

**Office of the Child's Representative
Judicial Department, State of Colorado**

**AGREED-UPON PROCEDURES REPORT
Year Ended June 30, 2008**

**LEGISLATIVE AUDIT COMMITTEE
2008 MEMBERS**

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Contract Accountants

**OFFICE OF THE CHILD'S REPRESENTATIVE
JUDICIAL DEPARTMENT, STATE OF COLORADO**

YEAR ENDED JUNE 30, 2008

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**OFFICE OF THE CHILD'S REPRESENTATIVE
JUDICIAL DEPARTMENT, STATE OF COLORADO**

DESCRIPTION OF THE OFFICE OF THE CHILD'S REPRESENTATIVE

Year Ended June 30, 2008

During the 2000 legislative session, the General Assembly passed House Bill 00-1371 which created the Office of the Child's Representative (Office) within the Judicial Department. The Office is responsible for ensuring legal representation and non-legal advocacy for children involved in judicial proceedings in Colorado. This includes enhancing the legal representation of children, establishing compensation for services, setting minimum practice and training standards, determining maximum caseloads, establishing oversight committees throughout the state, and working collaboratively with the state court-appointed special advocate (CASA) to develop local CASAs in each judicial district. The Office has four full-time equivalent administrative staff and twenty full-time contract employees that include attorneys and case workers. The Office also has four part-time contract employees. The Office receives its funding from general funded appropriations.

We have performed the agreed-upon procedures in order to assist the Office of the State Auditor (OSA) and the Office of the Child's Representative in meeting certain financial reporting requirements in Section 13-91-105 (1) (g), C.R.S., of the Office of the Child's Representative to the State Court Administrators Office and the Legislative Audit Committee. The OSA contracted with Clifton Gunderson LLP to perform certain procedures (enumerated in the independent accountants' report) as of and for the year ended June 30, 2008. These procedures were performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The procedures performed and related findings are presented in this report.

**OFFICE OF THE CHILD'S REPRESENTATIVE
JUDICIAL DEPARTMENT, STATE OF COLORADO
Year Ended June 30, 2008**

Schedule of General Funded Expenditures

<u>Expenditure</u>	<u>2007</u>	<u>2008</u>
Attorney services - By type of case		
Dependency and neglect	\$ 9,128,247	\$ 10,370,720
Juvenile delinquency	2,001,483	2,542,716
Domestic relations	525,290	546,087
Truancy	151,299	169,856
Paternity	73,517	68,343
Probate	59,299	89,856
Other	<u>28,503</u>	<u>55,869</u>
Subtotal: Attorney services	11,967,638	13,843,447
Administrative and operating	602,118	670,485
Mandated costs*	26,342	41,080
Training	31,747	60,613
CASA services	<u>20,000</u>	<u>20,000</u>
Total general funded expenditures - Actual	12,647,845	14,635,625
Total general funded expenditures - Budget	<u>12,650,113</u>	<u>14,516,943</u>
Variance - over (under) budget	<u>\$ (2,268)</u>	<u>\$ 118,682</u>

* Mandated costs represent the expenditures incurred for the use of expert witnesses and interpreters.

Source: Data obtained from the Office of the Child's Representative

Total actual general funded expenditures increased 16 percent and budgeted general fund expenditures in the table above increased approximately 15 percent overall from 2007 to 2008.

**OFFICE OF THE CHILD'S REPRESENTATIVE
JUDICIAL DEPARTMENT, STATE OF COLORADO
Year Ended June 30, 2008**

Court - Appointed Counsel Costs

<u>Type of Case</u>	<u>Average Cost per Case</u>		<u>Caseload</u>		<u>Total Costs</u>	
	<u>FY07</u>	<u>FY08</u>	<u>FY07</u>	<u>FY08</u>	<u>FY07</u>	<u>FY08</u>
Dependency and neglect	\$ 1,139	\$ 1,254	8,012	8,267	\$ 9,128,247	\$ 10,370,720
Juvenile delinquency	557	656	3,594	3,875	2,001,483	2,542,716
Domestic relations	842	901	624	606	525,290	546,087
Truancy	330	330	458	515	151,299	169,856
Paternity	583	633	126	108	73,517	68,343
Probate	565	1,231	105	73	59,299	89,856
Other	633	998	45	56	28,503	55,869
Average cost per case	<u>\$ 923</u>	<u>\$ 1,025</u>				
Total			<u>12,964</u>	<u>13,500</u>	<u>\$ 11,967,638</u>	<u>\$ 13,843,447</u>

Source: Data obtained from the Office of the Child's Representative.

In some instances, a court-appointed attorney represents one child or a multiple number of children depending on the case. Therefore, average cost per case does not necessarily represent average cost per child. With respect to average attorney cost per hour, depending on the type of case, a court-appointed attorney is paid on an hourly or flat-fee basis. As a result, information on total hours and average attorney costs per hour are not tracked.

Independent Accountants' Report on Applying Agreed-Upon Procedures

Legislative Audit Committee
Office of the State Court Administrator
Office of the Child's Representative

We have performed the procedures enumerated below, which were performed under contract with the Office of the State Auditor (OSA) and which were agreed to by the management of the Office of the Child's Representative (OCR), solely to assist the OSA and the OCR in meeting certain financial reporting requirements of OCR to the Office of the State Court Administrator and the Legislative Audit Committee as of and for the year ended June 30, 2008. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained the "Schedule of General Funded Expenditures" presented at page 2. We agreed the 2008 expenditures as reported in the "Schedule of General Funded Expenditures" to the Colorado Financial Reporting System (COFRS) for the fiscal year ended June 30, 2008, without exception.
2. We obtained a copy of OCR's Fiscal Policies and Procedures Manual and read the internal control procedures over cash disbursements. The following procedures were outlined in the "Fiscal Policies and Procedures Manual" relating to vendor and attorney payments:
 - Review and approval of invoices for payment are to be documented on the invoice by use of the reviewer's initials.
 - Contracts are required for all purchases exceeding \$50,000. In addition, a contract is required for any employment arrangement whereby the individual is not a full time equivalent.
 - Purchase orders are required for purchases of goods exceeding \$5,000 and purchases of services exceeding \$25,000. Duties are to be segregated between the function of entering the invoice information into the cash disbursements system and the function of approving the payment.
 - Fees paid to attorneys are to be based on terms of written contracts and fee schedules based on Chief Justice Directive 04-06.

3. We obtained a list of disbursements made by OCR from July 1, 2007 through June 30, 2008. According to this listing, OCR made 53,511 disbursements totaling \$13,303,948 which is broken down as follows: 52,672 attorney disbursements totaling \$12,833,660 and 839 general vendor disbursements for \$470,288. From the population of disbursements, and using a random number generation method, we selected 45 cash disbursements. These 45 disbursements totaled \$21,776; forty-three attorney payments totaling \$8,384 and two general vendor payments of \$13,392. For each disbursement, we performed the following:
 - a. For attorney disbursements, we agreed attorney name, disbursement amount, case number, and contract billings to appointment records [i.e., Guardian Ad Litem (GAL) employment contract] and recalculated hourly bills. No exceptions were noted.
 - b. We determined that charges were eligible for reimbursement based on the Chief Justice Directive 04-06. No exceptions were noted.
 - c. We agreed each disbursement amount to COFRS. No exceptions were noted.
 - d. We noted that the original invoice was reviewed and entered into OCR's payment processing system, Court Appointed Counsel (CAC) and the COFRS system by the administrative assistance, and that the invoice was reviewed and approved by the Finance/Budget Officer. No exceptions were noted.
 - e. We noted that the invoice detail description matched the expenditure code in the CAC and in the COFRS systems. No exceptions were noted.
 - f. For attorney disbursements, we obtained appointment reports and requests for pre-approval of expenses for contract disbursements, noted written verification of appointment, and noted specific written approval for fees requested over the maximum threshold for the type of case. No exceptions were noted.
 - g. For contracted attorneys, we noted that W-9 forms were maintained by OCR. No exceptions were noted.
 - h. For attorney disbursements, we recalculated the timeliness of payment in accordance with OCR's policy of 30 days. We noted one transaction was paid 42 days after the attorney had submitted the request for reimbursement, which is not in accordance with OCR's policy.
 - i. For purchase orders on purchases over the defined thresholds for goods and services, we inquired of OCR's Controller, scanned the disbursement listing, and noted that no vendor purchases of goods exceeding \$5,000 and or purchases of services exceeding \$25,000 were made during the fiscal year ended June 30, 2008.

4. We obtained Guardian Ad Litem employment contracts for the attorneys whose payments were selected in procedure 3a, and verified these contracts were signed by a staff person with authority to enter into contracts on behalf of the Office in order to ensure the obligation is appropriate. No exceptions were noted.
5. We obtained the OCR's "History of Selection Process for State Paid Attorneys Representing Children" which includes the selection and appointment process of attorney services as of and for the fiscal year ended June 30, 2008. We also obtained a listing of attorneys authorized by OCR. We noted that attorneys, whose payments were selected in procedures 3a, were included in the listing of OCR attorneys. No exceptions were noted.
6. We obtained a "Reconciliation of Colorado Personnel Payroll Services to COFRS" schedule and a schedule of wages by employee and personnel cost (which totaled \$1,486,323). We agreed these schedules to personnel expenditures for the fiscal year ended June 30, 2008, as reported on COFRS. We selected 11 employees from the schedule of wages by employee and agreed wages to contracts or authorization documents. Wages amounts selected represented 43 percent of total wages incurred for Fiscal Year 2008. No exceptions were noted.
7. We obtained the Fiscal Year 2008 expense reports for OCR's Board of Directors, OCR's Denver location, and OCR's GAL office located in Colorado Springs. We noted that Board expenses, which consisted of mileage, lodging, and meals for a conference, were approved and within agency guidelines. We noted that Colorado Springs GAL office expenses, which mostly consisted of mileage to meetings and site visits and reimbursements for office supplies, were reviewed and approved by personnel in the Colorado Springs GAL office and in the Denver OCR office by the Controller. Denver OCR expense reports indicated expenses mostly consisted of mileage for meetings and conferences, per diem, and office supplies and were reviewed and approved by the Controller or the Executive Director as appropriate.
8. We obtained the schedule of "Court-Appointed Counsel Costs" presented at page 3. We tested the clerical accuracy of the schedule and agreed the expenditures to COFRS without exception.

Recommendation No. 01

The Office of the Child's Representative should ensure all payments are issued within the timeframe required by OCR policies.

Office of the Child's Representative Response:

Agree. Implementation date: December 1, 2008

The Office of the Child's Representative agrees with the recommendation. Upon further review, OCR will modify its policies and procedures for payments to extend the timeframe to 45 days. This will allow additional time to review transactions and will also comply with the State Fiscal Rules.

We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or limited assurance, on the financial reporting requirements of OCR to the Office of the State Court Administrator and the Legislative Audit Committee. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Legislative Audit Committee, Office of the state Court Administrator, Office of the State Auditor and the Office of the Child's Representative and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Greenwood Village, Colorado
August 19, 2008

The electronic version of this report is available on the website of the
Office of the State Auditor
www.state.co.us/auditor

A bound report may be obtained by calling the
Office of the State Auditor
303.869.2800

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Report Control Number 1940