

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

**AGREED-UPON PROCEDURES REPORT
Year Ended June 30, 2009**

**LEGISLATIVE AUDIT COMMITTEE
2009 MEMBERS**

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Clifton Gunderson LLP
Contract Accountants

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

YEAR ENDED JUNE 30, 2009

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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, 2009

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-two 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, 2009. 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, 2009
 (With Comparative Information for the Year Ended June 30, 2008)
 Schedule of General Funded Expenditures**

<u>Expenditures</u>	<u>2008</u>	<u>2009</u>
Attorney services - By type of case		
Dependency and neglect	\$ 10,370,720	\$ 13,103,426
Juvenile delinquency	2,542,716	2,779,458
Domestic relations	546,087	801,945
Truancy	169,856	221,920
Paternity	68,343	100,001
Probate	89,856	79,272
Other	<u>55,869</u>	<u>46,471</u>
Subtotal: Attorney services	13,843,447	17,132,493
Administrative and operating	670,485	782,801
Mandated costs *	41,080	34,437
Training	60,613	37,169
CASA services **	<u>20,000</u>	<u>520,000</u>
Total general funded expenditures - Actual	14,635,625	18,506,900
Total general funded expenditures - Budget	<u>14,516,943</u>	<u>18,625,593</u>
Variance - over (under) budget	<u>\$ 118,682</u>	<u>\$ (118,693)</u>

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

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

** The Office of the Child's Representative serves as a pass-through agency for funds appropriated through the Long Bill to Colorado CASA (Court Appointed Special Advocates), a nonprofit organization. An increase in expenditures of \$500,000 for CASA services was due to the Joint Budget Committee increasing the authorized amount to CASA in the Long Bill for the year ended June 30, 2009.

Total actual general funded expenditures increased 26 percent and budgeted general fund expenditures in the table above increased approximately 28 percent overall from 2008 to 2009.

**OFFICE OF THE CHILD'S REPRESENTATIVE
 JUDICIAL DEPARTMENT, STATE OF COLORADO
 Year Ended June 30, 2009
 (With Comparative Information for the 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>FY08</u>	<u>FY09</u>	<u>FY08</u>	<u>FY09</u>	<u>FY08</u>	<u>FY09</u>
Dependency and neglect	\$ 1,254	\$ 1,471	8,267	8,906	\$ 10,370,720	\$ 13,103,426
Juvenile delinquency	656	628	3,875	4,423	2,542,716	2,779,458
Domestic relations	901	1,055	606	760	546,087	801,945
Truancy	330	467	515	475	169,856	221,920
Paternity	633	725	108	138	68,343	100,001
Probate	1,231	1,117	73	71	89,856	79,272
Other	998	664	56	70	55,869	46,471
Average cost per case	<u>\$ 1,025</u>	<u>\$ 1,154</u>				
Total			<u>13,500</u>	<u>14,843</u>	<u>\$ 13,843,447</u>	<u>\$ 17,132,493</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, 2009. 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 2009 expenditures as reported in the "Schedule of General Funded Expenditures" to the Colorado Financial Reporting System (COFRS) for the fiscal year ended June 30, 2009, 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.
 - It is the goal of OCR to process payments within 45 days, under normal circumstances, if submitted accurately.

3. We obtained a list of disbursements made by OCR from July 1, 2008 through June 30, 2009. According to this listing, OCR made 61,020 disbursements totaling \$17,282,513 which is broken down as follows: 60,213 attorney disbursements totaling \$16,332,110 and 807 general vendor disbursements for \$950,403. From the population of disbursements we selected 25 cash disbursements. These 25 disbursements totaled \$7,559; 22 attorney payments totaling \$3,039 and 3 general vendor payments of \$4,520. 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 45 days. No exceptions were noted.
 - 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, 2009.

4. We obtained Guardian Ad Litem (GAL) 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 OCR 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, 2009. 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 \$1,618,259). We agreed these schedules to personnel expenditures for the fiscal year ended June 30, 2009, as reported on COFRS. We selected 14 employees from the schedule of wages by employee and agreed wages to contracts or authorization documents. Wages amounts selected represented 62 percent of total wages incurred for Fiscal Year 2009. No exceptions were noted.
7. We obtained the Fiscal Year 2009 expense reports for OCR's Board of Directors (Board), OCR's Denver location, and OCR's GAL office located in Colorado Springs. We noted that Board expenses, which consisted of lodging for a conference, were approved and within agency guidelines. We noted that Colorado Springs GAL office expenses, which mostly consisted of mileage to meetings, site visits, per diem, and reimbursements for office supplies, and contract filings, 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, cell phone usage, 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.

Disposition of Prior Year Recommendation

2008 Recommendation No. 1

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

2009 Disposition

Implemented.

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 14, 2009

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 2022