

# Audit Report

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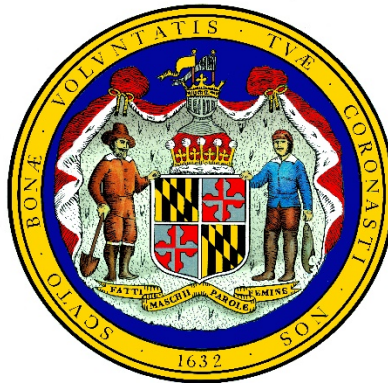
## Judiciary

December 2024

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### Public Notice

**In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.**



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DEPARTMENT OF LEGISLATIVE SERVICES  
MARYLAND GENERAL ASSEMBLY

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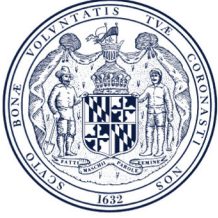
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, Maryland 21201  
Phone: 410-946-5900  
Maryland Relay: 711  
TTY: 410-946-5401 · 301-970-5401  
E-mail: [webmaster@ola.state.md.us](mailto:webmaster@ola.state.md.us)  
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber  
Executive Director

Brian S. Tanen, CPA, CFE  
Legislative Auditor

December 17, 2024

Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Judiciary for the period beginning June 10, 2019 and ending July 31, 2023. The Judiciary, as established by the state Constitution, is responsible for the administration of justice in Maryland. The Judiciary comprises the courts and various other agencies (such as the Administrative Office of the Courts and the State Law Library) that support the administrative and regulatory functions of the Judicial Branch of government.

Our audit disclosed that the Judiciary did not require independent approvals of purchases less than \$2,500, which led to one employee circumventing the Judiciary's procurement policies. Specifically, the employee purchased office supplies totaling \$438,600 from a vendor that did not have a contract with the Judiciary and at higher cost than the Judiciary's existing office supply contract.

Furthermore, our audit disclosed cybersecurity-related findings. However, in accordance with the State Government Article, Section 2-1224(i) of the Annotated Code of Maryland, we have redacted the findings from this audit report. Specifically, State law requires the Office of Legislative Audits to redact cybersecurity findings in a manner consistent with auditing best practices before the report is made available to the public. The term "cybersecurity" is defined in the State Finance and Procurement Article, Section 3.5-301(b), and using our professional judgment we have determined that the redacted findings fall under the referenced definition. The specifics of the cybersecurity findings were previously communicated to those parties responsible for acting on our recommendations.

Finally, our audit included a review to determine the status of the seven findings contained in our preceding audit report of the Judiciary dated April 7, 2021. We

determined that the Judiciary satisfactorily addressed these findings. Additionally, we determined the status of the one finding contained in our preceding audit report of the *Judiciary-Judicial Information Systems* dated August 23, 2021. We determined that the Judiciary satisfactorily addressed this finding.

The Judiciary's response to this audit is included as an appendix to this report. However, consistent with State law, we have redacted the elements of the response related to the cybersecurity audit findings.

In accordance with State law, we have reviewed the response and, while the Judiciary agrees with the recommendations in this report, we identified certain instances in which statements in the response conflict with a report finding. In each instance, we reviewed and reassessed our audit recommendations, and reaffirmed the validity of our finding. In accordance with generally accepted government auditing standards, we have included an "auditor's comment" within Judiciary's response to explain our position. Finally, there are other aspects of the Judiciary's response which will require further clarification, but we do not anticipate that these will require the Joint Audit and Evaluation Committee's attention to resolve.

We wish to acknowledge the cooperation extended to us during the audit by the Judiciary. We also wish to acknowledge the Judiciary's willingness to address the audit issues and implement appropriate corrective actions.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor

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## **Background Information**

### **Agency Responsibilities**

The Judiciary is established by the State Constitution as a separate branch of the government responsible for the administration of justice in Maryland. The Judiciary comprises the courts and various other judicial offices and agencies that support the administrative and regulatory functions of the Judicial Branch of government. The Judiciary includes the

- Appellate Courts, consisting of the Supreme Court of Maryland and the Appellate Court of Maryland;
- Circuit Courts, one of which is located in each of the State's 24 local subdivisions;
- District Courts of which there are 33 locations, with at least one in each local subdivision and which are organized into 12 geographic districts; and
- Judicial offices and agencies such as the Administrative Office of the Courts (AOC), State Law Library, State Reporter, Attorney Grievance Commission, State Board of Law Examiners, and the Client Protection Fund.

The AOC provides services supporting certain financial activities of other units of the Judiciary, including personnel administration, preparation and administration of the Judiciary's budget and related accounting records, payroll processing, and invoice payment processing. The Judiciary also operates the Judicial Information Systems (JIS) on behalf of the State court systems. JIS develops and maintains State court system applications, operates a statewide computer network, and is responsible for data center contingency planning. JIS operates a computer wide area network that connects to all units of the Judiciary including the Administrative Office of the Courts, the District Courts, and the Circuit Courts.

The scope of this audit includes certain of these services provided to the 24 Offices of the Clerk of Circuit Courts (such as payroll and invoice payment processing, and maintenance of budgetary accounting and equipment records). In addition, we reviewed controls over the JIS, which in the past were subject to a separate audit.

We conduct separate audits of the fiscal activities administered by each of the Offices of the Clerk of the Circuit Courts, such as the collection of funds related to court filings. A listing of the most recent Office of Legislative Audits fiscal compliance audits of Offices of the Clerk of the Circuit Courts performed during the current audit cycle can be found in Exhibit 1 of this report.

The Judiciary's Internal Audit Department (IAD) performs periodic scheduled audits of District Court operations. We reviewed internal audit reports and the related work papers of District Court operations and relied on the results of these audits to reduce the scope of our audit work related to the District Courts' revenue and cash receipt processing functions. According to the State's records, these revenues totaled approximately \$50.7 million during fiscal year 2023. See Exhibit 2 for a summary of IAD audit findings for the most recent audit of each District Court jurisdiction through February 2024, which identified 54 findings, including 9 repeat findings.

According to the State's accounting records, during fiscal year 2023, the Judiciary's operating expenditures, including expenditures for the district and circuit courts, totaled approximately \$715.4 million (see Figure 1 on the following page).

**Figure 1**  
**Judiciary Positions, Expenditures, and Funding Sources**

<b>Full-Time Equivalent Positions as of June 30, 2023</b>		
	<b>Positions</b>	<b>Percent</b>
Filled	3,825	92.3%
Vacant	319	7.7%
<b>Total</b>	<b>4,144<sup>1</sup></b>	
<b>Fiscal Year 2023 Expenditures</b>		
	<b>Expenditures</b>	<b>Percent</b>
Salaries, Wages, and Fringe Benefits	\$465,022,214	65.0%
Technical and Special Fees	24,871,703	3.5%
Operating Expenses	225,542,446	31.5%
<b>Total</b>	<b>\$715,436,363</b>	
<b>Fiscal Year 2023 Funding Sources</b>		
	<b>Funding</b>	<b>Percent</b>
General Fund	\$645,647,417	90.2%
Special Fund	64,086,397	9.0%
Federal Fund	512,985	0.1%
Reimbursable Fund	5,189,564	0.7%
<b>Total</b>	<b>\$715,436,363</b>	

Source: State financial and personnel records

<sup>1</sup> Full-time equivalent positions include 1,505 positions at the 24 Offices of the Clerks of the Circuit Courts, which the OLA audits separately. The scope of our audit of the Judiciary includes payroll support services provided to the Offices of the Clerks of the Circuit Courts.

### **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the seven findings contained in our preceding audit report of the Judiciary dated April 7, 2021. We determined that the Judiciary satisfactorily addressed the seven findings. We also determined the status of the one finding in our August 23, 2021 audit report of *Judiciary – Judicial Information Systems*, which addressed the Judiciary’s data center and wide area network. We determined that the Judiciary satisfactorily addressed this finding.



# Findings and Recommendations

## Procurements and Disbursements

### **Finding 1**

**The Judiciary did not require independent approval of purchases less than \$2,500. Consequently, one Clerk employee circumvented the Judiciary's procurement policies including the purchase of approximately \$438,600 in office supplies from a vendor that did not have a contract with the Judiciary and at higher cost than the Judiciary's existing office supply contract.**

### **Analysis**

The Judiciary did not require independent approval of purchases less than \$2,500. According to Judiciary's records, these transactions totaled \$3.4 million during the period from June 2019 through December 2023. Our review of all transactions under \$2,500 disclosed that one employee in a Clerk of the Circuit Court circumvented Judiciary procurement policy by processing multiple transactions totaling \$1,040,970 between February 2020 and June 2023, including \$438,571 to an office supply vendor that did not have a contract with the Judiciary. In this regard, the Judiciary had an existing contract with another vendor that provided similar supplies at lower prices. For example, our review of 10 invoices<sup>1</sup> totaling \$20,220 for office supplies purchased by this employee during the period March 2021 to January 2023 disclosed the same items could have been purchased for \$7,646 less (38 percent).

Judiciary procurement policy requires an invitation to bid or request for proposal for purchases of goods or services in excess of \$100,000 and a formal contract. The procurement policy further requires the procurement officer to check a list of blanket purchase orders annually to see if the desired goods or services are available under an existing contract.

Prior to our audit, the Judiciary's Internal Audit Department (IAD) conducted a review of this Clerk's office supply expenditures because it had been notified of significant office supply purchases, including those made by the aforementioned employee. The IAD reviewed the Clerk's procedures and controls, and tested office supply purchases during the period July 2021 to December 2022. In its April 2023 report, the IAD noted inadequate segregation of duties, a lack of supporting documentation for purchases, and purchases from a vendor without a

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<sup>1</sup> We arbitrarily selected 10 payments out of the total \$438,571 in payments made to the office supply vendor from a report of all transactions processed by the cited employee between February 2020 and June 2023.

contract. The report included recommendations for the Clerk to address these deficiencies. The IAD advised us that it was informed that there was previously a blanket purchase order with the aforementioned office supply vendor and the Clerk continued to use the vendor after the blanket purchase order was discontinued.

State policies and procedures generally require independent review and approval of transactions. Although the Judiciary is exempt from following these policies and procedures, we believe that it should establish similar controls unless there is an adequate justification for not having such controls. Regardless, Judiciary should establish additional procedures to ensure these transactions are proper. Judiciary management advised us that it did not require approval of these transactions to allow offices and departments to quickly obtain goods and services, similar to a corporate purchasing card (CPC). However, the need to expedite transactions is not an adequate justification for the lack of approvals and State policies require all CPC transactions to be subject to independent review and approval subsequent to the purchase which was not the case for these purchases.

#### **Recommendation 1**

**We recommend that the Judiciary**

- a. establish procedures for independent review of all transactions including those below \$2,500;**
- b. take corrective action, including disciplinary action, for improper transactions; and**
- c. ensure existing contracts are used for the purchase of goods and services.**

#### **Information Systems Security and Control**

We determined that the Information Systems Security and Control section, including Findings 2 and 3 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Consequently, the specifics of the following findings, including the analysis, related recommendations, along with Judiciary’s responses, have been redacted from this report copy.

**Finding 2**  
**Redacted cybersecurity-related finding.**

**Finding 3**  
**Redacted cybersecurity-related finding.**

## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit of the Judiciary for the period beginning June 10, 2019 and ending July 31, 2023. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine Judiciary's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included procurements and disbursements, corporate purchasing cards, processing of traffic citations and related collections, payroll, equipment, eligibility of legal representation by public defenders, special funds, as well as information systems security and control. We also determined the status of the findings included in our preceding audit reports of the Judiciary and the Judicial Information Systems.

Our audit included fiscal support services provided by the Judiciary on a centralized basis for the 24 Offices of the Clerks of the Circuit Courts (for example, payroll, processing of invoices, and maintenance of budgetary accounting and equipment records). During the audits of each Office of the Clerk of the Circuit Courts, we audit other fiscal activities that are administered by the Office, such as the collection of funds related to court filings for real estate transactions. Separate audit reports are issued for each of these audits.

The Judicial Internal Audit Division performs audits of the District Courts approximately every four years. During the course of our audit, we judgmentally reviewed internal audit reports and related work papers and relied on the results to reduce the scope of our audit work related to the District Courts' revenue and cash receipt processing functions.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit

period of June 10, 2019 to July 31, 2023, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of Judiciary's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from various key Judiciary internal systems, such as the Judiciary's financial management system for the purpose of testing procurements and disbursements. We performed various tests of the relevant data and determined the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

Judiciary's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to Judiciary, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect Judiciary's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to Judiciary that did not warrant inclusion in this report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of an audit report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3.5-301(b), states that cybersecurity is defined as “processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.” Based on that definition, and in our professional judgment, we concluded that certain findings in this report fall under that definition. Consequently, for the publicly available audit report all specifics as to the nature of cybersecurity findings and required corrective actions have been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public audit report. The specifics of these cybersecurity findings have been communicated to the Judiciary and those parties responsible for acting on our recommendations in an unredacted audit report.

The response from the Judiciary to our findings and recommendations is included as an appendix to this report. Depending on the version of the audit report,

responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise the Judiciary regarding the results of our review of its response.

**Exhibit 1**  
**Listing of Most Recent Office of Legislative Audits**  
**Fiscal Compliance Audits of Clerks of the Circuit Court**  
**As of October 2024**

	<b>Clerk of Circuit Court Jurisdiction</b>	<b>Most Recent Report Date</b>	<b>Total Findings</b>	<b>Number of Repeat Findings</b>
1	Allegany County	8/31/2020	0	0
2	Anne Arundel County	9/17/2024	2	0
3	Baltimore City	10/17/2022	2	1
4	Baltimore County	5/24/2022	0	0
5	Calvert County	1/5/2023	0	0
6	Caroline County	10/5/2023	1	0
7	Carroll County	2/25/2022	0	0
8	Cecil County	7/20/2021	0	0
9	Charles County	7/13/2022	0	0
10	Dorchester County	9/13/2023	0	0
11	Frederick County	8/27/2021	0	0
12	Garrett County	10/26/2020	0	0
13	Harford County	8/26/2022	0	0
14	Howard County	4/29/2024	0	0
15	Kent County	9/13/2023	0	0
16	Montgomery County	9/13/2023	0	0
17	Prince George's County	8/19/2021	0	0
18	Queen Anne's County	5/17/2024	1	0
19	Somerset County	4/4/2022	0	0
20	St. Mary's County	1/16/2024	0	0
21	Talbot County	11/1/2022	1	0
22	Washington County	5/23/2022	0	0
23	Wicomico County	9/20/2023	0	0
24	Worcester County	11/3/2023	1	0
		<b>Total</b>	<b>8</b>	<b>1</b>



**Exhibit 2**  
**Summary of Judiciary’s Internal Audit Department (IAD)**  
**Most Recent Audit Findings on District Courts**  
**As of February 2024**

Jurisdiction*	Number of IAD Reportable Findings by Area					Total Number of Findings	Number of Repeat Findings	% of Repeat Findings
	Bond and Bank Account Mgmt.	Computer Security	Problem Solving Courts Grant	Commissioners	Fiscal Mgmt.			
Allegany County	2	1	n/a	n/a	n/a	3	0	0%
Anne Arundel County	3	1	1	n/a	1	6	1	17%
Baltimore City	1	n/a	n/a	1	2	4	1	25%
Baltimore County	1	1	n/a	n/a	1	3	1	33%
Calvert County	n/a	n/a	n/a	n/a	1	1	0	0%
Caroline County	n/a	n/a	n/a	n/a	n/a	0	0	0%
Carroll County	n/a	1	n/a	1	1	3	1	33%
Cecil County	n/a	n/a	n/a	n/a	n/a	0	0	0%
Charles County	n/a	n/a	n/a	n/a	n/a	0	0	0%
Dorchester County	4	1	n/a	n/a	1	6	2	33%
Frederick County	n/a	n/a	n/a	n/a	1	1	0	0%
Garrett County	1	1	n/a	n/a	n/a	2	0	0%
Harford County	n/a	n/a	n/a	n/a	1	1	0	0%
Howard County	2	n/a	n/a	1	2	5	2	40%
Kent County	n/a	n/a	n/a	n/a	n/a	0	0	0%
Montgomery County	n/a	1	1	n/a	1	3	0	0%
Prince George’s County	3	1	n/a	1	1	6	1	17%
Queen Anne’s County	n/a	n/a	n/a	n/a	n/a	0	0	0%
Somerset County	2	n/a	n/a	n/a	n/a	2	0	0%
St. Mary’s County	2	n/a	n/a	n/a	n/a	2	0	0%
Talbot County	n/a	n/a	n/a	n/a	n/a	0	0	0%
Washington County	1	n/a	n/a	n/a	1	2	0	0%
Wicomico County	n/a	1	n/a	n/a	n/a	1	0	0%
Worcester County	1	1	n/a	n/a	1	3	0	0%
<b>Total</b>	<b>23</b>	<b>10</b>	<b>2</b>	<b>4</b>	<b>15</b>	<b>54</b>	<b>9</b>	<b>17%</b>

Source: Judiciary IAD Audit Reports

n/a - Not applicable; no findings in this area.

\*- IAD issued multiple reports for each jurisdiction (for example to the Commissioner and District Court Clerk). The amounts above include the findings noted in all reports.

**APPENDIX**



**Supreme Court of Maryland**

Robert C. Murphy Courts of Appeal Building  
361 Rowe Boulevard  
Annapolis, Maryland 21401

Matthew J. Fader  
Chief Justice

(410) 260-3725

December 17, 2024

Mr. Brian S. Tanen, CPA, CFE  
Legislative Auditor  
Office of Legislative Audits  
Department of Legislative Services  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, MD 21201

Dear Mr. Tanen:

We have received the draft audit report for the Maryland Judiciary covering the period from June 10, 2019, to July 31, 2023. Attached is our agency response form, which includes our detailed responses to the findings and recommendations outlined in the report.

We are confident that our responses fully address the findings and recommendations. Additionally, we would like to thank your team for their professionalism and collaborative approach throughout the audit process.

Should you require further information or clarification, please contact our Assistant State Court Administrator of Operations, Daniel Mays, at [Daniel.Mays@mdcourts.gov](mailto:Daniel.Mays@mdcourts.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Fader", written over a horizontal line.

Matthew J. Fader  
Chief Justice, Supreme Court of Maryland

A handwritten signature in blue ink, appearing to read "Judy Rupp", written over a horizontal line.

Judy K. Rupp  
State Court Administrator

# Judiciary

## Agency Response Form

### Procurements and Disbursements

#### **Finding 1**

**The Judiciary did not require independent approval of purchases less than \$2,500. Consequently, one Clerk employee circumvented the Judiciary's procurement policies including the purchase of approximately \$438,600 in office supplies from a vendor that did not have a contract with the Judiciary and at higher cost than the Judiciary's existing office supply contract.**

**We recommend that the Judiciary**

- a. establish procedures for independent review of all transactions including those below \$2,500;**
- b. take corrective action, including disciplinary action, for improper transactions; and**
- c. ensure existing contracts are used for the purchase of goods and services.**

<b>Agency Response</b>	
<b>Analysis</b>	<b>Partially accurate</b>
<b>Please provide additional comments as deemed necessary.</b>	<p>The Judiciary has existing procedures that require independent approval of all transactions, including those under the competitive threshold, to maintain a clear separation of duties.</p> <p>The Express Purchase Order (XPO) process mandates the independent approval of every expenditure. Expenditures against an XPO undergo proactive, independent approval by an authorized official from the respective court or office before processing any payment. This proactive oversight contrasts with the CPC program, where independent review typically occurs after a transaction has been completed.</p> <p>While the finding appropriately notes the Judiciary's independent authority to establish procurement policies, it is important to emphasize that the above processes are consistent with those employed by the executive branch.</p> <p>The Judiciary recognizes the value of enhanced central oversight for these transactions to ensure compliance with procurement policies and procedures. The steps to achieve this are outlined below.</p>

# Judiciary

## Agency Response Form

**Auditor's Comment:** While the Judiciary agrees with our recommendations, it states that all transactions are subject to independent approval. However, as explained in the finding, purchasing transactions below the \$2,500 threshold were not independently approved. Although the Judiciary has independent approvals over the related payments, the approvals would not necessarily detect procurement issues similar to those identified in the finding. Therefore, we stand by the analysis in our finding and our recommendation to establish procedures for independent review and approval of purchasing transactions below the \$2,500 threshold.

<b>Recommendation 1a</b>	Agree	<b>Estimated Completion Date:</b>	ongoing
<b>Please provide details of corrective action or explain disagreement.</b>	While the Judiciary has existing procedures for the independent review of transactions exceeding the competitive threshold, these reviews did not adequately address successive purchases of \$2,500 or less that collectively exceed the threshold. To address this gap, the Judiciary has implemented an annual review process to identify and evaluate like purchases (e.g., supplier) that, in aggregate, exceed the competitive threshold for Category I Small Procurements.		
<b>Recommendation 1b</b>	Agree	<b>Estimated Completion Date:</b>	ongoing
<b>Please provide details of corrective action or explain disagreement.</b>	The Judiciary will actively and regularly monitor spending activities to detect and address any attempts to circumvent the Procurement Policy, ensuring ongoing compliance with the Judiciary Procurement Policy and maintaining the integrity of financial operations. When potential violations are discovered, the Judiciary will adhere to existing practices, including counseling individuals, offices, and departments, issuing procurement violation notices, and taking further disciplinary actions through Human Resources, as necessary, based on findings identified during the independent review of transactions.		
<b>Recommendation 1c</b>	Agree	<b>Estimated Completion Date:</b>	ongoing
<b>Please provide details of corrective action or explain disagreement.</b>	The Judiciary will leverage the newly established process for conducting an independent annual review of transactions alongside existing practices such as maintaining and publishing an available Blanket Purchase Order (BPO) list. These efforts will be reinforced by the Department of Procurement, Contract & Grant Administration (DPCGA) staff through formal and informal communications and regular training designed to support and educate internal stakeholders.		

# Judiciary

## Agency Response Form

### Information Systems Security and Control

The Office of Legislative Audits (OLA) has determined that the Information Systems Security and Control section, including Findings 2 and 3 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Although the specifics of the following findings, including the analysis, related recommendations, along with the Judiciary’s responses, have been redacted from this report copy, the Judiciary’s responses indicated agreement with the findings and related recommendations.

#### **Finding 2**

**Redacted cybersecurity-related finding.**

**Agency Response has been redacted by OLA.**

#### **Finding 3**

**Redacted cybersecurity-related finding.**

**Agency Response has been redacted by OLA.**

AUDIT TEAM

**Bekana Edossa, CPA, CFE**  
Audit Manager

**R. Brendan Coffey, CPA, CISA**  
**Edwin L. Paul, CPA, CISA**  
Information Systems Audit Managers

**Nelson W. Hopkins, CPA**  
Senior Auditor

**Edward O. Kendall, CISA**  
**Matthew D. Walbert, CISA**  
Information Systems Senior Auditors

**Nicole D. Bishop**  
**Owen M. Long-Grant**  
**Alexandra M. Resney**  
**Garrett A. White**  
Staff Auditors

**Christopher C. Pitre**  
**Neha S. Tirkey**  
Information Systems Staff Auditors