



Georgia Department of Audits and Accounts

Performance Audit Division

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Why we did this review

This review of the appellate courts' administrative operations was conducted at the request of the Senate Appropriations Committee. We were asked to evaluate whether certain administrative functions could be combined and whether the use of shared contracts could be expanded. We were also asked to assess the impact of the courts' electronic filing initiative on staffing and operations, as well as the courts' budget preparation process and internal controls.

About the appellate courts

The Supreme Court is Georgia's court of last resort. Its nine justices are supported by 80 staff, which includes four fiscal office positions and three information technology staff. In fiscal year 2018, the court expended approximately \$15.4 million in primarily state funds.

The Court of Appeals is the state's only intermediate appellate court. Fifteen judges are supported by 95.5 positions, including four in the information technology office and five full-time staff (plus one part-time accountant) in the fiscal office. Fiscal year 2018 expenditures totaled \$21.6 million. Nearly all of the court's budget is funded with state appropriations.

Administrative Operations in the State Appellate Courts

Combining some administrative staff may result in cost savings but could present accountability challenges

What we found

While the appellate courts are separate constitutional entities, opportunities exist to combine fiscal office functions. Cost savings and accountability to the courts vary depending on the staffing model used.

The Supreme Court and Court of Appeals are constitutionally and statutorily independent entities that receive their own appropriation. Each has a chief responsible for managing the courts' operations, which includes attorneys and clerks directly involved in the courts' cases, as well as administrative staff who perform fiscal, procurement, human resources, and information technology services.

The courts' fiscal office staffing levels are reasonable compared with other Georgia entities with similar budgets. However, workload analyses indicate efficiencies may be gained by combining staff. This would increase the number of positions supporting certain functions (e.g., accounts payable, accounts receivable), reduce multi-tasking by staff, and decrease the need for future requests for additional personnel. These administrative functions are generally standard across Georgia government and, based on arrangements observed in other Georgia entities, would be possible to combine.

By contrast, the courts' information technology offices would be more challenging to combine, primarily because the courts operate different underlying network technologies and have pursued similar but separate court initiatives. These processes and

programs would need to be standardized to maximize any potential efficiencies, which would likely be costly in the short-term and result in few long-term savings.

If fiscal office functions were shared, there are a variety of models currently implemented by other Georgia entities or other states' appellate courts. This includes combining staff under a newly created entity (similar to the legislative fiscal office); combining staff under one court (modeled after the current arrangement with the Office of the Reporter of Decisions); or utilizing Administrative Office of the Courts staff to perform the functions (which is most common in other states we reviewed). Each model has strengths and weaknesses, depending on the extent to which accountability to the courts and cost savings to the state are valued.

Regardless of whether the courts combine administrative staff, there may be additional opportunities for current and future cost savings. For example, neither court utilizes the State Accounting Office for payroll or travel services, which would decrease accounts payable workload by at least 30% in the Supreme Court and 50% in the Court of Appeals and eliminate the need for a payroll position the Supreme Court plans to request in the future. Likewise, the courts' similar operations may facilitate future shared contracts, which generally cost less and decrease duplicative management efforts.

In addition to administrative staffing, we reviewed the extent to which the courts' efforts to receive documents and process cases electronically have changed internal operations. The number of staff has not changed, but those involved in the various phases of case disposition reported multiple benefits, including streamlined docketing processes; increased security, searchability, and accessibility of documents; and the ability to restructure positions. We also found that when trial courts submit a case record electronically (rather than mailing paper documents), the time to collect and verify the record is generally shorter. However, it should be noted that trial courts continue to send paper records, which inhibits the appellate courts from fully maximizing the benefits of their electronic systems.

Finally, we reviewed court processes related to budget preparation and the implementation of internal controls in certain financial processes. These areas are described below.

- **Budget Preparation** – Both courts have reasonable budget processes for preparing their annual budget requests. Each court has developed a strategic plan that serves as a basis for requests, which are generally supported by further analysis such as caseload data or workload statistics. The courts may benefit, however, from incorporating performance metrics related to efficiency and effectiveness (e.g., time to docket) in addition to outputs such as number of cases. Additionally, the courts should consider conducting periodic, detailed reviews of their offices similar to the zero-based budgeting process that specific programs of executive agencies may undergo.
- **Internal Controls** – The courts have sufficient internal controls related to revenue collection, payroll processing, and inventory management, including documented policies and procedures (in the Court of Appeals) and practices that emphasize segregation of duties, approval, and reconciliation. However, we identified instances in which both courts should have gathered additional documentation to justify purchases and/or travel expenses.

***Summary of Response:** In a joint response, the Supreme Court and Court of Appeals indicated “opportunities exist for our Courts to share future resources and ministerial functions,” specifically a position dedicated to administrative-related human resources and payroll responsibilities. However, “we do not believe that fully combining all of the Courts’ respective fiscal functions is the best option.” The courts also stated they “have consistently and dutifully worked together over the years to share resources and knowledge” and “will continue to partner together for the benefit of both appellate Courts and the people we collectively serve.” The Supreme Court also provided clarifications that were incorporated into the report, as well as its own response. Specific responses are included at the end of each relevant finding.*

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Purpose of the Special Examination

This review of the appellate courts' administrative operations was conducted at the request of the Senate Appropriations Committee. The committee asked that we answer the following questions:

1. Are there opportunities for shared services or joint offices for the courts, including the back office functions of human resources, procurement, financial services, and information technology?
2. Where do the courts currently utilize shared contracts and technology programs, and how could they expand the use of shared contracts and technology programs to improve the efficiency of both courts?
3. Have the courts adjusted staffing and internal processes to maximize the efficiencies that can be gained from electronic filing?
4. In preparation of budget requests, to what extent do the courts emphasize the principles of zero-based budgeting?
5. Do the courts exhibit internal controls that provide assurance that assets are safeguarded and financial and operational information are reliable and encourage economical use of resources?

A description of the objectives, scope, and methodology used in this review is included in [Appendix A](#). A draft of the report was provided to the Supreme Court and Court of Appeals for their review, and pertinent responses were incorporated into the report.

Background

Georgia Appellate Court System

The state's judiciary is the third branch of Georgia's government, charged with enforcing state and federal law through judgments of the court. The appellate court system consists of the Supreme Court and the Court of Appeals, which hear and determine cases from the trial courts (e.g., superior, juvenile).

The Supreme Court and Court of Appeals operate three terms each year, with each term lasting approximately four months. Both courts are constitutionally required to abide by the two-term rule: once a case is docketed—listed as ready for jurisdictional review and judiciary assignment—it must be decided by the end of the next term.

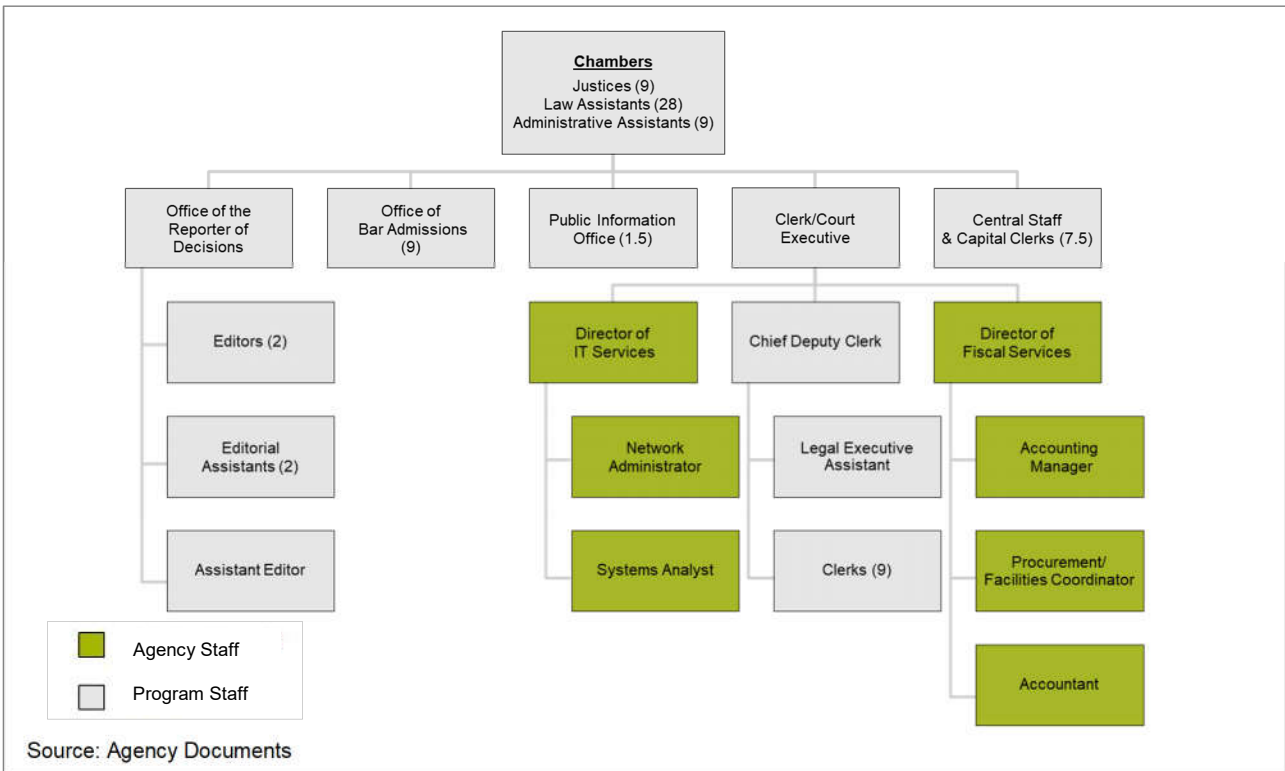
Supreme Court

The Georgia Supreme Court is the state's court of last resort. The court has jurisdiction over cases involving habeas corpus, sentences of death, certified questions by the Court of Appeals, construction of treaties, election contest, and constitutionality of a law, ordinance, or provision. The Supreme Court also has administrative and regulatory responsibilities related to the functioning of the judicial branch as a whole.

The Supreme Court is composed of nine justices. The chief justice serves as the principal presiding and administrative officer. All nine justices participate in the oral arguments and decisions for each case, which is determined by majority rule. The court's decisions are binding and supersede other court classes.

As shown in **Exhibit 1**, the Supreme Court has 89 positions (including the justices).¹ Staff supports the court's work by either directly assisting the justices on case matters or performing administrative duties.

Exhibit 1 A Staff of 80 Support Nine Supreme Court Justices



- **Judiciary Offices (Chambers)** – As of fiscal year 2019, 37 staff members directly serve the nine justices in their chambers. Each justice has two full-time law assistants and an administrative assistant (the chief justice has three law assistants). Additionally, each justice is assisted by a term clerk, an attorney who serves the court for one year and then returns to his or her full-time job.
- **Central Staff** – Central staff consists of seven legal assistants and one part-time administrative assistant. Once a case record—the compilation of pleadings, evidence, transcripts, and exhibits related to the case—is docketed, central staff attorneys assess whether the court has jurisdiction over the case. Central staff attorneys also serve in the chambers as needed.
- **Clerk's Office** – The 12 staff in the clerk's office provides general administrative support and manages the case record docketing process. The clerk also manages information technology and fiscal office staff and assists with budget preparation.

¹ This includes two part-time staff who work in central staff and the public information office. It does not include three part-time staff who assist the Office of Bar Admissions only during the biannual bar exam.

- **Information Technology Services** – The court’s three information technology staff members oversee system operations, which includes managing the court’s electronic filing and case management system, troubleshooting computer hardware and software technical difficulties, providing network services, managing office phones, providing courtroom audio/visual support, and managing website services.
- **Fiscal Services** – Three fiscal staff members manage court financial reporting, which consists of accounts payable and accounts receivable, revenue collection, budgeting, and payroll. Effective in fiscal year 2019, the Supreme Court received an appropriation for an additional position to manage procurement, which was filled in November 2018.² The court does not have a dedicated human resource employee; fiscal staff performs human resources functions such as on-boarding new hires.
- **Other Offices** – The court has three additional offices employing a total of 16.5 staff members. The Office of Bar Admissions has nine employees responsible for admitting attorneys to practice law in the state. Six employees in the Office of the Reporter of Decisions office prepare opinions of the Supreme Court and the Court of Appeals for publication in official court reports. Finally, 1.5 employees serve in the court’s public information office.

Court of Appeals

The Court of Appeals of Georgia is the state’s intermediate appellate court. The court has statewide appellate jurisdiction over all cases, excluding those relating to constitutional questions, habeas corpus, murder, and sentences of death. The Court of Appeals also has the authority to certify legal questions to the Supreme Court.

The court has 15 judges who serve on one of five, three-judge divisions. A chief judge is elected from among the 15 and is charged with assigning the remaining judges to divisions. Cases are heard and determined by a single division, except when a case receives en banc³ consideration by the entire judiciary.

Staff supports the court’s work by directly assisting the judges on case matters or performing administrative functions. As shown in **Exhibit 2**, the Court of Appeals has 110.5 positions (including the judges):

- **Judiciary Offices (Chambers)** – Each judge has three law assistants who assist with cases, as well as one administrative assistant. In total, 60 employees support the 15 judges in chambers.
- **Central Staff** – The 13 central staff attorneys are assigned to preliminarily review cases to determine whether they are within the court’s jurisdiction, as well as draft memorandums and orders for discretionary and interlocutory applications. Some central staff directly serve chambers depending on need. Central staff attorneys report to the deputy court administrator who works within the clerk’s office.

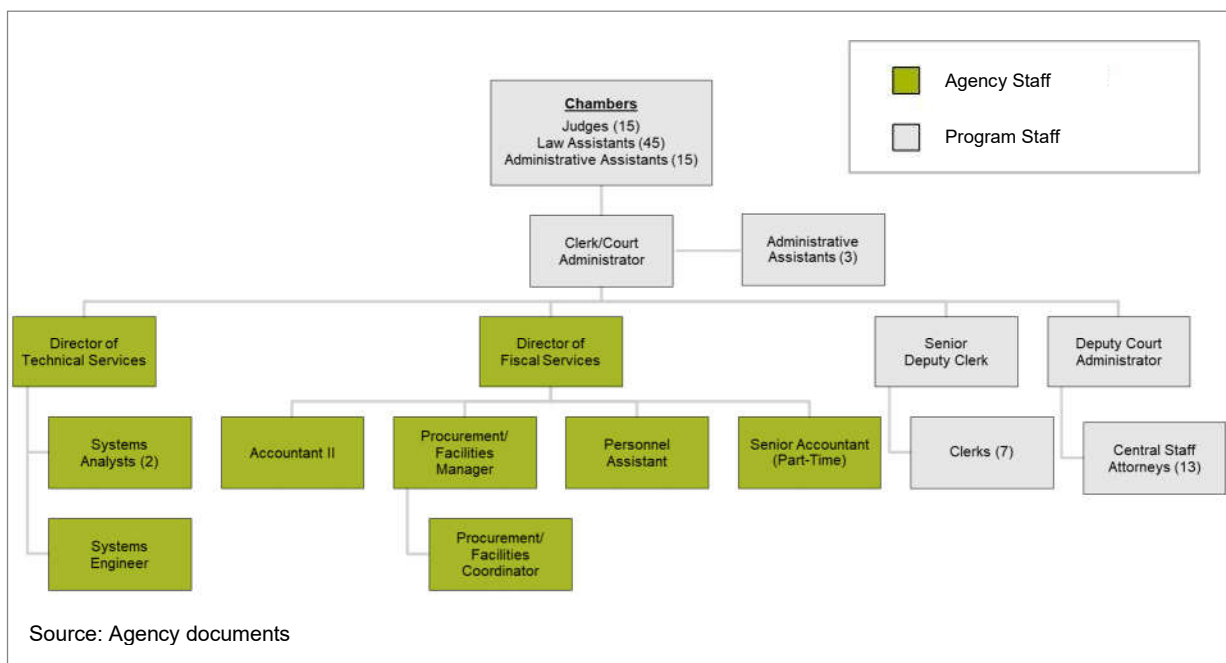
² Purchasing functions were previously performed by staff in the fiscal, information technology, and clerk’s office.

³ Whole court meetings where judges deliberate and vote on cases or discuss administrative issues.

- **Clerk's Office** – The clerk's office is responsible for administratively supporting the judiciary and docketing case records. Twelve staff members work within the office. The clerk also oversees technical services and fiscal office staff and assists with budget preparation.
- **Technical Services** – Technical services manages the court's information systems, including the electronic filing system for case records. Staff also troubleshoots technical issues, digitizes court processes, and spearheads web development. The office has four employees.
- **Fiscal Services** – The office of fiscal services manages court financial operations, such as purchasing, inventory, accounts receivable and payable, and payroll. The office has five full-time employees and one part-time senior accountant. Fiscal staff also performs some human resources functions because the court does not have dedicated human resources positions.

Exhibit 2

Court of Appeals Consists of 95.5 Staff Members Who Support 15 Judges



Case Activity Data

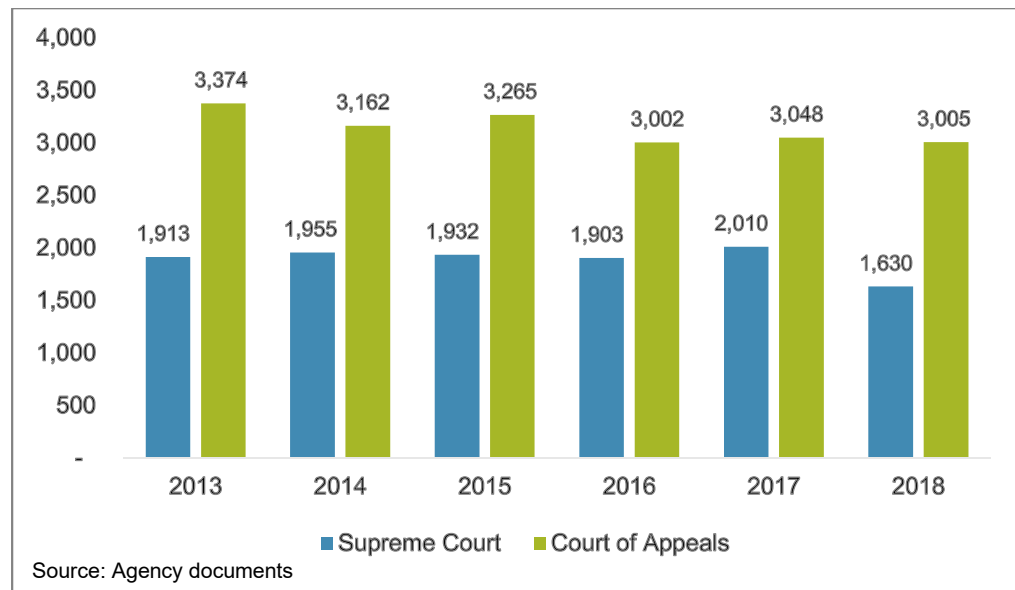
As shown in Exhibit 3, in docket year⁴ 2018 the Supreme Court docketed 1,630 cases while the Court of Appeals docketed 3,005. Generally, docketed cases have decreased over docket years 2013 to 2018 for the Court of Appeals by 11% and 15% for the Supreme Court.⁵ On average, the Court of Appeals receives approximately 1,200 more cases a year than the Supreme Court.

⁴ Docket years are set by each court and do not coincide with state fiscal year or calendar year.

⁵ Beginning in fiscal year 2017, certain cases shifted from the jurisdiction of the Supreme Court to the Court of Appeals. This likely contributed to the decrease in number of Supreme Court cases in the 2018 docket year.

Appellate case filings include a variety of cases types for both courts.⁶ Both courts receive direct appeals, in which an appellant requests that a lower court judgment be reversed, vacated, or remanded based on errors of law. The courts also receive discretionary applications for cases in which litigants must request the right to appeal after a judgment of a lower court is entered, as well as interlocutory applications in which litigants request a direct appeal prior to a final lower court ruling or review. The most common cases filed in the Supreme Court are direct appeals and petitions for certiorari—a request to review a Court of Appeals decision, while the Court of Appeals most commonly receives direct appeals.

Exhibit 3 Docketed Cases Have Decreased Since Docket Year 2013



As a case progresses through each court, it generally follows the steps described below and in Exhibit 4.

- **Record Obtainment** – When a trial court receives a notice of appeal—a document filed by the litigant that initiates the appeals process—it must submit the case record to the appropriate appellate court. During this stage, appellate court clerk staff ensures case records are complete and accurate. Each appellate court communicates with the trial court when the court record is improperly organized or missing necessary information.
- **Final Clerk Review** – Once a case is entered into the electronic case management system (docket), a final content review is completed prior to docketing. A case is considered docketed when it receives a case number and is formally put on the respective court’s docket. This signifies that the case is

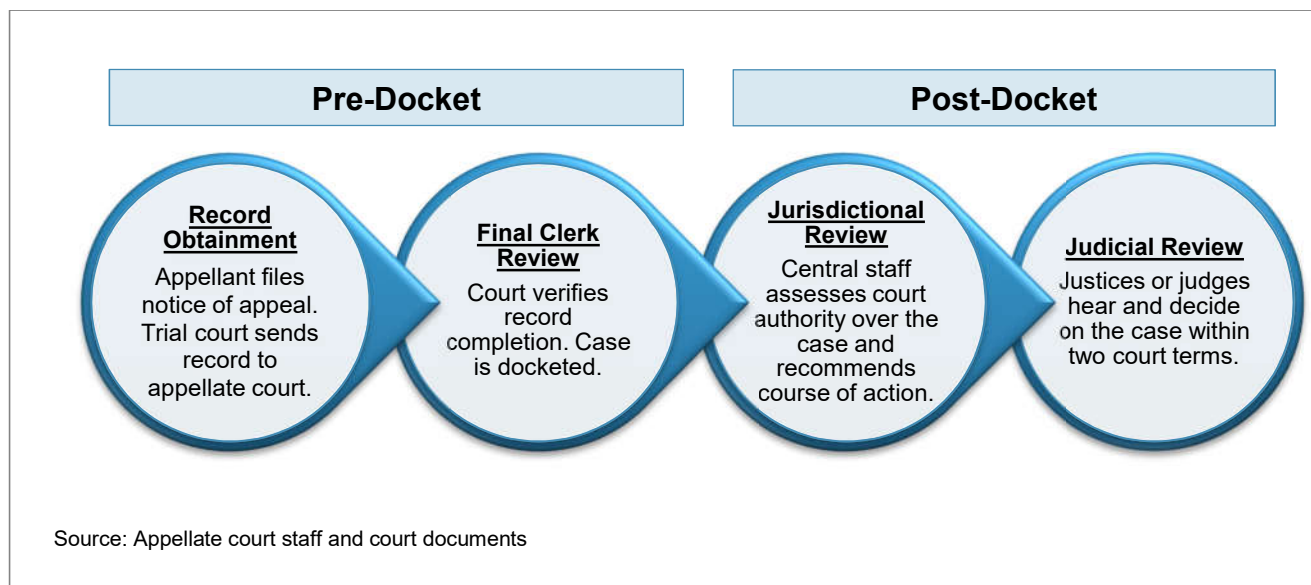
⁶ In addition to the case types common across both courts, the Supreme Court reviews petitions for review of Court of Appeals decisions; petitions in which a death sentence has been imposed; petitions to resolve legal disputes before a death penalty trial begins; execution matters; certified questions from federal courts; attorney and judicial disciplinary cases; formal advisory opinions from the State Bar of Georgia; and appeals from Office of Bar Admissions decisions. The Court of Appeals also hears mandated appeals and emergency motions.

ready for jurisdictional and judicial reviews and begins the two-term rule for a court decision. Once a case is docketed, attorneys are notified and begin sending documents related to the case, such as motions, briefs, and other filings.

- **Jurisdictional Review** – After a case is docketed, it is passed to central staff attorneys who conduct a jurisdictional review to assess whether the court has authority to review the case. The attorneys then provide the justice or judge with a recommendation—a formal suggestion indicating jurisdiction and case categorization.
- **Judicial Review** – The case is assigned to a justice or judge who agrees or disagrees with the central staff attorney’s recommendation. If the court does not have jurisdiction, the case is transferred to the other appellate court. If the case is approved for review, the court will hear it and either affirm or reverse in full/part the lower court decision. Staff indicated the courts spend the majority of their time and resources on this phase. Once the appellate court issues the decision, the clerk issues a remittitur⁷ signifying the court has completed its role in the appeal.

Exhibit 4

Cases Progress through Four Phases within Appellate Courts



E-Filing Initiative

Beginning in 2009, the courts launched an initiative to move their case processing from paper to electronic. The courts utilized the same technology vendor to create separate systems, which are maintained and updated under annual contracts. This “e-filing initiative” consists of the following components:

- **Electronic docket** – Case records and other information are compiled into an electronic case management system, which the judges and justices review for their case assignments and case information. Staff attorneys are also able to

⁷ Document issued to the trial court with the final judgement on the case.

access the case record to complete their assigned tasks, such as verifying jurisdiction or evaluating the appellant's argument. The Court of Appeals initiated its electronic docket in 2009, while the Supreme Court began in 2010.

- **Electronic filing** – Both courts require attorneys to electronically submit filings, such as briefs and motions (e.g., motion for extension of time), to the courts once a case is docketed. Individuals representing themselves, known as pro se parties, are exempt from this requirement and continue to submit their filings via paper. The Supreme Court required attorneys to e-file in 2012, while the Court of Appeals mandated e-filing in 2015.
- **Electronic records** – When a case is appealed, trial courts must submit the case record to the appellate court. Courts are encouraged but not required to electronically submit case records to the appellate courts via their respective submission portals. The Supreme Court accepted its first electronic record in 2015. The Court of Appeals received its first electronic record in 2016.

Since fiscal year 2013, the appellate courts have spent approximately \$1.3 million on e-filing initiatives (Supreme Court spent approximately \$717,000, while the Court of Appeals expended nearly \$632,000). These costs consist of annual maintenance costs, amounting to \$54,000 for the Supreme Court and \$69,000 for the Court of Appeals, as well as requested enhancements, such as the ability to accept electronic trial court records. Certain initial implementation costs (particularly related to the electronic docket) are not included.

Financial Information

In fiscal year 2018, the Supreme Court and Court of Appeals spent \$15.4 million and \$21.6 million, respectively (see Exhibit 5). The majority of court expenditures are for personal services; during fiscal years 2015 through 2018, the Supreme Court spent an average of approximately 81% of its budget on personal services, while the Court of Appeals expended 89%.

Exhibit 5 Expenditures Have Increased by 40% in the Court of Appeals and 24% in the Supreme Court (FY 2015-2018)

	2015	2016	2017	2018	2019 ¹
Supreme Court	\$12,428,405	\$12,505,398	\$14,464,326	\$15,442,352	\$16,378,658
Year-to-Year Change		\$76,994	\$ 1,958,928	\$ 978,026	\$ 936,306
Percent Change		1%	16%	7%	6%
Court of Appeals	\$15,481,873	\$18,584,403	\$20,907,660	\$21,641,680	\$21,434,676²
Year-to-Year Change		\$3,102,530	\$2,323,257	\$734,020	-\$207,004
Percent Change		20%	13%	4%	-1%
¹ Budgeted.					
² Court of Appeals appropriations allots for \$150,000 in other revenues related to copy fees; however, the court retained an average of approximately \$444,000 in fees between fiscal years 2015 and 2018.					
Source: TeamWorks Financials					

Expenditures for the Supreme Court increased by 24% from fiscal years 2015 to 2018, while the Court of Appeals expenditures increased by 40%. The largest expenditures increases were due to changes described below.

- **Supreme Court** – The largest expenditure increase for the Supreme Court can be attributed to 2016 legislation to expand the Supreme Court by two justices, which required additional operating costs and support staff (four additional law clerks and two administrative assistants). The fiscal year 2017 expenses increased by nearly \$2 million (16%) from the prior year.
- **Court of Appeals** – The Court of Appeals saw its largest expenditure growth—a 20% increase of \$3.1 million—after the increase from 12 to 15 judges in fiscal year 2016. The increase necessitated nine additional law clerks. Additionally, the Court of Appeals' fiscal year 2017 budget increased by approximately 13% following legislation that expanded the court's jurisdiction, leading to funding for additional operating costs, a staff attorney, and a clerk.

Both courts are primarily funded with state appropriations. In fiscal year 2018, 98% of funds to the Court of Appeals and 85% of the Supreme Court's funds were state appropriated. The Supreme Court also collected approximately \$2.5 million in fees, primarily related to the bar examiner and fitness board (approximately \$2.3 million).⁸ Both courts retain copy fees, which totaled approximately \$89,000 for the Supreme Court and \$451,000 for the Court of Appeals. Finally, both courts collect case filing fees that are remitted to the treasury. In fiscal year 2018, this amounted to \$405,000 and \$170,000 for the Court of Appeals and Supreme Court, respectively.

⁸ Bar examiner and fitness board fees are not remitted to the treasury and are restricted to purposes related to the bar exam, use of the National Conference of Bar Examiners services (for the actual test), or fitness-related tests and background checks.

Requested Information

Based on staffing and workload comparisons with other Georgia state entities, opportunities exist to combine appellate courts' fiscal offices.

Appellate court staff performing fiscal, procurement, and human resources functions can be combined to more efficiently and effectively use state resources. These support functions are similar throughout state government and, while necessary, could be shared without impacting the courts' missions. Combining the functions would likely reduce the need for additional personnel requests in these areas.

Currently, the appellate courts have appropriated a combined \$1.1 million (salary and benefits) to staff positions performing fiscal, procurement, and human resources services. This includes five full-time and one part-time staff at the Court of Appeals (totaling \$588,000) and four full-time staff at the Supreme Court (totaling \$511,000). The courts plan to add positions in the coming years—specifically a payroll administrator at the Supreme Court and a human resources position potentially shared by the courts—which would increase funding for staff by an estimated \$133,000, or 6%.

To evaluate whether functions performed by the courts' fiscal offices could be shared, we compared the courts' staffing levels and common fiscal, procurement, and human resources outputs with those of other state government entities with similar budgets (see [Appendix B](#) for additional information). The various functions are described below.

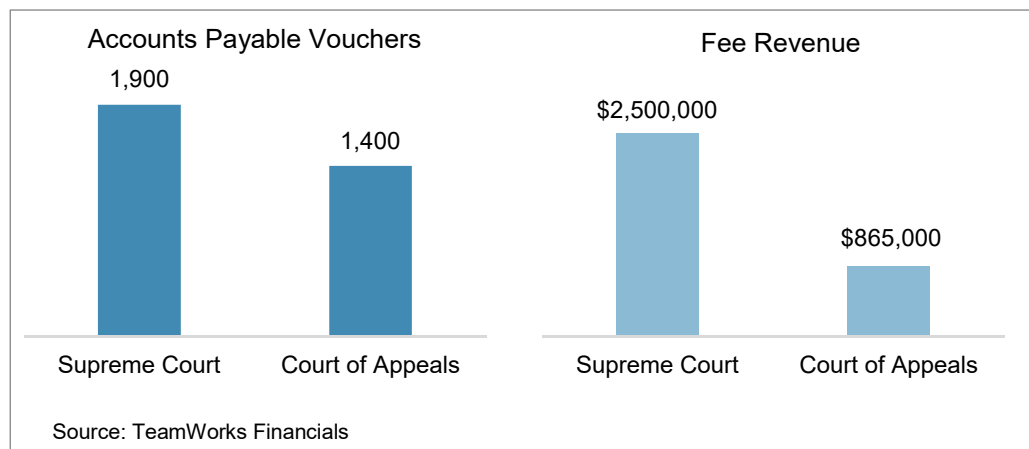
Fiscal Services

The individual courts' fiscal staffing levels are reasonable when compared with other independent state entities operating on similar budgets, and each court's accounting workload generally is higher than other similarly-sized entities. We identified two options that would likely decrease individual staffs' workloads and lead to future cost savings: (1) centralizing the appellate court fiscal office or (2) utilizing shared services offered by the State Accounting Office (SAO).

We compared the courts' staffing levels and accounting workload (see [Exhibit 6](#)) to other Georgia entities with budgets similar to the courts' individually and combined. Workload was primarily measured by the average number of accounts payable vouchers per year from fiscal years 2016 to 2018. This includes vouchers related to purchasing, as well as payroll and travel because the courts do not utilize the services offered by SAO. While this does not capture the full extent of accounting responsibilities within the courts, it does allow for comparisons across the entities.⁹

⁹ The appellate courts also process fees related to case filings, copies, and (for the Supreme Court) the bar exam; however, the courts are also single budget programs primarily funded with state appropriations. By contrast, other agencies' accounting offices must allocate expenses across multiple programs or manage federal funds, which complicates accounting and requires additional reporting.

Exhibit 6
Supreme Court's Average Annual Accounting Workload Is Higher than that of the Court of Appeals (FY 2016-2018)



Each court has three full-time staff with primarily fiscal-related duties, which is not unreasonable compared with other Georgia entities with similar budgets. Further, it is necessary for independent offices with separate budgets to have a minimum number of fiscal positions to ensure proper management, segregation of duties, and sufficient specialization. A staff of three, however, requires significant multi-tasking across fiscal duties (e.g., payroll and fee collection), which can be inefficient or require staff to work longer hours than if duties were more specialized.

The appellate courts' accounts payable workload is similar to or higher than that of other state entities with similar budgets and staffing levels. For example, the State Board of Pardons and Paroles' three fiscal staff process an average of 1,350 vouchers per year, which is comparable to the Court of Appeals (1,400) and nearly 30% less than the Supreme Court (1,900). It should be noted that the courts' increased workload is primarily because the courts perform accounting work that the majority of entities in our review have outsourced to SAO.¹⁰

Over time, the courts have sought additional positions within the fiscal office to manage workloads, and an additional position is included in the Supreme Court's strategic plan. However, the courts could also more efficiently and effectively use state resources by combining staff or, if the courts continue to remain separate, utilizing SAO's shared services opportunities. These potential solutions are described below.

- **Combined Fiscal Staff** – A single appellate court fiscal office with six full-time staff would likely be sufficient to manage the courts' combined workload, which would be lower than that of other judicial entities. Specifically, the Judicial Council (seven fiscal staff) and the Council of Superior Court Judges (six fiscal staff) each have significantly higher accounts payable workloads, which are processed by a single position in both entities.

¹⁰ For example, the State Board of Pardons and Paroles processes a total of approximately 2,600 vouchers annually. Using SAO's shared services for payroll and travel decreases the accounting workload by approximately half. Of the 12 Georgia entities we reviewed, seven use payroll shared services and eight use the travel system.

Additional staff at both entities are dedicated to specific roles such as payroll and accounts receivable.

Centralizing the fiscal staff increases the number of positions available for particular responsibilities (e.g., one person dedicated to fee collection), resulting in increased specialization and gained efficiencies. Further, it is likely that certain duplicative work—such as payroll processing—could be performed by a single position, eliminating the need for future requests for additional staff.

- **Shared Services** – Under payroll shared services, SAO processes payroll changes, reconciles benefits, creates vouchers, and files quarterly taxes, while the agency is primarily responsible for submitting changes and confirming updates. Under the arrangement, the Supreme Court and Court of Appeals voucher workload would decrease by approximately 25% and 40%, respectively. Sixteen agencies pay \$100 per employee for the service each year, which equates to \$8,900 for the Supreme Court and \$11,100 for the Court of Appeals. This would remove workload in the Court of Appeals and eliminate the need for a planned payroll position in the Supreme Court.

Accounting workloads would further decrease by approximately 10% if the courts used SAO's online travel booking system, which creates vouchers automatically and incorporates travel policies to assist in the review process. Participating entities pay \$4.25 per expense report, which equates to approximately \$540 for the Supreme Court and \$665 for the Court of Appeals.

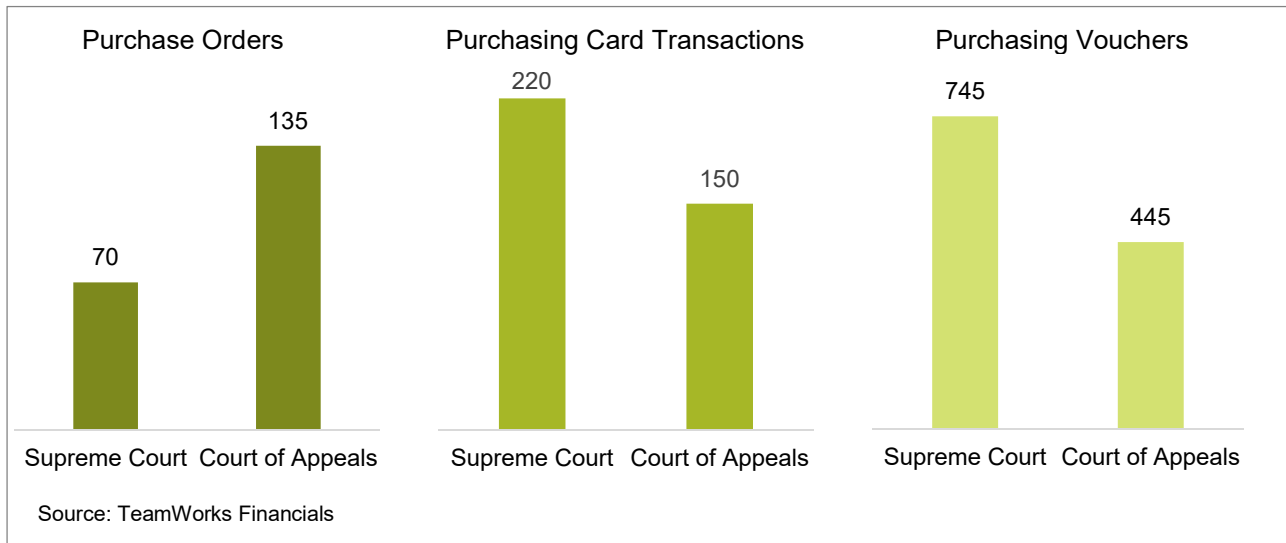
According to court staff, internally performing these functions ensures increased responsiveness to the judiciary.

Procurement

Given the organizational structure of the courts' fiscal offices, combining fiscal services would necessarily result in combining the procurement function. Based on comparisons with other Georgia entities, a combined office could result in cost savings.

Combined, the courts have an estimated 1.5 full-time equivalents for the procurement function. Since fiscal year 2017, the Court of Appeals has had two positions that handle purchasing, asset management, facilities, and two research libraries. According to Court of Appeals staff, this equates to one full-time equivalent for procurement. While procurement responsibilities had been shared by multiple individuals in the Supreme Court, the court used a fiscal year 2019 appropriation to hire a procurement/facilities coordinator in November 2018. We estimate half of the position's time will be spent on procurement based on the job description.

We compared the courts' procurement staffing levels to those in other Georgia entities with budgets similar to each courts', as well as the combined budget of both courts. Workload was primarily measured using the number of purchase orders and purchasing card transactions. Some agencies (including the courts) also implement a requisition process for purchases that do not meet the threshold requiring a purchase order. We estimated this workload by identifying purchasing-related vouchers. The courts' purchasing-related workload can be found in **Exhibit 7**.

Exhibit 7**Average Annual Procurement Workload Varies Across Appellate Courts (FY 2016-2018)**

Based on workload comparisons, it is likely that the combined workload of the courts would require only one full-time equivalent dedicated to procurement. For example, the Judicial Council, with one procurement coordinator, processes an average of 320 purchase orders and 460 purchasing card transactions a year—approximately 60% and 25% higher than the combined courts' respective workload. Additionally, the Judicial Council performs a similar requisition process to the courts', which also generates a higher estimated number of vouchers than the combined courts.

While the procurement function may only require one full-time equivalent, it is unclear whether other duties related to the courts' existing three positions necessitate the need for each. According to staff, facilities-related responsibilities are significant due to office relocation required by new judicial appointments and their location in older buildings. However, the courts' move to the new judicial building at the end of calendar year 2019 will likely decrease this type of work.

A combined procurement function would require standardizing the courts' processes; however, this may be beneficial, particularly for the Supreme Court. With dedicated staff, the Court of Appeals has already been able to define procurement policies and procedures, which have been incorporated into an electronic workflow system. According to Supreme Court staff, the new procurement position will help ensure consistency in the process, and the court plans to research opportunities for an electronic workflow system. However, this would also be accomplished by combining offices with the Court of Appeals.

Human Resources

The courts' combined administrative workload for human resources-related activities likely justifies a shared position, particularly if the courts continue to perform payroll in-house rather than through SAO shared services. However, there may be challenges in expanding the role to include more substantial duties (e.g., personnel conflicts, performance management) if the courts maintained separate policies.

While the Court of Appeals employs a personnel representative who processes payroll and performs background checks for new hires, many human resources-related responsibilities are shared across multiple fiscal staff in both courts. Both courts have documented intentions to request funds (an estimated \$89,000 for salary and benefits) for a human resources position the courts could share. Staff indicated these duties would include processing payroll changes, assisting with new hires (parking, benefits counseling) and departing employees, and calculating leave balances.

The absence of a human resources position is uncommon when compared with other Georgia entities in our review, most of which dedicate one or two positions. It should be noted, however, that this function is typically broader in other agencies and includes recruitment, hiring, and performance evaluation duties that staff at both courts have indicated would continue to be performed within judicial chambers or by management staff.

The courts' shared workload can likely justify a full-time position dedicated to human resources. Combined, the courts employ nearly 200 full-time judges and staff, and shared human resources-related workload (see **Exhibit 8**) is similar to or higher than other Georgia entities in our review. This workload increased for the Supreme Court in fiscal year 2019 with a new term clerk program that hires nine attorneys to work in the justices' chambers for one-year terms.¹¹ Further, as previously discussed, both courts perform payroll duties in-house rather than outsourcing to SAO, which could be absorbed by this position. Finally, staff at both courts estimated they each hire approximately 50 unpaid interns per year.

Exhibit 8

Human Resources Responsibilities for Both Courts Include Hiring and Pay Changes



Combined Court Response: “The Courts agree with the audit report findings that combining ministerial functions, such as human resources and eventually payroll, will improve the efficiency and workload of our fiscal offices. However, we expect that completely merging the appellate Courts’ fiscal departments will likely impede the Chief Justice’s and Chief Judge’s fiduciary responsibility to oversee

¹¹ The Court of Appeals has requested appropriations for a similar initiative in its fiscal year 2020 budget.

and management their respective Courts' operations and funds by diluting department employees' accountability to each executive, particularly as it relates to the fiscal director level and other similarly sensitive functions. As an executive advisor to the Chief Justice and Chief Judge, the fiscal directors of each Court are charged with working directly and solely for their respective Court. Specifically, each Court's fiscal director possesses, maintains, and interprets crucial historical institutional information; gathers and analyzes the Courts' financial data; makes personnel and budget recommendations; and, is intimately involved in the preparation of the Courts' annual budget submissions to the General Assembly. And, in order to preserve the unique nature of these important advisory positions, as well as meet the fiduciary obligations each Court has to the public as separate constitutional entities, the Courts believe it is necessary to maintain some formal separation of the fiscal departments."

The courts also stated that "cross-training and diversity of work-related duties increases job satisfaction, which helps the Court retain qualified and capable employees."

Regarding the use of SAO for payroll functions, the courts stated they recognize outsourcing "would provide some relief to our Courts' fiscal staff, but we are concerned that the time savings would be offset by additional costs and inefficiency of processes." Additionally, the courts did not anticipate that using SAO would eliminate current or future need for positions. Specifically, the courts estimate payroll duties comprise approximately 20% of one Court of Appeals employee's time, the remainder of which is dedicated to revenue collection responsibilities. Similarly, the courts stated the Supreme Court would still need a position to perform duties that "could not be processed and recorded through SAO," such as requesting allotments and state funds. Finally, the courts noted fiscal staff in both courts are able to handle employee inquiries, which "increases the department's responsiveness to the Justices, Judges, and Court staff."

The courts stated they will "monitor the possible benefits" of using SAO's online travel booking system. The courts noted they process a relatively small number of vouchers and that their internal procedures are more efficient for processing judicial travel, which are "normally audited, approved, and processed within two days of submission." The courts also noted the system would cost a combined \$1,200 year, appears to be more complicated and time consuming, and would require additional involvement from the judges and justices, which comprise the majority of the courts' travel.

Auditor Response: Combining the courts' human resources and payroll responsibilities into a shared position will decrease the workload in both fiscal offices and thus reduce the need for future planned positions (e.g., payroll position in the Supreme Court's strategic plan).

Supreme Court Response The court agreed that its accounting workload is generally higher than other similarly sized entities. Additionally, the court stated that "for several years the Supreme Court has considered, but has not yet sought, funding to purchase an electronic workflow system due to the high up-front and ongoing cost associated with implementing such a process. However, we do see added benefit in using such a system and would welcome a combined effort in this area."

Three models for combining fiscal office functions offer varying levels of accountability to the courts and cost savings to the state.

Multiple models exist to combine the appellate courts' administrative functions currently performed in separate fiscal offices. These models have been implemented elsewhere in Georgia government and by other states' appellate courts. Though the functions are similar between the courts and are generally governed by common business requirements, challenges may exist with accountability and cost sharing, depending on the model and function.

We assessed the feasibility of various models evident in Georgia state entities and other states' court systems¹², considering the potential for current and future cost savings as well as challenges related to accountability and service to the courts (see Exhibit 9). Each model has strengths and weaknesses depending on the desired outcome.

All models are feasible under Georgia's current judicial structure (see box below), because standards and practices for fiscal office functions of accounting and procurement are similar throughout state government. However, it should be noted that any combined model may present initial implementation challenges because the courts have their own budget and accounting codes and may have different processes that would need to be standardized.

Current Status – Separate Offices

In the current staffing model, each court's judicial officers manage their own administrative staff, which allows for the highest level of accountability. However, separate offices also require the most state funding due to management positions required in both courts, as well as working level positions responsible for similar functions (e.g., payroll or accounts payable).

Fiscal services are performed separately in the appellate courts of two of the 12 states we reviewed.

Georgia's Judicial Structure

Under the current structure of Georgia's judiciary, each appellate court is a separate constitutional entity that receives its own appropriation. Further, the chief of each court is responsible for managing the respective court's operations, which include how funds will be allocated, what initiatives to undertake, and what positions are necessary to achieve the court's mission. Other states in our review operate under a structure in which the chief justice of the Supreme Court is head of the entire judiciary (rather than just the Supreme Court) and all courts operate from a single state budget. According to other states' staff, this structure increases the likelihood of centralized functions (such as administrative work) and facilitates greater collaboration and standardization among the courts.

It should be noted, however, that Georgia's judicial structure does not necessarily preclude the appellate courts from sharing administrative offices. According to staff with the National Center for State Courts, size, proximity, and funding source (state versus local funding) are important factors in determining whether appellate courts can share administrative staff. Both courts receive state funds and are based in Atlanta (rather than throughout the state). The courts will be housed in the same building at the end of calendar year 2019.

¹² We reviewed 12 other states that, like Georgia, have a single court of last resort (Supreme Court) and intermediate appellate court (Court of Appeals). According to staff at the National Center for State Courts, states with two appellate courts are valid comparisons, regardless of the overall court structure.

Exhibit 9

Various Models Exist for Appellate Court Fiscal Staff

	Separate Staff for Each Court	Combined Staff Under One Court	Combined Staff Under a Separate Entity	Administrative Office of the Courts
Accountability	Each court manages own staff	Court where staff is housed has primary oversight	Accountable to both courts equally	Staff report to AOC director
Cost Savings	None	One director repurposed to HR or eliminated (\$125,000-\$215,000) Planned position unnecessary (\$44,000)	One director repurposed to HR or eliminated (\$125,000-\$215,000) Planned position unnecessary (\$44,000)	Elimination of both directors (\$425,000) Net change in current positions ¹ (-\$25,000-\$200,000) Planned position unnecessary (\$44,000)
Examples in Georgia	Current status	Office of the Reporter of Decisions	General Assembly Joint Offices	Council of Juvenile Court Judges

¹ Cost savings related to working level changes depend on the number of staff required by AOC and the courts. If AOC needed four staff and the courts received separate budget and human resources positions, there is no change in the number of staff needed (and salary adjustments would likely result in additional costs). If AOC needed three staff and the courts shared a budget and human resources position, it would result in the net elimination of two staff.

Source: DOAA

Combined Staff Under One Court

Under this model, administrative staff are housed at one court. This gives one court primary oversight over staff, while the other would likely be consulted regarding performance only. As such, accountability is not shared evenly between the two courts.

Cost savings could be realized by eliminating the need for future staff increases and repurposing or potentially eliminating a fiscal director position. It should be noted that we have assumed all functions currently performed by the fiscal office can be shared by the courts. This includes accounting, procurement, administrative-related human resources, and facilities (discussed in the previous finding), as well as the budget duties such as preparing budget requests (as determined by judicial budget committees) and uploading monthly allotments.

This model is similar to the appellate courts' current arrangement for the Office of the Reporter of Decisions, which is housed at the Supreme Court but publishes both courts' opinions. The reporter of decisions is appointed by the Supreme Court, but

staffing costs are shared between the two courts.¹³ Judicial leaders in both courts agree this is a “model” of shared services between the two courts because the office is accountable to and equally responsive to both courts as clients.

It also closely mirrors an arrangement between the State Board of Pardons and Paroles (PAP) and the Department of Community Supervision (DCS), under which PAP pays DCS the equivalent of one full-time position to manage procurement-related activities. According to PAP staff, while requisition determinations and approvals remain within their management team, there can be challenges with prioritization, particularly during high-spending periods such as the end of the fiscal year. PAP staff indicated this has been mitigated with communication and an established memorandum of understanding that outlines the scope of service, response times, and the number of available personnel.

One other state in our review employs centralized staffing outside the Administrative Office of Courts to provide fiscal support to both appellate courts. In this state, staff report to the chief justice of the Supreme Court.

Combined Staff Under a Separate Entity

This model centralizes staff in an entity that is separate from both courts but operates under a shared accountability structure. Similar to the model above, staff are centralized (resulting in cost savings), but accountability to courts would be equal.

This model is based on the General Assembly’s Joint Fiscal Office, a statutorily created entity that receives its own appropriation and reports to a committee that includes representatives from the House and Senate. The office performs fiscal, procurement, and administrative-related human resources¹⁴ for all offices within the legislature. According to staff, the functions within the department are standardized across the House and Senate to maximize efficiencies and institutional knowledge and are governed by clear policies and procedures. Staff noted the arrangement facilitates partnerships between the House and Senate (e.g., information technology initiatives).

No other state judiciary utilizes this model for its appellate courts.

Administrative Office of the Courts (AOC)

Under this model, AOC staff would perform work related to these functions under the direction of the AOC director. While efficiencies would likely be gained in fiscal and procurement staffing, under the current judicial structure, AOC’s governance could be a challenge to effectively serving the two courts.

This model was observed in 9 of the 12 other states we reviewed and is the current arrangement between Georgia’s AOC and the Council of Juvenile Court Judges, a statutorily independent budget entity that uses AOC for accounting and procurement but maintains its own budget director. Prior to the 2008 budget cuts, the Supreme Court also used AOC staff for administrative support (the Court of Appeals has always had its own staff). According to Supreme Court staff, as budgets were restored,

¹³ The Court of Appeals transfers nearly \$400,000 per year to the Supreme Court. The Supreme Court funds the balance of personnel and operating costs, or approximately \$500,000.

¹⁴ This is restricted to administrative functions such as on-boarding new staff. Tasks related to recruitment and job-specific orientations occur separately within the House and Senate offices.

the justices decided to request funding for positions within the court to ensure increased responsiveness than what was experienced when they relied on AOC.

Moving the courts' fiscal and procurement responsibilities to AOC would likely reduce state spending by eliminating and/or repurposing some of the courts' nine related positions, including management. According to AOC staff, while the fiscal and procurement workloads could not be entirely absorbed by their current staff, it is likely that only three or four additional positions would be required.¹⁵ However, the courts would likely need to retain one or two shared positions for budgeting and human resources, as well as one position for facilities and asset management. This would result in a net decrease in staff and the elimination of both director positions.

According to AOC staff, accountability would be complicated under Georgia's judicial structure. The AOC director reports to the Judicial Council, of which both courts are members but the chief justice heads. This organizational structure could lead to conflict if both courts were AOC "clients."

***Combined Court Response:** The courts stated that "combining ministerial functions, i.e., human resource matters and payroll processes, for both Courts would be more beneficial than combining our respective fiscal offices. We propose that such ministerial functions be moved to a shared office dedicated to these limited (but important) administrative tasks." In the next budget cycle, the courts plan to request funding for a shared human resources coordinator who will handle administrative duties such as recruitment, new hires, orientation, benefits training, and payroll. The courts stated the shared office would "emulate the successful working model used with the Office of the Reporter of Decisions," which "serves both courts equally while administratively reporting to the Supreme Court." The courts noted that higher level human resources functions would be "retained by each Court's separate fiscal office staff due to separate policies." This structure "will best achieve the common goals of cost-savings and collaboration in relation to each Court's human resource and payroll needs, while still retaining the necessary responsiveness and accountability features that both Courts currently enjoy and need in order to fulfill their respective and unique constitutional mandates."*

The courts also noted they "will continue to work together to share common resources," such as the shared library and shared judicial conference room.

Separate technology programs and initiatives create major challenges to combining information technology offices.

While the courts' information technology (IT) staff could be combined to achieve greater efficiencies across positions and more collaboration on mutually beneficial projects, cost savings would likely be minimal. In addition, combining the separate IT offices or existing programs and initiatives presents major operational challenges, primarily related to standardizing disparate processes and systems.

¹⁵ The combined courts' workload would represent a 60% increase in the number of vouchers processed for the single accounts payable technician at AOC. The courts' revenue collection would also represent a significant workload increase for the accounts receivable accountant. Finally, courts' purchasing would nearly double AOC's current procurement workload.

In fiscal year 2018, the courts spent approximately \$2.3 million to operate the two information technology offices (\$973,000 at the Supreme Court and \$1.3 million at the Court of Appeals). This includes staffing, equipment (e.g., servers), and licenses (e.g., Microsoft Office), as well as expenditures for technology programs such as the electronic filing and case management system.

It should be noted that the courts' IT departments provide more than back-office administrative support for network and desktops. According to staff at both courts, IT departments are integral in assisting with special initiatives, which are at the discretion of each court's chief. As such, the accountability structure for IT services can present a challenge.

The extent to which the appellate courts' IT offices can be combined is contingent upon not only similarities in staffing responsibilities, but also technologies currently utilized by the courts. These areas are discussed below.

Staffing

While combining IT staff may result in only minimal cost savings, it would increase resources to manage desktop and network support, as well as other responsibilities within the technical services offices.

The appellate courts spend a combined \$1.0 million (salary and benefits) for seven IT positions. This includes three positions at the Supreme Court (totaling \$453,000) and four positions at the Court of Appeals (totaling \$580,000). Each court has dedicated positions for desktop support and network administration, while the Court of Appeals employs an additional systems analyst responsible for web-related duties, audio-visual, and phones (which are among the Supreme Court director's responsibilities). Both courts' directors are involved in strategic planning, budgeting, and the planning and implementation of new technology initiatives. While varying complexity of work and business requirements make comparisons of IT staffing across state government entities difficult, both courts generally have fewer IT staff than other agencies with similar budgets.¹⁶

Given the relatively low number of IT staff employed by the courts, it is unlikely that combining appellate IT offices would result in significant personnel cost savings. However, a joint IT office would allow some positions to be restructured, providing greater focus and specialization in particular areas while also ensuring backup support in key functions. It would likely also eliminate or streamline work that is currently being performed twice in the separate offices (e.g., network upgrades). The impact of combining the primary IT functions shared across the courts is described below.

- **Desktop Support** – Separately, each court has one staff member primarily responsible for desktop support; however, both IT directors stated they also frequently respond to calls for assistance. In a combined office, two dedicated positions would still be necessary to be responsive to the nearly 200 combined users. However, two positions may be sufficient and result in fewer instances

¹⁶ Of the six entities with budgets similar to the courts, two were removed from our comparison: (1) The State Board of Pardons and Paroles, which contracts with the Department of Community Supervision for IT support, and (2) the Judicial Council, which employs developers for work not comparable to the courts.

of other IT staff leaving their primary responsibilities to address user problems.

- **Network Maintenance** – According to Georgia Technology Authority (GTA) staff, economies of scale can be realized in sharing networks, particularly when processes and platforms are similar; however, two positions should be designated to ensure proper backup. As such, while each court employs a network administrator, both positions would likely be necessary to ensure primary and backup support.
- **IT Office Management** – Directors of both courts—but particularly the Supreme Court—currently perform non-managerial duties that may take precedence over leadership responsibilities. For example, the Court of Appeals IT director estimated approximately half his day is spent on activities related to support and maintenance, which are the primary responsibility of non-managerial staff. Likewise, the Supreme Court IT director is responsible for audio-visual and the website, which are assigned to a systems analyst at the Court of Appeals who receives a significantly lower salary. Combining staff would increase the number of working level staff assigned to these duties and thus increase the director's time for strategic planning or special projects.

Additionally, both directors are responsible for managing each court's technology initiatives, which, as discussed below, can be duplicative (e.g., two electronic filing contracts). According to staff at other Georgia entities and other state judiciaries who utilize combined IT offices, joint staffing facilitates collaboration on technology projects that may benefit the multiple entities.

Technology Programs

While a combined staff would likely strengthen IT support and maintenance functions, a single IT office would require standardizing processes, programs, and initiatives across the courts. This presents major operational challenges, which would likely be costly in the short-term and may not result in long-term savings.

With separate IT staffing, the courts are able to determine how their IT offices will be operated, as well as whether and how they will pursue certain technology initiatives. For example, the courts operate separate networks on the platform that fits their preference. Likewise, they have developed and customized separate e-filing and docket systems. These primary technology programs—and the impact of operating them separately and jointly—are described below. In both instances, combining would require one court to change its processes and systems.

- **Separate Networks** – Currently, the courts operate their own infrastructures (e.g., email, file, print) and use two different types of underlying network technologies. According to both courts' IT directors, operating individual networks allows them to determine the most advantageous time for updates and determine the platform that best meets the courts' preferences.

Prior to 2015, the courts, along with the Council of Superior Court Judges, shared servers that the Court of Appeals owned and operated. Following what both courts' staff described as conflicts related to upgrades and maintenance, the Supreme Court received a \$300,000 appropriation to acquire its own

servers and switch from the Micro Focus¹⁷ network to Microsoft. The Court of Appeals still shares a server with the superior court council.

According to staff from GTA and other state entities that share IT offices, the courts would need to use the same server platforms to maximize efficiencies and effectiveness of joint staff. However, this would require a significant amount of work because the courts' infrastructures and network technologies are different. The Court of Appeals uses a Micro Focus platform, while the Supreme Court moved to Microsoft. According to GTA staff, standardizing these platforms and systems (e.g., moving the Court of Appeals to Microsoft¹⁸) could be costly in the short-term, and it is unclear whether long-term savings would be realized.

- **Separate E-Filing¹⁹ Contracts** – While both courts have used the same vendor to implement and maintain electronic filing and electronic records, the courts operate separate systems under separate contracts. Each court pays an annual flat rate in accordance with the scope of services and number of users, though additional costs are incurred if the courts request system enhancements (e.g., electronic voting).

The separate systems and contracts have been customized over the years to fit each court's preferences and business processes. For example, the Supreme Court's docket primarily stores case information, while the Court of Appeals system (updated later) includes business processes such as daily assignments and electronic voting. According to the courts and the e-filing vendor, the level of customization would make combining the two systems difficult and costly after 10 years of implementation.

It should be noted, however, that a single electronic filing and case management system could have been created had the courts collaborated years ago. While some aspects of court operations are different, the courts' baseline needs—for electronic submission of filings and records and a case management system—are the same. Similar baseline needs generally facilitate collaboration on the main structure of a system, with customizations possible as differences emerge. Multiple states that have implemented e-filing in their appellate courts indicated their courts use the same system.

Such joint systems under a single contract are typically more economical for the state than separate, similar projects. For example, under a single system, standard maintenance and enhancements that benefit both courts would be performed once rather than twice.²⁰ Likewise, a single designated staff person

¹⁷ Formerly known as "Novell."

¹⁸ According to Court of Appeals IT staff, the Micro Focus platform offers sufficient support, security, and functionality to fit the court's operational needs and budget. However, Microsoft is the more widely used software within state government and, according to GTA staff, the more compelling choice based on supportability, features, and cost (applications such as Word and Excel can be bundled into the cost of the operating system). The Supreme Court indicated its transition was not difficult and that using Microsoft has increased product compatibility, simplified updates, and helped meet programming needs.

¹⁹ For this discussion, "e-filing" comprises the full system functionality related to electronic filing of motions, briefs, etc.; the electronic docketing system; and the electronic trial courts record system.

²⁰ Both courts indicate that they have implemented the other court's initiative at a later date depending on prioritization and funding. For example, the Supreme Court implemented an automatic recusal system, which the Court of Appeals is currently requesting. Likewise, the Court of Appeals' system has electronic voting, which the Supreme Court staff indicated it is currently pursuing.

for both courts (rather than one for each court) would likely result in more efficient contact with the vendor. Finally, a single system may have lessened the need for staff in both courts to separately recruit trial courts to participate.

While the two established technology programs described above would be significantly challenging to consolidate, there may be other instances in which the courts could collaborate in the future. Prior to implementing new technology initiatives, both courts should consider whether a joint project would be feasible and economical. This is discussed further in the next finding.

Combined Court Response: The courts “largely agree with the audit report’s assessment of our IT divisions,” stating that “the audit report rightly emphasizes that merging the Courts’ information technology offices would be ‘more challenging,’ present ‘major operational challenges,’ and, more importantly, would be ‘costly in the short term’ and ‘result in few long-term savings.’” The courts also noted they “have consistently worked together over the years to share information and resources regarding our respective IT systems. We will continue to look for ways to build off each other’s systems and developments where possible to conserve state resources and provide better service to the public.”

The courts noted they operate separate docket systems because “processing requirements for each Court are vastly different,” citing the en banc vs. panel voting in the Supreme Court and Court of Appeals, respectively, which means “the Court of Appeals’ docket requires a unique and complex case assignment, tracking, and voting system that the Supreme Court docket does not.” The courts cited a 1987 Department of Administrative Services evaluation that determined each court should “develop its own customized system with the understanding that about 60 percent of the underlying code base would be shared.” These systems were operated until 2012, when the courts “followed this same collaborative process” to develop new systems using a shared vendor.

The courts further stated that “it is our understanding that other state appellate courts sharing a single system are part of truly unified judicial systems and organized as managed statewide entities that include all of their respective trial courts,” which result in “completely different economies of scale and business processes.”

The courts cited that while each court has a separate contract for electronic records, they use the same vendor, and each has been the “primary developer for different portions of the system...to save development time and money.” When one court paid for the development of a portion of the system (e.g., user portal, web service), the other court was able to build on the development “for half the cost.” The courts stated “this joint development process between the appellate Courts continues as each Court improves and refines their respective e-filing systems.”

Auditor Response: Based on our review of other states, a shared system does not necessarily require both courts to operate in the exact same manner. Staff in one state with a single appellate case management system noted the courts have still been able to customize and adapt the system to account for differences in the court of last resort and intermediate appellate court.

While the second court to adopt a common feature may pay reduced development costs, a single system under a single contract would require one-time development and maintenance, with customizations for each court as needed. This likely would have cost the state less money overall.

The courts generally have their own contracts for services, and there appears to be little benefit in combining the contracts at this point. However, opportunities may exist for shared contracts in the future.

The courts currently share a single contract, and it is likely not feasible or beneficial to combine the separate contracts for similar services. However, there may be opportunities to collaborate in the future, given the similarities in the courts' missions and key activities, as well as their proximity in the new judicial building. In the future, the courts should investigate the use of shared contracts for services needed by both courts.

Using shared contracts typically yields cost savings and decreases duplicative effort in managing the contracts (e.g., one point of contact rather than two). However, a joint contract requires both entities to collaborate and potentially compromise on business processes or preferences regarding the service provided to ensure the standardization necessary to maximize efficiencies.

The courts currently share an agreement for an outside vendor to shred internal court documents. The vendor picks up bins from each court monthly or as needed, and the Supreme Court pays the full cost for each pickup. This totaled approximately \$4,400 in fiscal year 2018.

For other services, the courts have opted to have separate contracts, even when using the same vendor. As described below, it is unlikely combining these contracts would be beneficial or cost effective, whether it is due to the diverging systems developed (e-filing) or the pricing structure (scanning and legal research).

- **Electronic Filing Initiative** – As discussed in the previous finding, each appellate court manages a contract for an electronic case management system that accepts and stores trial court records and attorney documents. The courts use the same vendor but created separate systems that are customized to fit the individual courts' preferences. According to the vendor and court staff, it would be costly to combine them.
- **Scanning** – Both courts contract with the same vendor to scan various documents, including attorney filings and case records on microfilm, into an electronic format. The Supreme Court's contract includes additional documents, such as financial records and any new case records the trial courts submit in paper format. Between fiscal years 2016 and 2018, the Court of Appeals spent approximately \$50,000 for scanning, and the Supreme Court spent nearly \$250,000. Pricing is based solely on a per image calculation; as such, it is unlikely the state would save money with a joint contract.
- **Legal Research Subscriptions** – Both courts utilize the same vendors for legal research services, which total nearly \$59,000 per year for the Supreme Court and \$47,000 for the Court of Appeals. Prior to the recession, the courts shared contracts for these services but found that their individual needs and jurisdictional differences justified separate monthly subscriptions. Because costs are primarily based on the number of users and research service products needed, shared subscriptions would not present significant savings.

Finally, the Court of Appeals manages a contract for services that the Supreme Court may need in the near future. In fiscal year 2016, the Court of Appeals spent nearly \$70,000 for the software, installation, and training for a system that automates the purchasing process and electronically stores fiscal office documents. The court pays approximately \$10,000 per year for licensing and support. The Supreme Court does not have a similar system, but its strategic plan includes an intention to purchase one. Before incurring significant upfront costs associated with a new system, the courts should investigate the practicality of a joint contract with additional licenses rather than procuring separate contracts.

***Combined Court Response:** The courts stated that “when the Supreme Court implements a paper processing system, it will benefit significantly from the Court of Appeals’ experiences in development and cost, leading to overall savings for the citizens of Georgia.”*

The courts’ electronic filing initiative has changed business processes, but it has not reduced the number of staff required by the courts.

Staff at both courts indicated the implementation of electronic filing (e-filing) and case records has resulted in operational efficiencies and effectiveness across various stages of case disposition. However, neither court has reduced staff, likely because certain processes are not impacted by the initiative and, in the Court of Appeals, electronic case records have been only partially implemented.

The National Center for State Courts (NCSC) and the National Conference of Appellate Court Clerks (NCACC) have recognized numerous benefits of e-filing in appellate courts. These benefits include decreased time to docket (discussed in the next finding); savings from postage and printing; reduced storage space; and increased security and accessibility. NCSC staff noted, however, that e-filing does not necessarily decrease the number of positions in an appellate court but rather changes job descriptions and duties.

Interviews with staff involved in the various phases of case processing (described on page 5) indicated the e-filing initiative has impacted the courts’ business processes. Staff stated changes to internal operations have allowed them more flexibility in compiling and reviewing cases. Staff also noted efficiencies gained from electronic filings and records, such as less time to compile the full case record or search for key aspects of a case. The impact the initiative has had on phases prior to and after a case is docketed is described below.

Pre-Docket

Pre-Docket

Court clerks obtain case record from the trial court and verify its completion. Case is then docketed.

Clerk staff indicated that collecting and verifying the case record is more streamlined when documents are submitted electronically; however, the process may not ultimately be faster because it is dependent upon the trial courts’ submission timeline.

In a paper-based system, trial courts mail the case record to the appellate courts after receiving the notice of appeal. Clerks then sort through received documents stored in their offices, enter the pertinent case information into the docket system, and docket the case. When records are sent electronically, trial courts log in, upload the

documents, and enter case information. Appellate clerks verify the information entered by the trial courts against the submitted electronic record.

According to the clerks in both courts, the process for reviewing electronic records is more streamlined than with paper records, which can decrease the time it takes to ensure submissions are complete (this is necessary for a case to be docketed). In particular, the appellate courts do not have to wait for records to be sent by mail and can communicate with trial courts more quickly when additional documents are needed. Additionally, Supreme Court clerk staff indicated trial courts can electronically certify an entire case record rather than each of the potentially numerous components; this has greatly decreased the clerk's time to verify the certifications.

Clerks noted, however, that because they depend on trial courts to provide case records and still must verify the same information in an electronic or paper record, the number of days to docket a case may not decrease. Appellate court staff stated a majority of records submitted by the trial courts are not complete, and this has not changed since the implementation of electronic records.

Post-Docket

Staff involved in jurisdiction and judicial review identified the searchability and accessibility of electronic records as beneficial. Additionally, during the post-docket phase, attorneys' electronic submission of required documents has further streamlined the process.

Under a paper-based system, central staff attorneys receive the physical record for review to assess whether the case is within the court's authority. Case records are physically transferred (carted if it is a larger case) to judicial chambers for further evaluation.

While the process is similar with electronic records, staff indicated the ability to search for key words has allowed for a more thorough and expedited review of case records during several phases of the appeals process, such as determining jurisdictional appropriateness or evaluating the parties' arguments. This may include reviewing the entire case record to ensure no fact was overlooked that could be critical to the case or arguments made by the parties.

Additionally, judges, staff, and parties to the case are now able to electronically access the case record and briefs (along with other electronic attorney filings) simultaneously, which allows for increased collaboration and decreased need for copies. Electronic records have also decreased the risk of cases being delayed or interrupted due to inclement weather because staff are now able to work remotely. Finally, administrative assistants for both courts stated they spend less time copying parts of the record or briefs for the justices and judges because they can be accessed electronically (though staff indicated some staff and judges still print the record).

The initiative has also impacted how attorneys submit the motions, briefs, and other documents required during the post-docket phase. Prior to e-filing, attorneys had to submit paper briefs in-person or by mail with the appropriate number of copies depending on the appellate courts' requirements. Filings, such as motions for reconsideration, had to be postmarked or brought to the courts by close of business

Post-Docket

Central staff attorneys make recommendations regarding the court's authority over the case. Judges and justices then review the case and issue a final decision.

on the deadline date. However, time in transit delayed the courts' receipt of the documents. With e-filing, attorneys²¹ electronically submit documents through the courts' online platform, which does not require copies because court staff can electronically access the submissions. Additionally, attorneys can submit e-filings by the end of the day on the deadline date, which court staff indicated provides more time to compile the documents rather than deliver them. Submitting records electronically is most impactful for those who work furthest from the courts' Atlanta location.

It should be noted that Court of Appeals post-docket staff indicated they did not necessarily experience efficiencies from e-filing in the same way as the Supreme Court. This may be because the Supreme Court scans paper records into an electronic format, while the Court of Appeals works with the record in the form it was received (paper or electronic). According to other states we reviewed, working in separate formats may decrease efficiencies; however, Court of Appeals staff noted it has not elected to scan paper records due to the added time and cost associated with their volume²².

Additional Areas Impacted

We identified additional benefits that affect both phases of case processing or general court operations. These benefits, as well as the impact to staffing, are discussed below.

- **Staffing** – While neither the Supreme Court nor the Court of Appeals have reduced staffing, both courts have credited the initiative with increasing flexibility to restructure a few positions. For example, the Court of Appeals' current document clerk, charged with mailroom duties, is being retrained to docket backlogged cases due to diminished duties related to maintaining paper records. Additionally, the Supreme Court was able to transition one full-time administrative assistant to part time because she can now more quickly complete her duties.
- **Storage** – Staff noted that paper records are difficult to store and manage, particularly complex cases with records that require numerous boxes. Additionally, staff for both courts said paper records often overwhelmed their offices and consumed all open and available space prior to the implementation of electronic records. After accepting electronic records, the Supreme Court was able to convert part of its records room to new offices for staff, while Court of Appeals staff indicated that they do not need as much space and filing equipment for records in the new judicial building.
- **Security** – Staff stated paper records are susceptible to loss and damage that can be irreversible. By contrast, electronic records are not likely to be lost or damaged because there are recovery procedures and files can be duplicated. Also, staff stated there have been instances where paper records have gotten intertwined with another case's record, which is not a concern for electronic records.

²¹ Both courts require attorneys to electronically file court documents. An exception is made for pro se filers, or individuals who represent themselves. This is consistent with other states in our review. In the 2018 docket year, pro se litigants participated in 20% of direct appeals cases in the Court of Appeals and 34% of Supreme Court direct appeals cases.

²² In the 2018 docket year, the Court of Appeals received paper records in 655 cases compared with 157 received by the Supreme Court.

- **Postage** – In a paper-based process, courts would receive the original case record from the trial court and, once the case was disposed, incur mailing costs to return it via certified mail. With the electronic process, the trial courts retain the original record, and the appellate courts can maintain their own copy for reference in the case management system. This reduces shipping costs for both the trial courts and appellate courts.
- **Reporting** – Electronic case management systems provide the courts with the ability to more easily track performance. For example, courts can determine which trial courts are submitting records electronically, the timeliness of records submission, or the timeliness of its own review of case files. According to Court of Appeals staff, the chief judge has used the system to run internal reports.

The time to receive a case record is generally shorter when the trial courts submit electronically.

Cases with electronic records generally move through the pre-docket phase more quickly than paper records. However, the trial courts have not consistently participated in the initiative, and both appellate courts still receive case records in paper form.

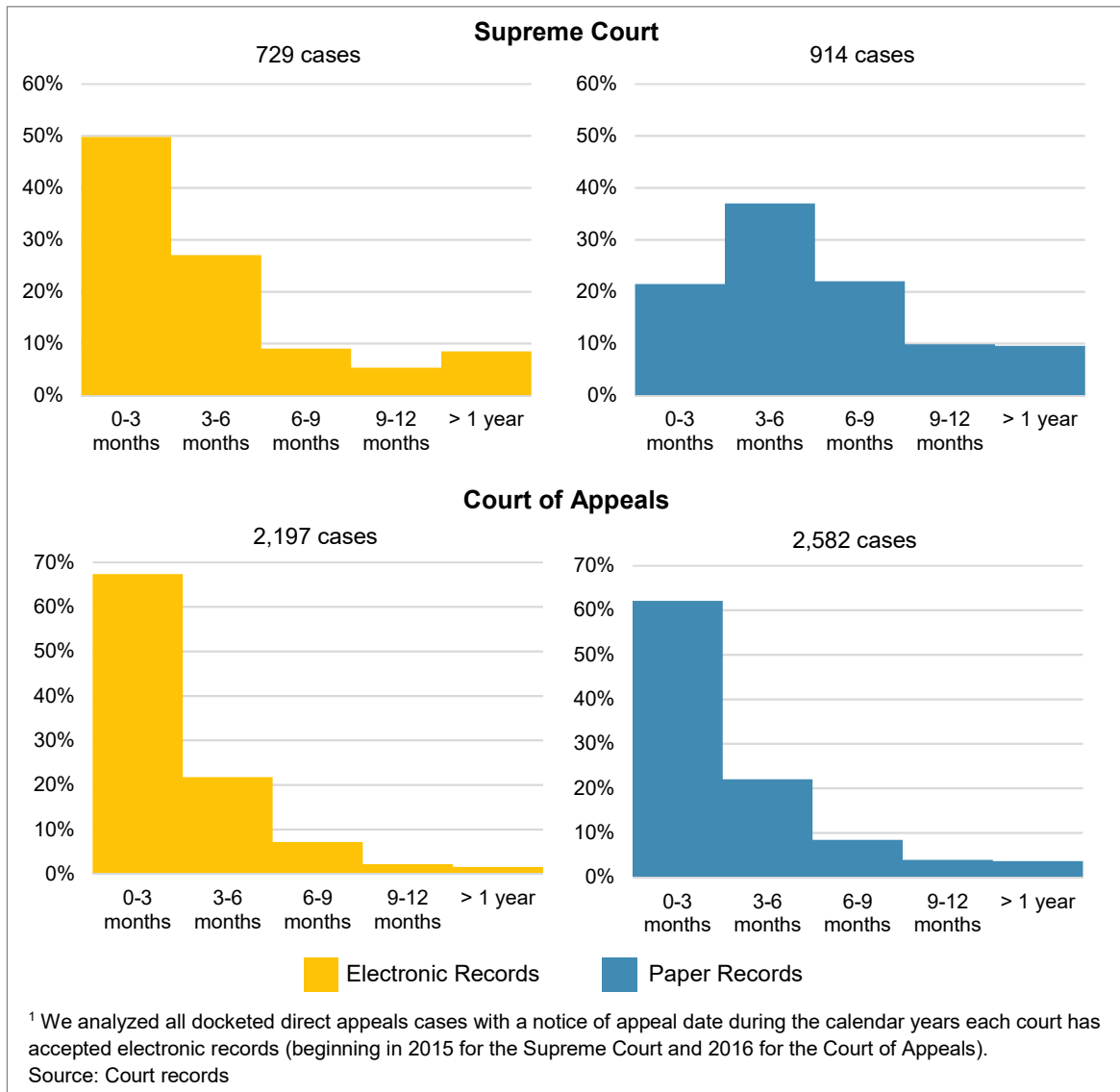
To test the extent to which electronic records may have impacted the time to collect and verify trial court case records, we analyzed the time between the notice of appeal date and the date the case is moved to the judicial docket.²³ We analyzed docketed cases²⁴ with a notice of appeal date within the calendar years each court has accepted electronic records (the Supreme Court began in 2015, and the Court of Appeals began in 2016). Our analysis includes only direct appeals because they represent the majority of cases that require the trial courts to submit case records to each court.

As shown in **Exhibit 10**, the Supreme Court's pre-docket phase is generally shorter for a case with electronic records. Approximately half of the cases with electronic records were docketed within three months of the notice of appeal date, compared with 21% of those with paper records. At the Court of Appeals, approximately two-thirds of cases were docketed within three months of their notice of appeal date, regardless of record type. According to Court of Appeals staff, the fact that cases with electronic records are not faster than those with paper is likely due to staff still learning how to efficiently process and review electronic records. The Court of Appeals implemented the system a year after the Supreme Court. This is supported by a significant decrease in the average number of pre-docket days for electronic records between the first and second years of implementation.

²³ The courts have a constitutional requirement to dispose a docketed case within two terms; therefore, the time prior to docketing (when the appellate courts are collecting a complete record from the trial courts) can significantly impact how long an appellant must wait for a decision.

²⁴ Docketed as of July 10, 2018 in the Court of Appeals and September 17, 2018 in the Supreme Court.

Exhibit 10
Cases with Electronic Records Are Moved to the Docket Quicker Than Paper Records in the Supreme Court¹



Even though electronic records are quicker on average, trial courts continue to send paper records to both courts. As shown in Exhibit 11, however, the percentage of participating counties and cases has been increasing each year at both courts. Additionally, counties have been inconsistent in their participation—approximately 84% of counties that have submitted electronic records to the Court of Appeals in one case have subsequently sent a paper record in another (116 of 138), compared with approximately 59% of counties submitting to the Supreme Court (33 of 56).²⁵ Supreme

²⁵ This analysis includes only counties that filed another case in the respective appellate court following its initial submission of an electronic case record. Since the courts began accepting electronic records, 87 counties have submitted electronic records at least once to the Supreme Court, and an additional six counties have registered but have not had a case. In the Court of Appeals, 147 counties have sent an electronic case record, and an additional seven have registered.

Court staff indicated that beginning in spring 2018 they no longer accept paper records from counties that have previously submitted electronically.

Exhibit 11

Trial Court Participation in Electronic Records Has Increased (CY 2015-2018)¹

	2015	2016	2017	2018 ²
Supreme Court				
Number of Direct Appeal Cases	593	541	334	175
Percentage of Counties E-filing ³	34%	41%	59%	75%
Percentage of Cases E-filed	22%	48%	60%	79%
Court of Appeals				
Number of Direct Appeal Cases		2,191	2,020	568
Percentage of Counties E-filing ³		42%	70%	71%
Percentage of Cases E-filed		20%	64%	79%
¹ For each court, we included only direct appeals cases for which a notice of appeal date and docket date occurred within the time period reviewed. ² Represents cases with notice of appeal dates from January to June in the Court of Appeals and January to August in the Supreme Court. ³ Percentage of counties that electronically filed a case record at least once. Source: Court records				

Unlike other states we reviewed, Georgia does not require trial courts to electronically submit case records to appellate courts. According to other states, the process must be fully electronic to maximize efficiencies and other benefits. With all courts using electronic records, processes can be streamlined and staff can be trained on one format. Appellate court staff agreed that moving between the two record types can be inefficient. Additionally, the Supreme Court noted it spends additional funds (approximately \$47,000 from fiscal year 2017 to 2018) to scan in paper documents from the trial courts into its case management system.

Appellate court staff indicated that some trial courts may not participate in electronic records due to the lack of funding to update software and technology. Additionally, turnover within the trial court clerk's office may require retraining in a county that may have previously participated. Finally, trial courts may not have their own records stored electronically, which may make them more likely to mail the paper record instead of scanning it.

Docketing Time Largely Driven by Trial Courts

Following a trial court decision, a litigant has 30 days to file a notice of appeal with the trial court. However, according to staff in both appellate courts, trial courts may delay in submitting the case record related to the appeal. Once the appellate courts receive the record, it is often not complete, which causes further delays.

In a March 2018 opinion, the Supreme Court noted it and the Court of Appeals have repeatedly admonished the trial courts for the delays within the appellate process. As such, the Supreme Court required the Council of Superior Court Judges to develop a uniform rule to address the issue. The council has issued a rule (effective January 2019) requiring all superior court clerks to submit a list of felony cases awaiting appeal. Additionally, the rule requires the clerks to compile and transmit case records within 60 days of the notice of appeal date.

The Supreme Court and Court of Appeals have reasonable budget processes that are generally consistent with guidelines from the Governor's Office of Planning and Budget.

The Supreme Court and Court of Appeals have similar, reasonable processes for devising annual budget requests. Unlike executive agencies, judiciary budgets cannot be revised by the Governor's Office of Planning and Budget (OPB), and courts are not subject to zero-based budgeting requirements. The courts do perform internal reviews to develop and prioritize annual requests, but they may further benefit from periodic detailed reviews of operations similar to zero-based budgeting analyses.

As shown in **Exhibit 12**, since fiscal year 2017, the courts have each requested a nearly 40% increase in their respective budgets (approximately \$4.9 million at the Supreme Court and \$6.9 million at the Court of Appeals).²⁶ The majority of requests are related to new and restored positions, though they have also included new technology initiatives and programmatic enhancements (see [Appendix C](#) for a full list of requests). Between fiscal years 2017 and 2019, the General Assembly funded approximately 83% (\$7.5 million) of the \$9.1 million in increased appropriations requested by the courts.

To determine requests for the upcoming budget, court staff consider their five-year strategic plans and prioritize their requests based on workload statistics and other data points. Staff submit requests and corresponding justifications to their respective executive budget committees, which are composed of judicial leaders. The final budget is approved by the chief judge or chief justice, and staff submit budget requests to OPB. Because OPB does not have authority to revise the judicial requests, they are sent to the General Assembly as submitted. The courts' respective chiefs present their budget requests to legislative appropriations committees during budget hearings.

As described below, we identified several areas that indicate the courts undergo sufficient procedures to determine and present requested enhancements to OPB and the General Assembly.

- **Both courts have developed a strategic plan to inform future requests.** Leadership from each court developed strategic plans that have been shared with the General Assembly and outline future initiatives and needs through fiscal year 2023. The Supreme Court's plan summarizes the functions, priorities, and goals of each court office (e.g., chambers, technology department, fiscal office) and lists future appropriations requests that correspond to specific court initiatives. The Court of Appeals' strategic plan is organized by five high-level goals designed to improve court efficiency and effectiveness. Each goal has specific objectives and descriptions that include timelines, performance measurements and indicators, costs, key partners, desired outcomes, and actual outcomes.

²⁶ These amounts do not include requests related to expenses for the new judicial building expected to be completed in December 2019. In fiscal year 2019, the Supreme Court requested approximately \$859,000 for the building, while Court of Appeals requested approximately \$1.3 million. The General Assembly did not fund either request.

According to court staff, the strategic plans serve as a starting point for determining the upcoming budget requests. Staff and judicial leaders update the plans based on changing needs and judicial priorities.

Exhibit 12

Courts Have Requested a Nearly 40% Increase in Their Budgets (FY 2017-2020)¹

Fiscal Year	Prior Year Budget	Requested (increase from previous year's budget)	Purpose of Request
Supreme Court			
2017	\$12.5 million	\$815,000 (6% increase)	Reporter of Decisions staff (shared with the Court of Appeals), clerk's office positions, information technology position, procurement position ² , administrative assistant position
2018	\$14.5 million	\$2.1 million (14% increase)	Judgeships and associated staff, accountant position, information technology position, procurement position ²
2019	\$15.4 million	\$1.9 million (13% increase)	Term clerk attorneys, clerk position, procurement position ²
2020	\$16.4 million	\$70,000 (>1% increase)	Judicial per diem and mileage
Total	--	\$4.9 million	--
Court of Appeals			
2017	\$18.6 million	\$3.1 million (17% increase)	Judgeships and associated staff, staff attorneys, Reporter of Decisions staff (shared with the Supreme Court), procurement position, information technology position, clerk's office position
2018	\$20.9 million	\$815,000 (4% increase)	Staff attorneys, clerk's office position
2019	\$21.6 million	\$315,000 (1% increase)	Staff attorney
2020	\$21.4 million	\$2.7 million (13% increase)	Term clerk attorneys, staff attorneys
Total	--	\$6.9 million	--
¹ Budget request amendments are included for fiscal years 2017-2018. Fiscal year 2019 amended requests are included under fiscal year 2020 and had not been reviewed by the General Assembly at the time of this audit. ² The Supreme Court requested a single procurement and facilities coordinator position for three fiscal years. Source: Court appropriations requests			

- Courts internally evaluate workload statistics to develop and prioritize requests. Court staff indicated they provide judicial executive committees with information that justifies the need for added staff, though we found instances in which Supreme Court requests were not based on workload statistics. The Supreme Court's internal documents, for example, use the number of jurisdictional reviews to determine whether additional central staff attorneys should be included in future appropriation requests. The Supreme Court's strategic plan also indicates certain requests (e.g., docket clerk and public information officer) will be contingent on workload assessments.

However, the need for a procurement coordinator²⁷ was based primarily on staff attestation of need rather than workload statistics.

By contrast, the Court of Appeals staff based its need for a supplementary procurement position on the number of purchase orders and square footage dedicated to judicial offices—both of which had increased at the time. The court also concluded a systems analyst was necessary due to the additional number of court devices (e.g., computers, tablets, etc.) and supported a document clerk based on the rising number of incoming cases.

- **Alternatives to budget increases have been considered in some instances.** Staff at both courts indicated they work to minimize budget increases and explore ways to avoid asking for additional appropriations. For example, both courts use unpaid interns rather than hiring full-time employees for clerical duties. Additionally, both courts have identified hiring temporary term clerk attorneys as an economical alternative to annualized positions that would be subject to pay increases over time.²⁸

However, we also identified instances in which the courts may have been able to lower overall costs to the state. For example, as discussed on page 21, the courts likely would have saved money had they worked together off a shared contract for their e-filing initiative. Likewise, as discussed on pages 10 and 11, the Supreme Court plans to request funding for a payroll administrator rather than utilizing SAO shared payroll services (the Court of Appeals also performs payroll in-house).

- **Courts prioritize and include justifications for enhancement requests in accordance with OPB guidelines.** In its procedures for submitting fiscal year 2020 budgets, OPB instructed agencies to prioritize requests and justify enhancements with supporting data. Both courts followed these guidelines in their budget requests by ranking enhancements and including information regarding the need, current efforts, and the impact of the increase.

The courts have also included justifications in previous requests, though additional data may have been beneficial in establishing need. For example, the Supreme Court has generally focused on caseload statistics, which can be helpful in establishing need for positions related to judicial chambers or the clerk's office. However, in requests for administrative positions, workload data related to the particular job description (e.g., number of vouchers or purchase orders) would assist in justifying those enhancements. As described above, the Court of Appeals used job-related information to support the need for an additional procurement position.

OPB also reiterated the importance of incorporating performance information to provide decision makers with data regarding workload, efficiency, and effectiveness. As noted in the box below, it would be beneficial for the courts to incorporate standard performance measures to further support budget requests.

²⁷ The Supreme Court's procurement position was funded in fiscal year 2019—the third year the position was requested.

²⁸ The Supreme Court received funding for its judicial clerkship program in fiscal year 2019. The Court of Appeals has requested funds for 15 term clerks in fiscal year 2020.

Zero-Based Budgeting

Each year, specific budget programs within executive agencies may be required to undergo a zero-based budgeting analysis. Courts are statutorily exempt from the requirement, and while they do examine their processes at a high-level, a more detailed periodic review of their offices would be beneficial.

Zero-based budgeting in Georgia represents a more detailed, targeted review of a particular program than what would occur during the annual budget process. Specifically, zero-based budgeting isolates a particular program, reviews its key activities and related staffing and resources, and determines relevant performance measures. For example, in the fiscal year 2018 zero-based budgeting report, OPB analyzed the Georgia Bureau of Investigation's (GBI) Departmental Administration (one of four programs under the agency's overall budget). Financial management and human resources were among the program's key activities, with the number of accounts payable transactions and agency turnover rate listed as performance measures.

The courts are each a single budget program, while most agencies have multiple programs. As a result, they generally review their operations at a high level, determining what needs to be done to achieve the broader mission of deciding appellate cases within two court terms. While this is appropriate and necessary, the courts would benefit from a more in-depth review of offices that might be considered a separate program in another agency. For example, the zero-based budgeting review of GBI's administrative office could also be performed for the courts' fiscal office, with measures such as the number of accounts payable transactions, revenue collections, or number of days to process purchase orders. If the courts applied zero-based budgeting to the clerk's office, they may decide to track metrics like time to docket (discussed in the finding on page 27), which is relevant even with the two-term rule.

Performance Measures in the Appellate Courts

According to OPB, performance measures provide organizations and decision makers with data that demonstrate how the program is operating, serving constituents, and achieving its intended outcomes. OPB recommends performance measures describe workload and efficiency (outputs), as well as effectiveness (outcomes).

Each court views the two-term mandate for adjudicating cases as their primary performance measure but also tracks additional workload measures. The Court of Appeals reports total case filings, fee revenue, case dispositions, and judicial caseloads annually to OPB; case filings and dispositions are also published on its website. The Supreme Court does not report measures to OPB but internally tracks the number of cases received and disposed, judicial caseloads, and number of jurisdictional reviews. While this information measures workload through outputs, it does not assess court effectiveness.

NCSC recommends appellate courts measure effectiveness in the areas of access, timeliness, and organizational performance. This includes the following metrics: quality of service, time to disposition, clearance rates, age of active pending caseload, court employee satisfaction, and reliability and case file integrity. According to NCSC, these metrics are valuable for preparing, justifying, and presenting evidence-based budgetary needs. Five of the nine other states we reviewed have adopted at least one of the measures.

Staff in both courts stated they have not incorporated NCSC metrics into their operations because of their reliance on the two-term rule. However, certain measures would benefit the courts. For example, the time to docket (which relates to NCSC's time to disposition and mentioned on page 27) would prove valuable in identifying barriers in moving cases through the courts as quickly as possible.

***Supreme Court Response:** The Supreme Court stated it reports fee revenue to the Office of the State Treasurer and the Office of Planning and Budget; financial data to the Department of Audits and Accounts and the State Accounting Office; and court metrics to the National Center for State Courts. The court noted that “as more resources are available in the future to assist with tracking and reporting the Court’s performance/workload measures, it is our intent to expand on this effort.”*

While the courts have implemented processes to safeguard assets and assure appropriate and economic use of resources, opportunities for improvements exist.

The courts have sufficient internal controls related to revenue collection, payroll processing, and inventory management. However, we noted instances in both courts where additional documentation was necessary to demonstrate purchases and/or travel were consistent with state policy. The Supreme Court should also codify its policies and procedures for all areas we reviewed.

In December 2015, SAO and OPB issued a joint memorandum highlighting the importance of internal controls. Since then, all state government entities—including the appellate courts—have been required to submit to SAO documents related to the five components of an internal control framework, which include management oversight, risk assessment, activities to control for or detect risk, information and communication, and monitoring performance.²⁹

Internal Controls

A process that provides reasonable assurance that the organization’s objectives will be achieved.

Internal controls related to financial management include documented policies and procedures, segregation of duties, proper approval processes, and the reporting of reliable financial information. To evaluate the courts’ internal controls related to financial management, we reviewed available court policies and procedures related to revenue collection, purchasing (e.g., procurement and purchasing cards), payroll, travel, and inventory management. We also tested a sample of transactions and records to determine whether staff consistently adheres to policies.

As described below, the courts generally ensure accurate tracking of financial information; however, we noted areas where additional documentation is needed to further support travel expenses and/or purchasing. Additionally, though the Supreme Court has documented policies related to purchasing cards, it should officially codify its remaining policies and procedures to ensure consistent application and adherence by staff (which the Court of Appeals has done).

- **Revenue Collection** – Both courts collect fees for various reasons, including case filings, copying records, and (for the Supreme Court) the bar exam. Fees are collected via cash, check, or credit card. Both courts have ensured—through procedural and system controls—that all required revenue is collected and, if applicable, submitted to the treasury.

In addition to both courts tracking receivables to treasury deposits, the Supreme Court also reconciles case filings to the docket. To ensure all

²⁹ At the time of this review, state entities had submitted to SAO documents related to the control environment, risk assessment, and control activities. According to SAO staff, no additional submissions are required for information and communication, and activities related to monitoring will be required in the future.

docketed cases include their required payments, the fiscal office requests reports from the electronic case management system and then matches each case to recorded revenue. While court staff indicated the system has controls to require payment prior to docketing, such a practice would also benefit the Court of Appeals to further confirm such payments.

- **Purchasing** – Sampled transactions at both courts were appropriate, though we identified opportunities for improvement in the Supreme Court's purchasing process that would strengthen controls. Specifically, some purchases did not have sufficient documentation to support the reason for the transaction (supplementary information was provided upon request). Based on the documentation included in the transaction file, there was insufficient information for an approver to assess the appropriateness of the purchase.
- **Payroll** – The execution of payroll activities, including judicial per diem reimbursement³⁰, appears appropriate. Sampled employees' salaries and judiciary per diems corresponded with personnel records and were supported with sufficient documentation.
- **Travel** – While sampled judicial and staff travel at both courts was generally appropriate, additional documentation is needed to support compliance with state policy. We found instances in which the appellate courts' staff paid occupancy taxes that state employees are exempt from, though the total amount expended was minimal.³¹ The courts also lacked proper documentation to support certain travel expenses at the time of their approval. For example, two Office of Bar Admissions employees incurred an additional \$450 in lodging expenses to arrive the evening before an out-of-state conference that did not begin registration until the afternoon of the following day. Documentation justifying the additional night's stay was not included with the reimbursement report but was provided to the audit team when requested. Similarly, for a judge attending a three-day conference, the Court of Appeals reimbursed approximately \$1,600 for five days of lodging without documentation justifying the additional two nights.
- **Inventory Management** – Both courts adhere to SAO's requirements to record assets valued at \$1,000 or more in the TeamWorks system, and all sampled assets were accounted for in each court. In addition, the Court of Appeals tracks items valued at \$100 to \$1,000 in its electronic inventory management system, which is updated upon receipt of new items and verified annually. The Supreme Court's IT department also keeps an internal document for items such as laptops and desktops; however, items are not reconciled by serial numbers.

³⁰ O.C.G.A. § 15-2-3 and 15-3-5 allow justices and judges to receive reimbursements for mileage when they live 50 miles or more from the judicial building for one commute a week and daily expense allowance for no more than 35 days for each court term.

³¹ In the sample of travel reviewed, we identified \$53 in state occupancy tax paid by the Supreme Court and \$18 paid by the Court of Appeals.

Combined Court Response: The courts agreed that they have sufficient internal controls over revenue collection, payroll processing, and inventory management.

Supreme Court Response: The Supreme Court noted that during the period under review (fiscal year 2018), its fiscal staff consisted of three employees, and that by hiring a staff member in fiscal year 2019 it will have the “capacity to focus on documenting our processes in more detail.” The court noted it follows official state guidance issued by the Department of Administrative Services (purchasing), the Office of Planning and Budget (budgeting), and the State Accounting Office (travel and accounts payable). The court also noted it records fixed assets valued at \$1,000 or more and that “policy does not mandate tracking items valued between \$100 and \$1,000 in a subsidiary inventory management system.” While the court does “perform other forms of tracking (i.e., period visual inspections of IT equipment),” it will revisit past practice with the addition of the procurement/facilities coordinator hired in fiscal year 2019.

Appendix A: Objectives, Scope, and Methodology

Objectives

This report examines administrative operations of the Supreme Court and Court of Appeals of Georgia. The objectives to this audit will be limited to the questions asked by the Senate Appropriations Committee. These include the following:

1. Please identify any opportunities for shared services or joint offices for courts, including the back office functions of human resources, procurement, financial services, and information technology.
2. Evaluate where the courts currently utilize shared contracts and technology programs, and how they could expand the use of shared contracts and technology programs to improve the efficiency of both courts.
3. Have the courts adjusted staffing and internal processes to maximize the efficiencies that can be gained from electronic filing?
4. In preparation of budget requests, to what extent do the courts emphasize the principles of zero-based budgeting?
5. Do the courts exhibit internal controls to provide assurance that assets are safeguarded and financial and operational information are reliable and encourage the economic use of resources?

Scope

This special examination generally covered activity related to Supreme Court and Court of Appeals administrative operations that occurred during fiscal year 2018, with consideration of earlier or later periods when relevant.

Information used in this report was obtained by reviewing relevant laws, rules, and regulations, interviewing appellate court officials and staff, analyzing workload and case data, interviewing staff at a sample of 12 other states³² with a single court of last resort (Supreme Court) and a single intermediate appellate court (Court of Appeals), and reviewing studies by the National Center for State Courts (NCSC) and other industry experts.

Methodology

To identify whether opportunities exist for shared services, we reviewed job descriptions and interviewed staff who perform fiscal, procurement, human resource, and information technology functions for the appellate courts. We obtained workload data related to fiscal services, procurement, and human resources from the State Accounting Office's TeamWorks system. This included the number of accounts payable vouchers, purchasing card transactions, purchase orders, and personnel actions. We compared the courts' individual and combined staffing levels and workloads (an average of fiscal years 2016 through 2018) to that of other Georgia entities with similar budgets³³, which ranged from \$13.3 million to \$50 million, as well

³² We reviewed Arkansas, Connecticut, Iowa, Kansas, Maryland, Massachusetts, Minnesota, Mississippi, North Carolina, Oregon, South Carolina, and Utah. According to staff at the National Center for State Courts, states with two appellate courts are valid comparisons, regardless of the overall court structure.

³³ In fiscal year 2019, the Supreme Court was appropriated \$16.3 million and the Court of Appeals was appropriated \$21.4 million. Combined, the courts received \$37.8 million.

as two entities in the judicial branch. To develop the potential models for combining staff, we interviewed staff from Georgia entities that have arrangements to share services for the areas under review. We also interviewed appellate court representatives from our sample of other states.

To obtain information on the courts' shared contracts and technology programs and opportunities for further sharing, we interviewed appellate court staff and reviewed contracts in place at the beginning of fiscal year 2019. We obtained expenditures related to these contracts using TeamWorks reports.

To determine whether courts have adjusted staffing or processes due to their electronic filing initiative, we interviewed staff involved in the various phases of the appellate case disposition process. This included representatives from each appellate court's clerk's office, central staff attorneys, chambers attorneys, and chambers administrative assistants.

We used data from the courts' electronic case management systems to test the impact of the courts' electronic case record submission initiative. While we concluded that the information was sufficiently reliable for the purposes of our review based on conversations with staff, we did not independently verify the data. To isolate the primary impact of electronic case records, we analyzed the time of the pre-docket phase, which we defined as the time between the date a notice of appeal is filed in the trial court to the date the appellate court clerk places the case on the docket. For cases with notice of appeals dates during the calendar years each court allowed trial courts to submit electronic records, we calculated the number of days to pre-docket and compared cases with electronic records and paper records.

To assess the courts' budgeting practices, we interviewed court staff and reviewed documents related to appropriations requests from fiscal years 2017 through 2020. We also reviewed documents generated by the Office of Planning and Budget that describe guidelines for annual budget submissions as well as the more in-depth reviews that occur when an entity is selected for a zero-based budgeting analysis. Finally, we reviewed NCSC reports on judicial administration best practices and performance measures.

To evaluate the courts' internal controls, we interviewed the courts' fiscal office staff and reviewed documented policies and procedures related to five areas: revenue collection, payroll processing, inventory management, purchasing, and travel. We evaluated policies and procedures based on guidelines from state agencies such as the State Accounting Office and the Department of Administrative Services. We also tested a sample of records in each area to verify policies and procedures were properly implemented (e.g., proper documentation collected, approval obtained).

This special examination was not conducted in accordance with generally accepted government auditing standards (GAGAS) given the timeframe in which the report was needed. However, it was conducted in accordance with Performance Audit Division policies and procedures for non-GAGAS engagements. These policies and procedures require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for the information reported and that data limitations be identified for the reader.

Appendix B: State Government Entities' Outputs¹ & Staffing

Agency	FY19 Budget (Millions)	Fiscal Services			Procurement		Human Resources			
		# of Staff	# of Vouchers	# of Staff ²	# of Purchase Orders	# of Purchasing Card Transactions	# of Staff	# Total Staff ³	# Personnel Actions	# of Hires
Department of Banking & Finance	\$13.3	4	1,725	0.5	171	188	1	99	306	12
Supreme Court	\$16.4	3	1,933	0.5	68	217	0	89	213	10
State Board of Pardons & Paroles	\$17.6	3	2,633	1 ⁴	250	311	2	183	1,111	19
State Board of Workers' Compensation	\$19.3	5	2,399	1	207	0	2	127	322	9
Judicial Council	\$20.2	7	5,452	1	321	456	2	92	289	22
Office of Commissioner of Insurance	\$21.1	4	2,880	1	159	503	2	201	583	16
Court of Appeals	\$21.4	3.5	1,393	1	134	149	0	110.5	286	8
Secretary of State	\$29.8	5	4,980	2	212	166	2	276	1,219	76
Department of Economic Development	\$35.4	6	7,979	2	1,776	2,129	2	233	596	46
Department of Audits & Accounts	\$36.3	3	2,661	1	339	684	2	265	689	35
Combined Appellate Courts	\$37.8	6.5	3,325	1.5	203	366	0	171.5	500	19
Department of Veterans Services	\$40.9	2	3,285	1	530	0	1	169	578	32
State Forestry Commission	\$50.2	9	8,992	3	2,970	10,658	4	667	2,226	127
Council of Superior Court Judges	\$73.7	6	7,471	0.25	125	456	0	456	947	62
Prosecuting Attorneys Council	\$83.8	6	4,845	0.25	101	0	3	833	2,174	92

¹ Workload data (vouchers, purchase orders, personnel actions, and hires) represent the annual average over fiscal years 2016-2018.

² Full-time equivalent, as estimated by entity staff. Audit team estimated Supreme Court FTE based on the job description.

³ Court staffing totals as of November 2018. Other state entities as of July 2018.

⁴ Procurement functions are performed by staff at the Department of Community Supervision.

Source: TeamWorks; appropriations bill; agency staff

Appendix C: Appellate Court Appropriation Requests

Purpose of Request	Requested	Funded
Supreme Court		
FY 2017¹		
Administrative assistants	\$165,927	\$165,927
System analyst	\$114,801	\$0
Deputy reporter & editorial assistant (shared with the Court of Appeals)	\$112,464	\$112,464
Law assistant salary adjustments	\$88,320	\$0
Judicial per diem and commuting mileage	\$82,127	\$63,557
Procurement & facilities coordinator	\$71,237	\$0
Additional real estate rent, IT equipment, supplies & publications	\$33,976	\$33,976
Personal services increase for senior accountant position	\$30,594	\$0
Personal services increase for IT position	\$29,578	\$0
Trial courts records maintenance	\$20,000	\$20,000
Personal services increase for procurement & facilities coordinator	\$18,857	\$0
Repair & replace furniture	\$17,565	\$0
Security costs	\$10,969	\$10,969
Georgia State Patrol trooper fees	\$8,784	\$8,784
Legal education training	\$4,800	\$4,800
Merit system assessment adjustment	<u>\$4,068</u>	<u>\$4,068</u>
Total:	\$814,067	\$424,545
FY 2018¹		
Judgeships & associated staff	\$1,735,520	\$1,735,520
Senior accountant	\$122,374	\$122,374
System analyst	\$118,310	\$118,310
Procurement & facilities coordinator	\$75,428	\$0
Georgia State Patrol trooper fees	\$10,047	\$10,047
Judicial per diem and commuting mileage	\$2,595	\$2,595
Insurance premiums	<u>\$591</u>	<u>\$591</u>
Total:	\$2,064,865	\$1,989,437
FY 2019		
Term clerk attorneys	\$1,774,013	\$1,256,181
Procurement & facilities coordinator	\$76,879	\$76,879
Intake clerk position	\$60,163	\$60,163
National Center for State Courts membership dues	\$14,030	\$14,030
Judicial per diem and commuting mileage	\$2,595	\$2,595
Legal research licensing fee	\$2,400	\$2,400
Georgia State Patrol trooper fees	<u>\$1,263</u>	<u>\$1,263</u>
Total:	\$1,931,343	\$1,413,511
Amended FY 2019 & FY 2020²		
Judicial per diem and commuting mileage	\$54,114	N/A
Georgia State Patrol trooper fees	\$7,972	N/A
National Center for State Courts membership dues	<u>\$7,708</u>	N/A
Total:	\$69,794	N/A

Court of Appeals		
FY 2017 ¹		
Judgeships & associated staff	\$1,729,107	\$1,716,617
Staff attorneys	\$253,231	\$253,231
Deputy court administrator	\$156,296	\$0
Audiovisual system upgrade (livestream & storage)	\$142,650	\$142,650
Judges' salary adjustment	\$130,786	\$130,786
Electronic filing initiative	\$121,100	\$121,100
Step increase to attorney salary scale	\$120,967	\$0
Systems analyst	\$114,801	\$114,801
Deputy reporter & editorial assistant (shared with the Supreme Court)	\$112,463	\$112,463
Procurement & facilities coordinator	\$73,190	\$73,190
Network servers	\$70,000	\$70,000
Microfilm conversion	\$60,000	\$0
Security cameras	\$17,441	\$17,441
Merit system assessment adjustment	<u>\$8,271</u>	<u>\$8,271</u>
Total:	\$3,110,303	\$2,760,551
FY 2018 ¹		
Staff attorneys	\$483,832	\$408,027
Deputy court administrator	\$190,883	\$190,883
Digitization of fiscal records	\$55,000	\$55,000
Furniture & equipment	\$31,230	\$31,230
Docket software	\$27,500	\$27,500
Judicial per diem and commuting mileage	\$20,760	\$20,760
Operations expenses (staff attorney & administrator)	\$4,914	\$0
Insurance premiums	<u>\$1,414</u>	<u>\$1,414</u>
Total:	\$815,533	\$734,814
FY 2019		
Staff attorneys (includes one annualized position)	\$245,106	\$80,720
Disaster recovery software licenses	\$35,000	\$35,000
Judicial per diem and commuting mileage	\$20,760	\$20,760
Digitization of fiscal records	\$11,928	\$11,928
Cyber security training	<u>\$2,550</u>	<u>\$2,550</u>
Total:	\$315,344	\$150,958
Amended FY 2019 & FY 2020 ²		
Term clerk attorneys	\$2,093,249	N/A
Staff attorneys (three positions ³ ; includes one annualized position)	\$410,420	N/A
Judicial per diem and commuting mileage	\$118,305	N/A
Oral argument closed captioning	\$46,200	N/A
GBA rental rate	\$11,148	N/A
Cyber security training ⁴	<u>\$0</u>	<u>N/A</u>
Total:	\$2,679,322	N/A
¹ Budget request amendments are included for fiscal years 2017-2018. ² At the time of this review, these requests had not yet been reviewed by the General Assembly. ³ Includes one position effective January 2019. ⁴ \$2,550 was appropriated in fiscal year 2019 but court staff indicated it needs ongoing funding for this initiative. Source: Court appropriations requests & appropriations bills		

The Performance Audit Division was established in 1971 to conduct in-depth reviews of state-funded programs. Our reviews determine if programs are meeting goals and objectives; measure program results and effectiveness; identify alternate methods to meet goals; evaluate efficiency of resource allocation; assess compliance with laws and regulations; and provide credible management information to decision makers. For more information, contact us at (404) 656-2180 or visit our website at www.audits.ga.gov.