



STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

October 20, 2008

The Honorable John Nelson, Chair
Joint Legislative Audit Committee

The Honorable Robert Blendu, Vice Chair
Joint Legislative Audit Committee

Dear Representative Nelson and Senator Blendu:

Our Office has recently completed a 24-month followup of the Arizona Supreme Court—Administrative Office of the Courts (AOC)—Information Technology and FARE Program regarding the implementation status of the 11 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in August 2006 (Auditor General Report No. 06-08). As the attached grid indicates:

- 8 have been implemented, and
- 3 are in the process of being implemented.

Since all of the audit recommendations have been implemented or are in process, and unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on AOC's efforts to implement the recommendations from the August 2006 performance audit report.

Sincerely,

Melanie M. Chesney, Director
Performance Audit Division

MMC:Sjb
Attachment

cc: David K. Byers, Director
Administrative Office of the Courts, Arizona Supreme Court

**ARIZONA SUPREME COURT
ADMINISTRATIVE OFFICE OF THE COURTS
INFORMATION TECHNOLOGY AND FARE PROGRAM
Auditor General Report No. 06-08
24-Month Follow-Up Report**

Recommendation	Status/Additional Explanation
Finding 1: Fundamentally sound program for managing technology projects could be improved	
1.1 AOC should improve its project management framework for internally developed information technology systems by:	
a. Continuing with its plans to develop and implement a formal risk management process that requires the identification of potential project risks and actions to mitigate these risks;	Implemented at 18 Months
b. Establishing and implementing policies and procedures within its framework that require each project management team to develop a communication plan that specifies the various stakeholders to the project and the most effective form of communicating with these stakeholders; and	Implemented at 6 Months
c. Establishing and implementing policies and procedures for conducting independent reviews of technology projects in order to monitor and assess project performance and status.	Implemented at 18 Months
1.2 AOC should develop and implement policies and procedures regarding the use of the project management framework, including requiring all information technology projects to use the framework and the circumstances under which projects will not be required to implement the full framework.	Implemented at 18 Months
1.3 AOC and the Commission should improve oversight of state-wide information technology systems that individual courts are developing by:	
a. Entering into formal agreements with the courts that define the project scope, intended accomplishments, project processes and deadlines, and the commitment of project resources; and	Implemented at 24 Months

Recommendation	Status/Additional Explanation
<ul style="list-style-type: none"> b. Implementing a formal risk assessment and management process that requires the identification of potential project risks and actions to manage these risks should they occur. 	<p>Implemented at 18 Months</p>
<hr/> <p>Finding 2: Additional collections contract oversight and program monitoring needed</p> <hr/>	
<p>2.1 AOC should address gaps that exist in the FARE program vendor contract by:</p> <ul style="list-style-type: none"> a. Reviewing the contract and determining if any additional contract requirements need penalties, documenting these determinations, and adding penalties as necessary; and b. Revising the contract to include a requirement for an annual general assurance audit, including identifying specific areas it would like addressed. Additionally, AOC should request a copy of the audit annually and review it to ensure that the vendor's internal controls adequately safeguard AOC's information and other assets. 	<p>Implemented at 24 Months</p> <p>Implemented at 24 Months</p>
<p>2.2 AOC should improve its oversight of the FARE program vendor and contract by establishing and implementing processes for monitoring the vendor's compliance with the contract, including specifying:</p> <ul style="list-style-type: none"> a. How frequently contract requirements will be monitored for compliance; and b. Procedures that AOC staff should perform to verify vendor reports of compliance with the contract requirements. 	<p>Implementation in Process Although AOC reported that it monitors vendor compliance monthly, it has yet to fully document its monitoring procedures.</p> <p>Implementation in Process See response for recommendation 2.2(a).</p>
<p>2.3 AOC should develop and implement performance measures for FARE, and establish and implement policies and procedures to collect and validate the data needed to support the performance measures that it develops.</p>	<p>Implementation in Process The FARE Advisory Committee adopted performance measures in April 2008. However, AOC reported that these measures will not be implemented until the new case management system is implemented in the courts.</p>