

STATE OF CONNECTICUT



*AUDITORS' REPORT
OFFICE OF THE PROBATE COURT ADMINISTRATOR
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 and 2010*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

October 20, 2011

AUDITORS' REPORT OFFICE OF THE PROBATE COURT ADMINISTRATOR FOR THE FISCAL YEARS ENDED JUNE 30, 2009 and 2010

We have made an examination of the financial records of the Office of the Probate Court Administrator (Office) for the fiscal years ended June 30, 2009 and 2010.

Financial statement presentation and auditing of the books and accounts of the state are done on a Statewide Single Audit basis to include all state agencies including the Office. This audit examination has been limited to assessing the Office's compliance with certain provisions of financial related laws, regulations, and contracts and evaluating the internal control policies and procedures established to ensure such compliance.

This report on that examination consists of the Comments, Condition of Records, Recommendations and Certification that follow.

COMMENTS

FOREWORD:

The Office operates under Title 45a, Chapter 801, of the General Statutes and is responsible for the supervision of the probate courts throughout the state, including the review of the administrative and financial operations of the courts to ensure that state statutes and rules of probate are followed and that courts are operated efficiently. The duties of the Probate Court Administrator (Administrator) include the review of accounting, statistics, billing, recording, filing and other court procedures and the recommendation of uniform rules and practices that become binding upon adoption by all probate courts. Under the provisions of Section 45a-77, subsection (d), of the General Statutes, the Administrator is required to regularly review the operations of the courts of probate, and Section 45a-77, subsection (e), requires the Administrator, or his designee, to visit and examine the court records and files of each court at least once during each two-year period.

The Administrator is appointed by and serves at the pleasure of the Chief Justice of the Supreme Court. The Honorable James J. Lawlor served as Administrator until his retirement on October 1, 2008. The Honorable Paul J. Knierim was appointed to replace Judge Lawlor, effective the same date.

Connecticut Probate Assembly:

The Connecticut Probate Assembly (Assembly) operates in accordance with Sections 45a-90 and 45a-91 of the General Statutes and consists of all probate judges in the state. The following judges were officers of the Assembly as of June 30, 2010:

Honorable Daniel F. Caruso, President
Honorable Beverly Streit-Kefalas, First Vice-President
Honorable Sydney W. Elkin, Second Vice-President
Honorable Philip A. Wright, Jr., Executive Secretary
Honorable Brian T. Mahon, Recording Secretary
Honorable Cheryl H. Brown, Treasurer

The Administrator meets with the Assembly at various times during the year to discuss the business, policies, procedures and administration of the probate courts in order to improve the efficiency and effectiveness of the probate court system.

The financial operations of the Assembly are separate from the Office of the Probate Court Administrator. Annually, the financial activity of the Assembly is audited by an independent certified public accountant.

New Legislation:

Public Act 09-114 set in place the restructuring of the Connecticut Probate Court system. It established a probate redistricting commission to develop a plan to consolidate probate court districts. Under the plan, there must be at least 44 and no more than 50 districts. The plan must be presented to the General Assembly for legislative approval and then be approved by the Governor under procedures and deadlines the act establishes.

The act fundamentally changed the financial operations of the courts. It eliminated the current method of compensating probate court judges and replaced it with a new system based on population and workload, which will be paid directly from the Probate Court Administration Fund, effective January 5, 2011. Also, each probate court will remit all fees, costs, and other income to the State Treasurer to be credited to the Probate Court Administration Fund. Any surplus remaining at the end of the fiscal year transfers to the General Fund.

The act made numerous other changes, including a requirement that each probate judge elected for a term beginning on or after January 5, 2011 be a member of the bar of the State of Connecticut. Judges must also submit quarterly reports to the Administrator indicating the hours they work. Only judges who average 20 hours of probate-related work per week qualify for health care benefits.

The act also required the Administrator to establish a budget committee consisting of the Administrator and two probate judges appointed by the Assembly who must establish (1) a compensation plan for probate court employees, (2) staffing levels for each court and (3) a miscellaneous office budget for each court. Courts must also be open at least 40 hours a week instead of 20.

Public Act 09-01 of the September Special Session replaced the existing 117 probate districts with 54 probate districts. It required the Administrator to designate a name by March 31, 2010 for each of the probate districts the act establishes. The act authorized the Administrator, before designating the names, to consult with affected probate judges and chief elected officials and members of the General Assembly concerning the districts they represent. By December 31, 2010, the Administrator must publish the district names in the Probate Court's Directory of Judges and Districts. Starting on the date the names are published, the probate districts must be referred to by these names.

RÉSUMÉ OF OPERATIONS:

Operations of the Office are financed through the Probate Court Administration Fund, a Special Revenue Fund established under Section 45a-82 of the General Statutes. The State Treasurer, pursuant to Section 45a-82 of the General Statutes, is custodian of the fund and has the authority to administer and invest its monies. Financial activity of the Probate Court Administration Fund during the audited period and the previous fiscal year is presented below:

	Fiscal Year Ended June 30,		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Beginning Fund Balance	\$11,065,323	\$7,419,698	\$5,068,755
Revenues	11,129,151	11,805,946	17,456,125
Expenditures	(11,986,003)	(11,454,082)	(15,092,937)
Transfers to Retirement Fund	<u>(2,788,773)</u>	<u>(2,702,807)</u>	<u>(2,739,654)</u>
Ending Fund Balance	<u>\$7,419,698</u>	<u>\$5,068,755</u>	<u>\$4,692,289</u>

Revenues:

Probate Court Administration Fund revenues consisted primarily of assessments received from the various probate courts, as specified under Section 45a-92 of the General Statutes. During the audited period, excess cash balances of the fund were invested in the State Treasurer's Short-Term Investment Fund (STIF), which experienced lower return rates over the audited period. A summary of Probate Court Administration Fund revenues during the audited period and the previous fiscal year follows:

	Fiscal Year Ended June 30,		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessments	\$10,733,497	\$ 11,708,930	\$10,851,994
Investment Income	395,654	97,016	15,269
Pass Thru Funding & Miscellaneous Revenue			<u>6,588,862</u>
Total Revenues:	<u>\$11,129,151</u>	<u>\$11,805,946</u>	<u>\$17,456,125</u>

Overall revenues increased by six percent and 48 percent for the 2008-2009 and 2009-2010 fiscal years, respectively. In fiscal year 2009, the Office received a \$2,500,000 general fund appropriation and coded it as a reduction of expenditures rather than revenue. Therefore, revenues were understated and expenditures were overstated for the fiscal year. The accounting treatment was changed for fiscal year 2010. Assessment revenue increased nine percent and decreased seven percent for the 2008-2009 and 2009-2010 fiscal years, respectively.

Expenditures and Transfers:

Probate Court Administration Fund expenditures and transfers consisted of Office operating costs and retirement contributions to the Probate Judges and Employees Retirement Fund. A summary of Probate Court Administration Fund expenditures and transfers during the audited period and the previous fiscal year follows:

	Fiscal Year Ended June 30,		
	2008	2009	2010
Personal Services & Benefits	\$ 5,558,706	\$5,928,787	\$6,105,972
Employee Expenses	27,548	17,083	18,343
Purchased & Contracted Services	4,891,410	5,102,790	5,261,499
Motor Vehicle Costs	5,481	3,989	1,919
Premises & Property Expenses	438,175	(390,618)	1,671,689
Information Technology	521,652	419,846	445,367
Purchased Commodities	120,346	39,315	37,522
Other Expenditures	322,920	226,793	1,432,036
Capital Outlays	<u>99,766</u>	<u>106,098</u>	<u>118,590</u>
Total Expenditures	11,986,004	11,454,083	15,092,937
Transfers to Retirement Fund	<u>2,788,773</u>	<u>2,702,807</u>	<u>2,739,654</u>
Total Expenditures and Transfers	<u>\$14,774,777</u>	<u>\$14,156,890</u>	<u>\$17,832,591</u>

Expenditures decreased four percent and increased 26 percent for the 2008-2009 and 2009-2010 fiscal years, respectively. As mentioned above, the coding error of the \$2,500,000 appropriation received in fiscal year 2009 understated expenditures, resulting in a larger increase for fiscal year 2010. The category affected by the coding error was Premises and Property Expenses, which decreased 189 percent and increased by 528 percent for the 2008-2009 and 2009-2010 fiscal years, respectively. The Administrator has been charging costs related to the funding of regional courts to this account.

In addition to the increases noted above, personal services increased seven percent and three percent for the 2008-2009 and 2009-2010 fiscal years, respectively. Purchased and Contracted Services increased four percent, and three percent for the 2008-2009 and 2009-2010 fiscal years, respectively.

The State Treasurer acts as custodian of the Retirement Fund, which operates under Sections 45a-34 through 45a-57 of the General Statutes. The State Employees Retirement Commission administers this retirement system and periodically bills the Probate Court Administration Fund

for administrative costs and amounts required to maintain proper actuarial funding of the Retirement Fund.

Simsbury Probate Court:

On October 1, 2008, Judge Paul J. Knierim was appointed to replace Judge James J. Lawlor as Probate Court Administrator. At the time of his appointment, Judge Knierim served as the Simsbury Probate Court Judge and continued in this capacity while serving as Administrator. We reviewed the records of the Simsbury Probate Court in accordance with Section 45a-92, subsection (d), of the General Statutes, which states that the books and records of the probate court of any judge acting as Administrator shall be audited annually by the Auditors of Public Accounts during his term as Administrator and upon completion of his term as either Administrator or probate court judge, whichever occurs first. There were no findings as a result of this review.

Council on Probate Judicial Conduct:

The Council on Probate Judicial Conduct (Council) operates under the provisions of Sections 45a-62 through 45a-68 of the General Statutes and is responsible for investigating any complaint involving a judge of probate. The members of the Council on Probate Judicial Conduct, as of June 30, 2010, were as follows:

<u>Member</u>	<u>Term Expires</u>
Appointed by the Chief Justice:	
Honorable William L. Wollenberg, Chairman	September 30, 2011
Elected by the Judges of Probate:	
Honorable Patrick J. Wall	September 30, 2011
Appointed by the Governor:	
Attorney Sharon Holland Purtill	September 30, 2011
Anne S. Evans	November 11, 2011
Janet M. Wildman	November 11, 2011

Section 45a-67 of the General Statutes provides that any sums expended on behalf of the Council be appropriated from the Probate Court Administration Fund. Operating costs applicable to the Council on Probate Judicial Conduct totaled \$69,763 and \$91,542, for the fiscal years ended June 30, 2009 and 2010, respectively. Expenditures consisted of per diem compensation and travel expenses paid to Council members. Fees for an outside legal counsel who handles complaints submitted to the Council totaled \$64,851 and \$86,221 for fiscal years 2009 and 2010, respectively.

During the audit, we reviewed Council meeting minutes, whether complaints were addressed on a timely basis, and statements of financial interest to verify compliance with General Statutes. See the Condition of Records section for findings concerning the Council.

CONDITION OF RECORDS

Our review of the financial records of the Probate Court Administrator disclosed the following matters of concern requiring Office attention:

Attendance Policies:

Criteria: Any official revisions in management policies should be formally documented in a timely manner to ensure employee compliance.

Condition: The Office's attendance regulations were revised at a manager's meeting in December of 2008. However, the regulations were not formally adopted to reflect these revisions until June 2011.

Effect: The lack of updated attendance policies increases the risk for noncompliance.

Cause: The lack of formal written policies and procedures appears to be an oversight by management.

Recommendation: The Office should ensure attendance policies are formally adopted as revisions are made. (See Recommendation 1)

Agency Response: "The attendance policies were discussed at a manager's meeting in December 2008 and changes in the Office's policies were subsequently communicated to all agency staff. Bi-weekly attendance reporting has been processed in accordance with the changes. Due to the significant demands on the agency to restructure the probate court system, formal revision to the attendance policies document was overlooked. Future revisions will be documented in a timely manner."

Software Inventory:

Criteria: The State Property Control Manual requires agencies to maintain a software inventory and provides guidance on the agency's responsibilities regarding its oversight. Some of these responsibilities include conducting an annual physical inventory of the software library and maintaining records of all software installations.

Condition: The software inventory records do not accurately reflect the Office's actual software inventory, apparently overstating the inventory by \$482,840.

The Office did not conduct a physical inventory of the software library and does not maintain sufficient records regarding software installations.

Effect: The software inventory appears to be overstated by \$482,840.

The Office is not in compliance with Chapter 7 of the State Property Control Manual regarding annual software inventories and installation records.

Cause: The overstatement of the software inventory appears to be an oversight by management.

The Office was unaware of the physical inventory requirement and felt the policies in effect during the audit period were adequate in relation to software installations.

Recommendation: The Office should update the software inventory to reflect the current software, conduct physical inventories, and maintain records in accordance with the State Property Control Manual. (See Recommendation 2)

Agency Response: “The IT Department maintains an inventory of software assigned to each court location. We recognize that there are software assets that are no longer utilized that need to be removed from the inventory database. The CO-59 filing for June 30, 2012 will accurately reflect software assets.”

“The IT Department is aware that the software should be inventoried for each computer and/or server. We have started the process of documenting software inventory in this manner.”

Expenditure Account Coding:

Criteria: The State Property Control Manual defines capitalized assets as tangible in nature and complete, with an expected useful life of one or more years and a value or cost of \$1,000 or more at the date of acquisition. Core-CT has expenditure codes specific to capitalized assets.

Condition: We noted incorrect use of capital expenditure account codes in both fiscal years reviewed. For fiscal year 2009, we found \$66,024 incorrectly charged to capital equipment account codes; \$64,024 to account 55730, Data Processing Equipment; and \$2,000 to account 55710, Capital – Telecom Equipment. For fiscal year 2010, we found \$74,146 incorrectly charged to capital equipment account code 55730, Data Processing Equipment.

Effect: Capital expenditures are overstated and do not correspond to additions reported on the State Comptroller’s form CO-59, Annual Inventory Report.

Cause: The Office did not differentiate between capital and non-capital expenditure codes.

Recommendation: The Office should only use capital expenditure codes for those items that meet the State Property Control Manual's definition of a capital asset. (See Recommendation 3)

Agency Response: "There were a number of staffing changes during this audit period which may have contributed to improper coding of entries. As a result of this audit finding, we re-communicated policy to all staff involved in the process of assigning and reviewing account codes."

Purchasing Cards:

Criteria: The Office's purchasing card procedures require that monthly statements be reviewed, signed and returned to the agency back-up coordinator by the 15th of each month. The coordinator then reviews, approves and signs each employee statement.

Sound business practices dictate that purchases should be made at the best possible price and in accordance with state purchasing policies. Controls should also exist for approving and monitoring purchases that require additional cost.

Condition: 1. Lack of timely review and approval- We noted ten instances, out of 29 statements reviewed, where the cardholder did not return their monthly statement to the back-up coordinator by the stated due date. The number of days late ranged from one to eight days. Also, of the five months reviewed, employee statements for two out of the five months were not approved by the coordinator in a timely manner; one month was not dated when approved and one month lacked approval. The delay in approval ranged from three to eight months late.

2. Unnecessary shipping charges- One employee appears to have used expedited shipping for all purchases made in the months reviewed. There was no documentation indicating that an emergency situation existed where the items were needed immediately. In the months reviewed, we noted the following:

- October 2008, the item purchased totaled \$71 with shipping charges of \$64.
- July 2009, the item purchased totaled \$55 with shipping charges of \$52.
- October 2009, the item purchased totaled \$170 with shipping charges of \$34.
- April 2010, the items purchased totaled \$95 with shipping costs of \$39.

Effect: The Office was not in compliance with purchasing card policies and procedures, which could result in inappropriate or unauthorized expenditures.

Cause: The approval of purchasing card statements appears to have been an oversight due to the consolidation of the probate courts. The late submission of employee statements is a known issue.

Expedited shipping was incurred due to the immediate need of the items purchased. We note there was no indication on the documentation that these were emergency purchases.

Recommendation: The Office should monitor and approve the use of purchasing cards in a timely manner to ensure they are used in accordance with established policies and procedures. (See Recommendation 4)

Agency Response: “The Office’s Purchasing Card Procedures states that employees need to submit their statements by the 15th of the month. Upon review of this audit finding, we have determined that a revision to our procedure is necessary. The P-Card statements are available on the 11th of each month making the 15th for submission of statements difficult to achieve. We have since modified our procedure to require employees to reconcile and submit their statements by the 22nd. This will allow for timely processing of the monthly payment.

We have improved our process to ensure that the statements are reviewed and signed by the Agency Coordinator prior to payment of the invoice.

With respect to shipping charges, expedited IT purchases were made for emergency situations where there was no stock on hand. As part of our cost savings initiatives, we will continue to evaluate stock on hand and minimize the need for such charges. In the future, we will document the reason for expedited shipping charges as part of our invoice review and approval process.”

Council on Probate Judicial Conduct:

Criteria: Section 4-98 of the General Statutes states that “except for such emergency purchases...no budgeted agency shall incur any obligation, by order, contract or otherwise, except by the issue of a purchase order.”

Sections 4a-50(3) and 4-212(2) of the General Statutes define and provide guidance on whether services should be classified as either contractual services or those provided by a personal service contractor.

Section 45a-68 of the General Statutes requires each judge to file a statement of financial interests under penalty of false statement for the preceding calendar year with the Council on Probate Judicial Conduct on or before April fifteenth next following for any year in which the judge holds such position.

Section 45a-82(c) states that all payments from the Probate Court Administration Fund, including those related to the Council on Probate Judicial Conduct (Sections 45a-62 through 68) shall be made upon vouchers approved by the Probate Court Administrator.

Condition:

1. Lack of purchase orders: Purchase orders for legal services for the Council on Probate Judicial Conduct were created upon receipt of Comptroller form CO-17, Vendor Invoice for Goods or Services Rendered.

2. Lack of personal service agreement: The Council on Probate Judicial Conduct has statutory authority to engage legal counsel. During our review, we noted that the same attorney has been used since approximately 1982 without a personal service agreement establishing the terms and fees for services provided. We note that total expenditures for legal counsel totaled \$64,851 and \$86,221 for the fiscal years 2009 and 2010, respectively.

3. Statement of Financial Interests: We noted that 21 out of 54 statements reviewed were filed late. The number of days late ranged from one to 404. We also noted one instance where a statement was not filed for the calendar year reviewed.

Effect:

The agency is not in compliance with statutory purchasing requirements as well as those related to the Council. Lack of contract agreements increases the risk of unauthorized expenditures.

Cause:

There appears to be uncertainty regarding the amount of oversight the Probate Court Administrator has over Council expenditures.

Statements are monitored to ensure they are received from each Probate Judge. The delays in receiving the statements appear to be an oversight by the judges.

Recommendation:

Council on Probate Judicial Conduct activities should be adequately reviewed and processed in accordance with statutory requirements. (See Recommendation 5)

Agency Response:

“The Council on Probate Judicial Conduct is an independent body established by General Statutes §§ 45a-62 through 45a-68. While this

office is statutorily obligated to pay the expenses of the Council, it has no legal authority over the activities of the Council. Accordingly, we will refer your recommendation to the Council and provide any necessary assistance in complying with the report.

At the request of the Council, this office each year sends a statement of financial interest form to each judge together with a memorandum indicating the deadline for filing. We normally send follow-up reminders to judges who miss that deadline. In 2010, we mailed our usual memorandum and blank forms, but did not send additional reminders until the oversight was discovered in 2011.”

Auditors’ Concluding

Comment:

We would note that Section 45a-82(c) provides for the approval of payments by the Probate Court Administrator, not just the processing of such payments. If the intent is for the Council to have sole authority over its payments, perhaps consideration should be given to seeking a statutory change to reflect such authority.

RECOMMENDATIONS

Status of Prior Audit Recommendations:

The prior audit report on the Office of Probate Court Administrator contained one recommendation. The Office has taken action to resolve this finding as follows:

- *The Office of the Probate Court Administrator should accurately report capital assets to the State Comptroller.* The Office revised and resubmitted the 2008 CO-59 to reflect the issues noted. We did, however, continue to find coding errors related to capital expenditures. Therefore, this recommendation is being restated to reflect the expenditure coding issues noted below. (See Recommendation 3.)

Current Audit Recommendations:

- 1. The Office of the Probate Court Administrator should ensure attendance policies are formally adopted as revisions are made.**

Comments:

The Office of the Probate Court Administrator's Attendance Regulations were revised at a manager's meeting in December 2008. They were not formally adopted to reflect the revisions until June 2011.

- 2. The Office should update the software inventory to reflect the current software, conduct physical inventories and maintain records in accordance with the State Property Control Manual.**

Comments:

The software inventory was overstated by \$482,840 due to the inclusion of older software no longer in use. The Office also did not conduct a physical inventory of the software library and does not maintain sufficient records regarding installations.

- 3. The Office should only use capital expenditure codes for those items that meet the State Property Control Manual's definition of a capital asset.**

Comments:

Expenditures charged to capital accounts were overstated by \$66,024 and \$74,146 for the fiscal years 2009 and 2010, respectively due to improper coding. Items that did not meet the definition of a capital asset were included erroneously.

- 4. The Office should monitor and approve the use of purchasing cards in a timely manner to ensure they are used in accordance with established policies and procedures.**

Comments:

Monthly cardholder statements were not returned to the back-up coordinator in a timely manner. Also, employee statements were either not approved in a timely manner, not dated when approved, or not approved at all. Also, expedited shipping was used by one employee for all purchases made in the months reviewed.

- 5. Council on Probate Judicial Conduct activities should be adequately reviewed and processed in accordance with statutory requirements.**

Comments:

Purchase orders were not created prior to incurring expenditures for legal services and there was no personal service agreement on file establishing the terms and fees for the legal services provided. Also, we noted that 21 out of 54 statements of financial interests were filed late and one was not filed for the calendar year reviewed.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes, we have audited the books and accounts of the Office of the Probate Court Administrator for the fiscal years ended June 30, 2009 and 2010. This audit was primarily limited to performing tests of the Office's compliance with certain provisions of laws, regulations, contracts and grant agreements and to understanding and evaluating the effectiveness of the Office's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grant agreements applicable to the Office are complied with, (2) the financial transactions of the Office are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, and (3) the assets of the Office are safeguarded against loss or unauthorized use. The financial statement audits of the Office of the Probate Court Administrator for the fiscal years ended June 30, 2009 and 2010, are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Office of the Probate Court Administrator complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grant agreements, and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

Management of the Office of the Probate Court Administrator is responsible for establishing and maintaining effective internal control over financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts, and grants. In planning and performing our audit, we considered the Office of the Probate Court Administrator's internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the Office's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over those control objectives. Accordingly, we do not express an opinion on the effectiveness of the Office of the Probate Court Administrator's internal control over those control objectives.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct on a timely basis, unauthorized, illegal or irregular transactions, or breakdowns in the safekeeping of any asset or resource. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that non compliance which could result in significant unauthorized, illegal, irregular or unsafe transactions and/or material noncompliance with certain provisions of laws, regulations,

contracts, and grant agreements that would be material in relation to the Office's financial operations will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance with requirements was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over the Office's financial operations, safeguarding of assets, or compliance with requirements that we consider to be material weaknesses, as defined above. However, we consider the following deficiencies, described in detail in the accompanying Condition of Records and Recommendations sections of this report, to be significant deficiencies: Recommendation 4, Purchasing Cards. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Office of the Probate Court Administrator complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Office's financial operations, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we reported to the Agency's management in the accompanying Condition of Records and Recommendations sections of this report.

The Office of the Probate Court Administrator's response to the finding identified in our audit is described in the accompanying Condition of Records section of this report. We did not audit the response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Agency management, the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

CONCLUSION

We wish to express our appreciation for the cooperation and courtesies extended to our representatives by officials and staff of the Office of the Probate Court Administrator during the course of our audit.



Rebecca Balkun
Associate Auditor

Approved:



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts