

OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

Official Audit Report – Issued June 2, 2023

Supreme Judicial Court

For the period October 1, 2019 through September 30, 2021



OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

June 2, 2023

Honorable Kimberly S. Budd, Chief Justice
Supreme Judicial Court
One Pemberton Square
Boston, MA 02108

Dear Chief Justice Budd:

I am pleased to provide to you the results of the enclosed performance audit of the Supreme Judicial Court. As is typically the case, this report details the audit objectives, scope, and methodology for the audit period, October 1, 2019 through September 30, 2021. As you know, my audit team discussed the contents of this report with court managers. This report reflects those comments.

I appreciate you and all your efforts at the Supreme Judicial Court. The cooperation and assistance provided to my staff during the audit went a long way toward a smooth process. Thank you for encouraging and making available your team. I am available to discuss this audit if you or your team have any questions.

Sincerely,



Diana DiZoglio
Auditor of the Commonwealth

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

OVERVIEW OF AUDITED ENTITY 2

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY 8

LIST OF ABBREVIATIONS

CFO	chief fiscal officer
CIP	Court Improvement Program
ISA	interdepartmental service agreement
MassCIP	Massachusetts Court Improvement Program
SJC	Supreme Judicial Court

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of the Supreme Judicial Court (SJC) for the period October 1, 2019 through September 30, 2021.

In this performance audit, we determined whether SJC (1) established a five-year strategic plan, (2) established a statewide multidisciplinary task force, and (3) met the cost-sharing¹ requirement of the federal Children’s Bureau’s “Program Instruction” guidance for the State Court Improvement Program grant.

Our audit revealed no significant instances of noncompliance by SJC that must be reported under generally accepted government auditing standards.

1. Cost-sharing means that the program’s cost is not fully paid with federal funds but instead the federal government reimburses the state for funds expended on a pro-rata basis.

OVERVIEW OF AUDITED ENTITY

The Supreme Judicial Court (SJC) is the highest appellate court in the Commonwealth and comprises a chief justice and six associate justices appointed by the Governor with the consent of the Executive Council. The seven justices are responsible for hearing appeals on criminal and civil cases and issuing their written opinions. SJC and its administrative offices are located at the John Adams Courthouse, One Pemberton Square, Suite 2500 in Boston.

SJC oversees the judicial branch and attorneys' admission to the Massachusetts bar. It also makes and approves rules for court operations. As the highest court in the Commonwealth, it is the designated applicant for federally funded State Court Improvement Program (CIP) grants. SJC also oversees and administers the Massachusetts Court Improvement Program (MassCIP).

According to the federal Children's Bureau's website,²

The State Court Improvement Program (CIP) was created as part of the Omnibus Budget Reconciliation Act (OBRA) of 1993, Public Law 103-66, which among other things, provided federal funds to state child welfare agencies and Tribes for preventive services and services to families at risk or in crisis. OBRA designated a portion of these funds . . . for grants to State court systems to conduct assessments of their foster care and adoption laws and judicial processes, and to develop and implement a plan for system improvement. Awards are made to the highest appellate courts in States participating in [programs that provide financial support to adoptive parents of children with special needs].

The State CIP also awards funds to programs directed toward keeping families together. Grant funds are allotted to programs over a five-year term.

MassCIP

According to MassCIP's website,³

The Massachusetts Court Improvement Program (MassCIP) encourages and supports systemic improvements, program initiatives, and ongoing training designed to lead to better outcomes for children involved in child welfare cases in Massachusetts. MassCIP accomplishes these goals through close collaboration with key Massachusetts child welfare stakeholders, including the Juvenile Court, the Probate and Family Court, the Department of Children and Families, and the

-
2. Children's Bureau: Court Improvement Program (<https://www.acf.hhs.gov/cb/grant-funding/court-improvement-program>), accessed on August 3, 2022.
 3. MassCIP: Learn about the Massachusetts Court Improvement Program (<https://www.mass.gov/info-details/learn-about-the-massachusetts-court-improvement-program-masscip>), accessed on December 3, 2021.

Committee for Public Counsel Services. Administered by the Supreme Judicial Court, this federally funded program is supported by 3 separate, targeted grants.

The Basic Grant supports initiatives designed to improve positive outcomes for children and families. The Data Grant facilitates data collection and analysis, and promotes data sharing between state courts and child welfare agencies, which informs continuous quality improvement. The Training Grant funds initiatives designed to increase child welfare expertise within the legal community. The grant provides cross training opportunities among agencies, courts, and other key stakeholders.

MassCIP employs a part-time CIP manager who is responsible for administering all three State CIP grants (Basic, Data, and Training) as well as program management, training, research, and other efforts that MassCIP undertakes. Additionally, MassCIP receives administrative support services from four other SJC employees. SJC allocates portions of those salary expenses to the program based on the employees' time spent supporting MassCIP. Our audit was limited to the application, oversight, and administration of the MassCIP Basic Grant.

During the audit period, MassCIP Basic Grant expenditures totaled \$312,280.

Summary of Basic Grant Expenditures

Category	Amount
Wages and Salaries	\$ 170,260
Employee Benefits	36,472
Operating Expenses	105,548
Total	<u>\$ 312,280</u>

Grant Application Process

Before applying for a State CIP grant, SJC considers the total anticipated program costs, the state cost-sharing requirement, the alignment of the program with SJC's strategic priorities, the provision or expansion of services to address critical needs, and the capacity to oversee the program and administrative aspects of the grant.

During the application period for a State CIP grant, the CIP manager reviews the Children's Bureau's "Program Instruction" guidance for the State CIP grant with SJC's training specialist. During this review, the CIP manager makes note of all requirements of the grant and assembles the grant application in accordance with the "Program Instruction" guidance. Additionally, the CIP manager includes in the grant

application: a proposed five-year strategic plan that identifies the intended use of the State CIP grant funds and MassCIP's approach to ensuring continuous quality improvement.

According to the "Program Instruction" guidance,

Strategic plans are intended to be a tool that guides CIP work. Strategic plans are living documents that should be updated as needed to reflect self-assessment results and [continuous quality improvement] efforts. Strategic plans must clearly articulate what the state court intends to achieve and how . . . An updated strategic plan must be submitted to the [Children's Bureau] annually for review, discussion, and approval.

The CIP manager forwards the completed grant application, along with a dated transmittal letter to SJC's executive director. The executive director reviews the completed grant application for adherence to the "Program Instruction" guidance. If the executive director approves the grant application, they sign the transmittal letter and submit the grant application to the Children's Bureau. Upon notification that the Children's Bureau approved the grant, SJC is responsible for administering the grant in compliance with conditions set forth in the "Program Instruction" guidance, the Administration of Children and Families General Terms and Conditions, the State CIP Supplemental Terms and Conditions, the Children's Bureau's Departmental Regulations, and the Office of Management and Budget's Circulars.

Expending of MassCIP Funds

MassCIP funds may be expended directly by SJC or by other state agencies as pass-through funding⁴ through an authorized interdepartmental service agreement (ISA) between SJC and the other agency. MassCIP refers to this type of funding as pass-through grants.

MassCIP Funds Expended by SJC

SJC expends MassCIP funds to cover expenses associated with the program. These expenses include the salaries of the CIP manager and other individuals with duties related to MassCIP. These expenses can also include the cost to print brochures and publications and cost to attend conferences that relate to MassCIP's mission. MassCIP disbursements for SJC expenditures must be approved by the executive director following a review of the invoices and supporting documentation for the delivered goods or services. If the disbursement is approved, the executive director forwards the invoices and

4. According to Grants.gov, pass-through funding consists of "funds issued by a federal agency to a state agency or institution that are then transferred to other state agencies, units of local government, or other eligible groups per the award eligibility terms."

supporting documentation to SJC's chief fiscal officer (CFO), who authorizes the payment in the Massachusetts Management Accounting and Reporting System.

MassCIP Funds Expended through Pass-Through Grants

State agencies send requests for pass-through grants to the CIP manager for consideration. The CIP manager evaluates the requests to ensure that they are consistent with the strategic plan's priority areas and the program year budget. Depending on the size and nature of the request, the CIP manager may consult with the MassCIP steering committee,⁵ the appropriate MassCIP subcommittee, or the regional Administration for Children and Families office. The CIP manager forwards the request to SJC's executive director for approval. If SJC's executive director approves the request, they send an email to the requesting agency detailing the approved amount, a description of the use of grant funds, and the source of the funds (i.e., Basic, Data, or Training Grant). Additionally, SJC's executive director notifies SJC's CFO and fiscal assistant that the request for a pass-through grant has been approved. The fiscal assistant prepares an ISA and sends it to the requesting agency's CFO for their signature. The requesting agency sends the signed ISA back to SJC's CFO for their signature. The ISA may not be executed without both parties' signatures. Each requesting agency maintains a copy of the executed ISA, and SJC forwards a copy to the Office of the Comptroller of the Commonwealth to facilitate the transfer of the funds from SJC to the requesting agency.

Regarding the expensed salaries of individuals working to support MassCIP, the CFO reviews the allocation to ensure that the expense complies with the "Program Instruction" guidance. SJC's CFO and Fiscal Unit employees handle all financial matters, and the pass-through grant must be used by the end of that state fiscal year (June 30).

Monitoring of MassCIP Fund Expenditures

On a quarterly basis, SJC's fiscal assistant obtains MassCIP expenditures from the Massachusetts Management Accounting and Reporting System and updates the MassCIP Year-to-Date Financial Summary Reports. For pass-through grants, the fiscal assistant prepares quarterly update reports on approved projects and presents them at meetings. The fiscal assistant also prepares and reviews quarterly expense reports to ensure that all financial transactions are consistent with the approved projects

5. For the purpose of this audit, the MassCIP steering committee was the equivalent of the statewide multidisciplinary task force required by the "Program Instruction" guidance.

included in ISAs. For each pass-through grant, the receiving agency's program manager submits periodic reports summarizing its activities to SJC's executive director and CFO. In addition, the receiving agency provides fiscal data to account for the funds expended and reimbursed during those periods.

MassCIP is required to conduct an annual self-assessment to identify progress, challenges, and areas in need of assistance to create an opportunity to reflect on what MassCIP is doing and whether it is achieving its program objectives. The annual self-assessment and any updated strategic plans are due on June 30 each year. The updated strategic plans identify work to be completed in the remainder of the federal fiscal year (October 1 through September 30) and identify priorities for the next federal fiscal year. The Children's Bureau has calls at least annually with each state's CIP to review the program's progress in meeting grant requirements, identify outcomes, and provide guidance and support.

Throughout the five-year grant period, SJC prepares annual financial reports and submits them no later than 90 days after the end of each federal fiscal year. At the end of the grant period, SJC prepares a final financial report, detailing any obligations and payments made to vendors to liquidate the obligations during the period.

Cost-Sharing Requirement

To receive federal funds, SJC must contribute 25% of the project's total budget⁶ (or one-third of the approved federal share) in non-federal funds. Upon the award and distribution of funds, the fiscal assistant obtains the total federal funds authorized for the MassCIP grant from a Federal Financial Report and divides it by three to arrive at SJC's non-federal share, or the federal match requirement. The fiscal assistant then compiles SJC's annual contribution for the salaries of all employees with duties related to the Basic Grant and compares it to the federal match requirement. The fiscal assistant provides the calculation to SJC's CFO for their review. SJC is in compliance with the cost-sharing requirement if its non-federal contribution meets or exceeds the federal match requirement.

6. According to the federal Children's Bureau's "Program Instruction" guidance, "For example, a project totaling \$100,000 would require a state court contribution of \$25,000 to receive federal funds totaling \$75,000."

Grant Close Out

The Massachusetts Management Accounting and Reporting System prevents SJC from posting any other transactions after completion of each annual term of the grant. All funds not expended before the determined grant closeout date are returned to the Children's Bureau.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of the Supreme Judicial Court (SJC) for the period October 1, 2019 through September 30, 2021.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Did SJC establish a five-year strategic plan in accordance with Section III of the federal Children's Bureau's "Program Instruction" guidance for the State Court Improvement Program (CIP) grant?	Yes
2. Did SJC establish a statewide multidisciplinary taskforce in accordance with Section II(i) of the "Program Instruction" guidance?	Yes
3. Did SJC adhere to the "Cost Sharing Requirement" of Section I of the "Program Instruction" guidance?	Yes

To achieve our objectives, we gained an understanding of the internal controls we determined to be relevant to the objectives by reviewing SJC policies and procedures, as well as conducting inquiries with staff members and management. We evaluated the design and implementation of the internal controls related to the approval of State CIP grant applications and qualified grant expenditures.

We performed the following procedures to obtain sufficient, appropriate audit evidence to address the objectives.

To determine whether SJC established a five-year strategic plan in accordance with the "Program Instruction" guidance, we obtained all two of the five-year strategic plans submitted during the audit period. For each five-year strategic plan submitted to the Children's Bureau, we inspected the plan to confirm that it:

- was formatted according to the Strategic Plan Template established by the Children’s Bureau in the “Program Instruction” guidance;
- detailed SJC’s desired outcomes, the projects and activities planned to achieve those outcomes, and plans for project or activity evaluation;
- reflected the results of the self-assessment and continuous quality improvement efforts, where applicable; and
- was submitted to the Children’s Bureau for approval.

We inspected the “Program Instruction” guidance and continuous quality improvement efforts documented within SJC’s self-assessment. We also confirmed with the Children’s Bureau that SJC submitted both of these plans to its program manager.

To determine whether SJC established a task force in accordance with the “Program Instruction” guidance, we obtained the completed grant application documents, which included a list of planned statewide multidisciplinary taskforce members. We also obtained all meeting attendance records and agendas from the 13 meetings that occurred during the audit period. We created a list of all 14 taskforce members by recording the names, job titles, and agencies of members who served on the taskforce during the audit period. We compared the makeup of the taskforce to requirements in the “Program Instruction” guidance. Additionally, we compared the number of meetings held to the number of meetings required to be held during the audit period.

To determine whether SJC adhered to the “Cost Sharing Requirement” of Section I of the “Program Instruction” guidance, we obtained all two of the Annual CIP Grant Matching Worksheets for the Basic Grant and (1) verified the annual salary amounts, (2) recalculated the annual financial contributions, and (3) recalculated the federal cost-sharing requirement.

Data Reliability Assessment

We assessed the reliability of the data obtained from SJC, which it used to calculate the state’s annual financial contribution to the Massachusetts Court Improvement Program by conducting interviews with agency officials knowledgeable about the data and testing the data for duplicate records. We traced all 28 instances of portions of salary expenses by name, job title, court or agency, and annual salary to the Office of the Comptroller of the Commonwealth’s CTHRU website, which lists the names, job titles, agencies, and annual salaries for all Commonwealth employees.

Based on the results of the data reliability procedures above, we determined that the data were sufficiently reliable for the purpose of our audit.

Conclusion

Our audit revealed no significant instances of noncompliance that must be reported under generally accepted government auditing standards.