 2013	Partially Implemented	December 2013
3c	Agree	June 2013	Implemented	

## **DETAIL OF IMPLEMENTATION STATUS**

### **Recommendation #: 1a**

**Agency Addressed: Office of Administrative Courts**

### **Recommendation Text in Audit Report:**

The Office of Administrative Courts should ensure that workers' compensation cases comply with statutory requirements related to the timeliness of hearings and decisions by:

- a. Opening additional scheduling opportunities for the Office's trailing docket by allowing scheduling on Mondays and Fridays, at least on a limited basis, and expanding the number of hearings available using the Office's "virtual hearing" conference room and other conference rooms on its premises.

**Agency's Response: Agree**

### **Agency's Written Response in Audit Report:**

The Office of Administrative Courts is in the process of refining its docketing system to allow parties to schedule workers' compensation hearings on select Monday and Friday calendars. The Office currently uses conference rooms, including the virtual hearing room, in all three statutory locations as overflow hearing rooms and will continue with this process.

### **Current Implementation Status of Recommendation:**

Implemented

### **Agency's Current Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has expanded the trailing docket to additional days per the recommendation. The Office of Administrative Courts currently allows for the use of conference rooms and video hearing room in the Denver, Colorado Springs and Grand Junction offices to handle any case overflow.*

**Recommendation #: 1b**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should ensure that workers' compensation cases comply with statutory requirements related to the timeliness of hearings and decisions by:

- b. Allowing parties to schedule hearings on the trailing docket on any day in which there is an opening, rather than requiring parties to wait a minimum of 80 days.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The docketing system refinements in progress also include changes to allow parties to schedule standard workers' compensation hearings on days prior to the 80-day time period. The Office recognizes that the scheduling of any such hearings will depend on three factors: whether earlier dates are available to the parties, whether there is enough time to legally notice the earlier hearing date, and whether the parties are amenable to the earlier date.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has modified its docketing process to allow for dates earlier than the 80-day time period previously utilized.*

**Recommendation #: 1c**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should ensure that workers' compensation cases comply with statutory requirements related to the timeliness of hearings and decisions by:

- c. Ensuring that all extensions or continuances granted are accurately recorded in Legal Files as well as the reason for the extension or continuance.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office is in the process of refining the process of entering orders into the case management system to ensure that all continuances and extensions granted on the record are accurately reflected in the database.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has upgraded its case management system to a web-based system. As a result, the Office of Administrative Courts will be able to track and report both the reasons behind continuances filed with the court as well as those made on the record.*

**Recommendation #: 1d**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should ensure that workers' compensation cases comply with statutory requirements related to the timeliness of hearings and decisions by:

- d. Continuing to encourage Administrative Law Judges (ALJs) to use summary orders whenever practical, particularly when an ALJ anticipates he or she will not be able to issue a decision within statutory time lines.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office has previously issued an internal policy encouraging the use of summary orders. As indicated in the response to recommendation 1(e) below, the Office will be using monthly timeliness reports as well as summary order reports in the assessment of ALJ performance beginning immediately.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has issued an internal policy encouraging the use of summary orders by all of its workers' compensation administrative law judges.*

**Recommendation #: 1e**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should ensure that workers' compensation cases comply with statutory requirements related to the timeliness of hearings and decisions by:

- e. Considering the number of late decisions issued by an ALJ when evaluating performance and using this information to identify ways to improve the timeliness of decisions.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office currently assesses overall timeliness in issuing decisions when conducting ALJ performance evaluations, but does not solely account for strict statutory compliance when doing so. The Office will begin using monthly timeliness reports as well as summary order reports, which will account for statutory criteria, in the assessment of ALJ performance.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts currently runs monthly reports that determine the amount of time that it takes each workers' compensation administrative law judge to issue an order. This report also provides an average length of time for each ALJ to issue his or her orders. These reports are used by supervisors as one way to evaluate the performance of the administrative law judges. In addition, these reports allow management to determine if there are internal or external factors that could be contributing to any late orders.*

**Recommendation #: 1f**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should ensure that workers' compensation cases comply with statutory requirements related to the timeliness of hearings and decisions by:

- f. Accounting for ALJs' outstanding workload, including backlogs in issuing decisions, when assigning hearings.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office currently relies on the ALJs to indicate to the unit supervisor if they are behind in orders. As discussed in the response to recommendations 1(d) and 1(e), the OAC has begun running monthly timeliness and summary order reports. The OAC will use these reports as an indicator to whether an individual ALJ is behind when setting future dockets.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*As stated in the response to recommendation 1(e) above, the Office of Administrative Courts currently runs monthly reports that determine the amount of time that it takes each workers' compensation administrative law judge to issue an order. This report, along with the hearing and case load reports, are reviewed by supervisors prior to creating a monthly workers' compensation docket. These reports allow the Office of Administrative Courts to ensure that one administrative law judge is able to handle the case load. These reports also assist the Office of Administrative Courts in keeping workloads consistent among its administrative law judges.*

**Recommendation #: 1g**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should ensure that workers' compensation cases comply with statutory requirements related to the timeliness of hearings and decisions by:

- g. Using the reporting capabilities in Legal Files to track and monitor timeliness with respect to statutory requirements, in conjunction with Recommendation No. 2.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

As discussed above, the OAC has begun running monthly timeliness and summary order reports. The Office will begin using monthly timeliness reports as well as summary order reports in the assessment of ALJ performance.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has implemented an upgraded web-based version of its case management system. One of the benefits of this system is that reports can be scheduled to run automatically and saved in the database. The Office of Administrative Courts is currently using its database (Legal Files) to run and save these reports in the system for use by management and supervisors to monitor the timeliness of orders.*

**Recommendation #: 2a**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts (the Office) should improve the functionality of the Legal Files case management system by:

- a. Continuing to work collaboratively with the Division of Workers' Compensation (DOWC), the Governor's Office of Information Technology, and all stakeholder agencies during the development and implementation of system upgrades to ensure that the system meets user agency needs.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office renewed its contract with Legal Files in August of 2012. As part of this renewal, the Office negotiated an upgrade to the current web-based system. As stated in the response to Recommendation No. 2(b), the Office believes that the current contract should resolve previous issues surrounding Legal Files. The Office is working with the Governor's Office of Information Technology and Legal Files to ensure that the DOWC and other user agencies can gain access through the web-based system to the necessary information contained in the Office's database. The DOWC, as well as other state agencies, will be involved in these discussions in an effort to ensure that the needs of the user agencies are met. In addition, the Office continues to meet with user agencies on a monthly basis to discuss issues.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has upgraded its case management system to a web-based system. In upgrading this system, the Office of Administrative Courts has worked closely with the Governor's Office of Information Technology, the Division of Workers' Compensation (DOWC), the case management vendor (Legal Files,) and the vendor for the e-filing system (Vertiba) to ensure that the case management system meets the needs of the Office of Administrative Courts and its user agencies. The Office of Administrative Courts continues to meet consistently with all user agencies in an attempt to find efficiencies in its case management system.*

**Recommendation #: 2b**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts (the Office) should improve the functionality of the Legal Files case management system by:

- b. Ensuring that the new contract with Legal Files Software, Inc., reflects all elements needed to improve the functionality of the system, including the production of management reports and the ability to extract data in a format that can be uploaded into DOWC's legacy system and that allows for efficient data analysis. The Office should hold Legal Files Software, Inc. accountable for delivering all required contract elements.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office believes that under the new web-based format, all user agencies will be able to run reports and extract the data necessary to ensure efficient delivery of information between the Office and these entities. Moreover, under the web-based format, the Office will be able to analyze data through an updated reporting function.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has renewed its contract with the case management vendor (Legal Files) and has had the vendor make several changes as part of the upgrade to the web-based version. In addition, the Office of Administrative Courts has met with the vendor and the Division of Workers' Compensation to initiate a cost-benefit analysis to determine what changes can be made to the web-based system to allow the import of information from the case management system to the Division of Workers' Compensation legacy system.*

**Recommendation #: 2c**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts (the Office) should improve the functionality of the Legal Files case management system by:

- c. Developing enhanced system reports that will allow management to regularly monitor compliance with timeframes set forth in statute and Office rules and policy.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office has spent the last year refining the management reports that it generates from its case management system, Legal Files. As a result, the Office has now developed accurate and verified reports that allow management to monitor the timeliness of judges and staff. These reports are now being generated on a monthly basis, as described in the response to Recommendation No's. 1(d), 1(e), 1(f), and 1(g).

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts currently runs monthly reports and monitors office wide timeliness under the updated case management system.*

**Recommendation #: 2d**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts (the Office) should improve the functionality of the Legal Files case management system by:

- d. Enhancing efficiencies between the Office and DOWC by developing data extractions from Legal Files that can be uploaded into DOWC's legacy system.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office continues to maintain a close relationship with DOWC. The Directors of the Office and DOWC meet on a monthly basis to discuss any issues that arise. The Director of the Office believes that establishing efficiencies and allowing DOWC to extract useful data from Legal Files is crucial. As a result of this belief, the Director of the Office is engaging the Director of DOWC and other DOWC system personnel to participate in both the implementation of the web-based version of Legal Files as well as in the implementation of the Office's new e-filing system, which will facilitate the compatible exchange of information between both systems.

**Current Implementation Status of Recommendation:**

Implemented and Ongoing

**Agency's Comments on Implementation Status of Recommendation:**

*As stated in the response to recommendation 2(b), the Office of Administrative Courts has met with the vendor and DOWC to determine what changes can be made to the web-based system to allow the import of information from the case management system to the DOWC's legacy system. Because this venture will require the case management vendor to collaborate with DOWC and OIT to analyze coding to create a bridge between the systems, the Office of Administrative Courts and DOWC are first analyzing the effect of the web-based case management system on the delivery of necessary information. The Office of Administrative Courts has already approached its vendor on the need to create such a bridge and will be budgeting for the cost in the next fiscal year. The Office of Administrative Courts estimates that the analysis will be completed in March of 2014 and development, if viable, will begin shortly thereafter.*

**Recommendation #: 2e**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts (the Office) should improve the functionality of the Legal Files case management system by:

- e. Determining the cost-benefit of programming the Legal Files system to automatically populate fields between different screens to reduce duplicate data entry.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office is currently working with Legal Files to determine which fields in the various custom and non-custom screens can be automatically populated from a central point. Upon determining the fields that cannot be automatically populated, the Office will investigate how much in customization it would require to make such a process possible. Because the web-based version of Legal Files will assist in the implementation of the Office's e-filing system, these negotiations will continue during the implementation of e-filing.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts has spoken with the vendor about the possibility of the automatic population of similar fields in the case database. The current coding behind the database does not allow this functionality. The Office of Administrative Courts has, however, been able to work with the case management vendor and the e-filing vendor to establish the necessary field that can be automatically populated through the e-filing system.*

**Recommendation #: 3a**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should strengthen its customer service, including the informational materials and technology resources it provides, and ensure parties to workers' compensation cases can easily access the information by:

- a. Streamlining the presentation of information made available to the public, including continuing to develop streaming videos geared toward *pro se* claimants depicting what they can expect during the hearing process, and correcting broken links and formatting deficiencies on the Office's website.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office has begun scripting video tutorials that should assist unrepresented parties in understanding the hearing process better. These videos will be available on the Office's website and will be informative and indexed. The Department of Personnel & Administration is currently working with various entities to reconfigure the website for all of its agencies, including the Office. This reconfiguration should assist with some of the deficiencies that previously existed. In addition, the Office is now performing a monthly review of its website to ensure that any broken links are fixed.

**Current Implementation Status of Recommendation:**

Partially Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*As part of its move to a different web-based format, the Office of Administrative Courts has reviewed all existing web-pages and has repaired all broken links. The Office of Administrative Courts continues to review the links on a monthly basis to ensure that all links are functioning properly. The Office of Administrative Courts has almost completed the scripts for the video tutorials aimed toward unrepresented individuals. The Office of Administrative Courts hopes to have videos completed and uploaded to its web-site by December of 2014.*

**Recommendation #: 3b**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should strengthen its customer service, including the informational materials and technology resources it provides, and ensure parties to workers' compensation cases can easily access the information by:

- b. Implementing technological improvements, in consultation with the Governor's Office of Information Technology, such as an online filing system that would allow parties to file applications, motions, and other case-related documents online; as well as other technologies that enhance parties' accessibility to case information, such as wireless internet service while at the Office, including the courtrooms.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office is currently in the process of selecting a vendor to create a new e-filing system pursuant to a decision item that was granted last Legislative Session. In addition, the Office is moving to a new location in June of 2013 and is working with the Governor's Office of Information Technology to ensure that the new facility has wireless internet service in the courtrooms as well as videoconference capabilities in all courtrooms.

**Current Implementation Status of Recommendation:**

Partially Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts worked with OIT to select the preferred OIT vendor for an e-filing system. The components of the system have been created and the parties are currently working on the communication between the e-filing system and the case management system. In addition, the Office of Administrative Courts is scheduled to move to 1525 Sherman Street in November of 2013. As part of the build out for this move, wireless connectivity is being integrated into the floor which houses the Office of Administrative Courts.*

**Recommendation #: 3c**

**Agency Addressed: Office of Administrative Courts**

**Original Recommendation in Audit Report:**

The Office of Administrative Courts should strengthen its customer service, including the informational materials and technology resources it provides, and ensure parties to workers' compensation cases can easily access the information by:

- c. Instituting a process to proactively engage parties less likely to be familiar with the hearing process, particularly *pro se* parties, in order to better inform them of the hearing process and the Office's rules and procedures.

**Agency's Response: Agree**

**Agency's Written Response in Audit Report:**

The Office is in the process of creating a process in which the "judge of the day" (JOD) will meet with interested parties to discuss how cases progress. This may include both telephone meetings, in person meetings, as well as video advisements. For each unrepresented party, the Office will set a short prehearing conference to go over what is expected. In addition, the Office is going to work with DOWC to determine if such a presentation can be provided during DOWC prehearings as well.

**Current Implementation Status of Recommendation:**

Implemented

**Agency's Comments on Implementation Status of Recommendation:**

*The Office of Administrative Courts is currently setting a status conference for unrepresented litigants prior to the hearing in the matter so that this individuals can ask questions and become more informed as to what occurs during the actual hearing.*