

**Administrative Office of the Courts** 

John D. Minton, Jr. Chief Justice of Kentucky 1001 Vandalay Drive Frankfort, Kentucky 40601 502-573-2350 or 800-928-2350 www.courts.ky.gov

Laurie K. Dudgeon Director

July 6, 2018

Mike Harmon Auditor of Public Accounts 209 St. Clair Street Frankfort, KY 40601

Dear Auditor Harmon:

## Official Response of the Administrative Office of the Courts to the Special Examination by the Kentucky Auditor of Public Accounts

I want to express my sincere appreciation to you and your staff for conducting such a professional and comprehensive examination of the Administrative Office of the Courts (AOC). Completing a third-party review of our financial operations and internal processes has been one of the most valuable exercises the AOC has undertaken during my tenure as director and I am pleased with the results.

It is important to note that John D. Minton Jr.'s tenure as chief justice began in 2008, when Kentucky state government faced an economic crisis. Over the next few years, the Judicial Branch responded to deep, ongoing budget cuts by laying off nearly 300 employees, eliminating court programs, trimming operating costs, and furloughing court employees for the first time ever. For several years, the court system did not receive funding for a pay equity plan that would make the Judicial Branch's historically low salaries competitive with the other two branches of government. These cost-saving measures had detrimental and long-lasting effects.

When the AOC requested this audit in May 2017, it was an unprecedented step that reversed more than 40 years of tradition in how the state court system has handled external review. While we are careful to safeguard the Judicial Branch as a separate and co-equal branch of government, we also want to advance our efforts to be transparent and accountable to Kentucky taxpayers.

The timing of this audit is important for another reason. Thanks to the General Assembly providing nearly full funding for the Judicial Branch in our last two biennial budgets, the AOC is in a much stronger position than in recent years to hire staff with the specific areas of expertise needed to make policy changes that result from the APA's recommendations. The APA has audited the AOC's financial statements annually since 1984 as part of the Kentucky Finance & Administration Cabinet's Kentucky Comprehensive Annual Financial Report (CAFR). However, in April 2017, we departed from this usual routine by requesting a

meeting with your staff to discuss how the AOC could improve its policies around the disposal of surplus property.

That conversation led to our inviting the APA to conduct an extended examination of policies and internal control procedures that would be much broader in scope than the annual CAFR audit.

In May 2017, the AOC engaged the APA to review specific areas for Fiscal Years 2015 and 2016, namely the following:

- Determine whether policies and internal controls governing financial activity of the then-Department of Administrative Services, including travel reimbursement policies for elected officials and non-elected personnel, are adequate, provide the appropriate level of access and authority, are consistently followed and provide for a transparent process.
- Determine whether policies and procedures governing the Budget and Accounting & Purchasing offices are adequate, consistently followed and provide for timely reporting.
- Determine whether an independent process to receive, analyze, investigate and resolve concerns relating to potential waste, fraud and abuse exists for the AOC and Kentucky Court of Justice employees and is adequate to ensure concerns are properly addressed.

The AOC sought the APA audit because we were aware of areas that needed improvement. We anticipated many of your findings and began taking steps to strengthen operations while the audit was being conducted.

Of the many changes we have already made, the most significant is the restructuring of the Department of Administrative Services. During FY 2015 and 2016, the period covered by the audit, the Division of Auditing Services, the Division of Facilities and the Division of Logistics (property accountability) were all located in the Department of Administrative Services under the supervision of a single executive officer. The department was abolished and the divisions now report to separate managers, who in turn report directly to the AOC director.

The AOC has also taken these actions:

- Developed inventory control processes.
- Implemented waste, fraud and abuse reporting mechanisms.
- Trained managers and staff on purchasing and procurement practices.
- Revised operational procedures regarding reimbursements to county governments for the operation and maintenance of court facilities.
- Hired a tax attorney to provide advice on proposed revisions to travel reimbursement policies being developed by the AOC for recommendation to the Supreme Court.
- Implemented a process to deactivate user accounts for separated/transferred employees on a weekly basis.

The Supreme Court has also taken significant steps to tighten controls:

- Adopted an Open Records Policy for the AOC.
- Adopted an order governing the handling of the Judicial Branch's surplus property.
- Adopted amendments to the Kentucky Court of Justice Personnel Policies.
- Adopted the Kentucky Court of Justice Language Access Plan and Procedures.

Set forth below is the response of the AOC to the special examination performed by your office. We have endeavored to respond as fully and accurately as is possible within the 3-day timeframe you have given us.

# AOC'S RESPONSES TO AUDIT FINDINGS & RECOMMENDATIONS

# Finding 1: AOC's Weak Control Environment Has Led to a Lack of Accountability

<u>Recommendation:</u> We recommend AOC require all levels of management and elected officials to comply with administrative rules consistently. Failure to adhere to policies should result in loss of privileges that are provided subject to compliance with internal controls, such as adequate and timely documentation.

# Response:

The AOC agrees in principle with this recommendation. The Chief Justice and the AOC requested this examination as a springboard for change. At the time the examination was requested, the AOC understood that many areas identified by the Auditor in this examination required improvements. The Judicial Branch is comprised of 404 elected officials and approximately 3,400 nonelected employees, representing 10% of the state workforce, with a single budget representing 3% of the overall general fund. Ninety-two percent of the Judicial Branch workforce is located in the 119 counties outside of Franklin County.

Unlike the Finance and Administration Cabinet, which delegates purchasing authority to individual Executive Branch agencies that are authorized to make purchases at the local level, no delegation of purchasing authority has been made by the Judicial Branch's Division of Accounting and Purchasing and *all* expenditures flow through that Division located at AOC's central office in Frankfort, minimizing the opportunity for wasteful expenditures. Any audit of applicable policies should take into account the unique environment of the Judicial Branch and requires a unique approach in making recommendations. While the AOC has mimicked a significant number of Executive Branch policies, not every Executive Branch policy can or should be adopted in this environment.

Given the unique nature of the Judicial Branch, the AOC is relying on the Auditor's expertise in suggesting clear policies to strengthen internal controls.

The AOC will develop and submit comprehensive recommendations to the Supreme Court pursuant to KRS 27A.020(6) for the adoption of Rules of Administrative Procedure taking into account these findings and recommendations. The AOC also agrees that any policies developed by the Supreme Court should be enforced uniformly and consistently.

*Clarification:* Each of the bullet points listed in Finding 1 references other Findings in the Auditor's report. Because the AOC has comprehensively responded to every Finding and recommendation in the order presented in the report, the AOC is not summarizing and restating its responses to address each bullet point in Finding 1.

<u>Recommendation:</u> We recommend AOC upper management be particularly conscientious about following policies and, to the extent possible, hold elected officials to that same level of accountability. Employees should understand the policies and procedures they are following and how they contribute to the effective operation of the agency. This understanding also allows employees to make meaningful suggestions for improvement in policies.

## Response:

The AOC respectfully disagrees that the role of the AOC is to "hold elected officials...[accountable]." Instead, the role of the AOC is to develop and recommend policy measures to the Supreme Court for adoption as Rules of Administrative Procedure and to execute Rules of Administrative Procedure and other policies and programs adopted by the Supreme Court. The AOC agrees that any policies developed by the Supreme Court should be enforced uniformly and consistently. Ultimately, elected officials are accountable to the voters and to the appropriate disciplinary bodies.

The AOC agrees that employees should be adequately trained on all policies and operational procedures, which should be stored in a centralized, accessible location.

Please see the above response and the response to Finding 2.

<u>Recommendation:</u> Staff development, training, and assignment should be sufficient to ensure that no one person has entire control or sole knowledge in any particular area. Without shared knowledge and responsibility, employees cannot be sufficiently monitored and duties cannot be adequately segregated. Cross-training also allows operations to continue in the absence of key personnel, on a short-term or long-term basis.

# Response:

The AOC agrees with this recommendation. Since making budget reductions in 2008, the AOC has had to consolidate a number of central office positions. Concurrently, the Judicial Branch has invested heavily into statewide programs, such as Specialty Courts (Drug Court, Mental Health Court, Veterans Treatment Court), Pretrial Services and Family & Juvenile Services and technology projects to modernize its technology, bring e-Filing to all counties, and increase access to justice for the citizens in all 120 counties. All of these improvements have considerably increased duties for the remaining central office staff.

In order to implement the recommendations in this examination, the AOC will have to make a substantial investment to add qualified staff to perform the functions identified in the Auditor's report and offer training opportunities to existing staff.

# Finding 2: The Policymaking Process is Fractured

<u>Recommendation</u>: The Chief Justice should create written delegation of his policymaking authority if he intends to delegate that authority. He should describe in detail who has authority to create policies by type, subject matter, and applicability, and may wish to specifically indicate what policymaking authority is retained by him. He should also create written guidance regarding the process for policy approval, or delegate the creation of this guidance to a member of AOC staff and confirm that it is accomplished promptly.

# Response:

The process for creating policy for the Kentucky Court of Justice is outlined in the Kentucky Constitution, which authorizes more than one pathway for policy development for the Judicial Branch of government in Kentucky. As the executive head of the Court of Justice, the Chief Justice has the authority to make policies applicable to the efficient operation of the Judicial Branch. Ky. Const. Section 110(5)(b). The Supreme Court of Kentucky may also adopt rules of practice and procedure for the Court of Justice pursuant to Section 116 of the Kentucky Constitution.

In enacting the Supreme Court Rules, the Supreme Court has adopted an interpretation of the Kentucky Constitution that reflects the above principles. SCR 1.010, which was adopted in 1978 and has never been amended, provides: "the policymaking and administrative authority of the Court of Justice is vested in the Supreme Court <u>and</u> the Chief Justice." (Emphasis added.) SCR 1.020(1)(a) requires that matters of policy or administration shall be decided by a concurrence of at least four members of the Supreme Court.

The Chief Justice and the Supreme Court accomplish this policymaking by adopting Rules of Administrative Procedure (APs) for the Court of Justice, which are the policies that are applicable to the Judicial Branch. The APs are the rules of procedure and practice that apply to and control the programs and operational aspects of the Court of Justice. They apply equally to AOC employees and elected and appointed officials.

The Auditor's report characterizes the Supreme Court's practice of discussing administrative matters of the Court of Justice as the Chief Justice having "decided to share authority with the other members of the Supreme Court." As discussed above, however, the Supreme Court as a whole is authorized under Section 116 of the Kentucky Constitution and required by SCR 1.010 to adopt rules of practice and procedure for the Judicial Branch. To the extent that the Auditor's report contradicts the Chief Justice's interpretation and explanation of Section 116 of the Kentucky Constitution, the AOC believes the Auditor to be mistaken in his interpretation of Kentucky law.

Neither the Chief Justice nor the Supreme Court has delegated policy-making authority to the AOC; nor would it be appropriate to make such a delegation under the Kentucky Constitution. The Rules of Administrative Procedures adopted by the Chief Justice or the Supreme Court are the policies applicable to the Judicial Branch.

Section 110(5)(b) of the Kentucky Constitution authorizes the Chief Justice to "appoint such administrative assistants as he deems necessary." Pursuant to KRS 27A.050, the AOC is created to serve as the staff for the Chief Justice in executing the policies and programs of the Court of

Justice. In executing the policies and programs of the Court of Justice and performing administrative services for the Court of Justice, the AOC develops and promulgates operating procedures and guidelines similar in nature and scope to Standard Operating Procedures of the Executive Branch to guide its departments and internal AOC staff. KRS 27A.020(1).

The Kentucky Constitution and existing Supreme Court Rules provide adequate guidance regarding the policymaking authority of the Supreme Court and the Chief Justice. No additional written guidance is needed.

<u>Recommendation:</u> All existing AOC policies, including those created by departments, other than APs and AOs, should be inventoried, assessed, and re-enacted pursuant to the new process created in response to these recommendations.

## Response:

As set forth above, the AOC does not create policy. Rather, the AOC executes and implements policies of the Chief Justice and the Supreme Court. In doing so, the AOC promulgates operational procedures and guidelines to provide direction to AOC staff.

Existing Administrative Procedures for the Court of Justice are available on the Supreme Court's website and are published by West and Thomson-Reuters. The AOC agrees that its existing operational procedures and guidelines should be inventoried, assessed, reviewed by the Office of General Counsel, and approved by the AOC Director.

The AOC also agrees that it should create and maintain a central location for operational procedures and guidelines that is accessible to its employees and other applicable parties, and that these operational procedures and guidelines should be subject to routine review. The AOC also agrees that its managers and staff need to be (1) educated on the differences between APs enacted by the Chief Justice or the Supreme Court and operational procedures and guidelines promulgated by the AOC; and (2) trained on operational procedures and guidelines promulgated by the AOC.

Specifically, the AOC is conducting a comprehensive review of all operational procedures and guidelines by taking the following steps:

- The Director's office and the Office of General Counsel will formalize into written procedures the AOC's existing process for the creation and maintenance of operational procedures and guidelines including the requirement that all operational procedures and guidelines proposed by a department or division be reviewed by the Office of General Counsel and approved by the AOC Director and establishing parameters for routine review;
- The Director's office will create an internal electronic database to house all operational procedures and guidelines for all AOC departments and divisions;
- The Director's office and the Office of General Counsel will review all existing operational procedures and guidelines and the Managers and Executive Officers of each department or division will update them as necessary;
- The Director's office and the Office of General Counsel will work with Managers and Executive Officers to identify gaps in existing operational procedures and guidelines and recommend that the Chief Justice or the Supreme Court adopt appropriate Administrative

Procedures, or that the department or division propose additional operational procedures and guidelines; and

• Appropriate Managers and Executive Officers will train all departments and divisions on existing operational procedures and guidelines.

The AOC anticipates that the written procedure regarding the process for operational procedures and guidelines will be completed by September 1, 2018. The internal electronic database will be operational by October 31, 2018. Review of existing operational procedures and training and development of additional operational procedures and training will be an ongoing task. A position will be created to be responsible for maintaining operational procedures, among other duties.

<u>Recommendation:</u> AOC should create and maintain a central location for policies that is accessible to its employees and other applicable parties. Established policies should routinely be reviewed to ensure the policies reflect current operations. In addition, new policies or modifications of existing policies should be communicated to relevant staff as they are adopted. Major changes to policy may require training.

## Response:

Please see the response above.

<u>Recommendation</u>: The Chief Justice should consider whether the practice of the Supreme Court as a whole deliberating and voting on administrative matters is an impediment to efficient and appropriate policy implementation. Furthermore, if the Supreme Court meets regarding administrative matters, it should do so consistent with the open meetings laws in place for similar decision-making bodies, and the Court of Justice should adopt similar policies as it has done recently for open records.

# Response:

As stated above, the Supreme Court's deliberation of and voting on administrative matters as a whole is not a "practice" but is specifically contemplated by the Kentucky Constitution and required by Supreme Court Rule.

With respect to the recommendation regarding open meetings, SCR 1.020(3) provides that "the Supreme Court will sit in open session for scheduled oral arguments and on such other occasions as it may determine." The Supreme Court's consideration of the administrative docket is part of its deliberative process and is not open to the public. There is no decision-making body in the Commonwealth similar to the Supreme Court, which must have discretion to conference confidentially about pending matters, administrative or otherwise.

*Clarification:* The report's statement that "the current Chief Justice has decided to share authority with the other members of the Supreme Court" demonstrates a fundamental misunderstanding of the Kentucky Constitution with respect to the policymaking process for the Court of Justice and the role the Supreme Court plays in it. Pursuant to SCR 1.010, policymaking and administrative authority for the Court of Justice is vested in both the Supreme Court and the Chief Justice. During the Auditor's examination, AOC staff attempted to explain this, as well as the distinction between policies adopted as Administrative Procedures by the

Chief Justice or the Supreme Court and operational procedures promulgated by the AOC, to the Auditor's staff. AOC managers, in explaining this distinction, were not intending to "diminish" the operational procedures promulgated by the AOC or to "suggest" that certain operational procedures are not binding on AOC employees, but rather to educate the examiners and help them develop an audit plan per the examiners' request.

Despite the confusion around the policymaking process at the Supreme Court level, the AOC agrees with the recommendations that AOC operational procedures and guidelines should be reduced to writing, compiled and centralized, applicable to all employees, applied uniformly, and subject to routine review.

# Finding 3: Insufficient Internal and External Auditing

<u>Recommendation:</u> We recommend AOC develop a division with a true internal audit function. The division should have a charter or at minimum an internal audit plan, report to the Director or above, have interaction with the Chief Justice as chief administrator of AOC, and be given the independence necessary to investigate and audit areas of risk without interference or waiting on specific directives. The division should also have quality control through internal and external assessments.

## Response:

The existing auditing division was initially created for the purpose of fulfilling a legislative mandate to conduct circuit clerk audits and eventually master commissioner audits. The AOC agrees that there is significant value in the existing auditing division, which has never been charged with conducting routine internal audits, taking on an internal auditing function with a defined charter. However, creation of this function is dependent on a significant budget outlay to appropriately staff this division.

<u>Recommendation</u>: For greater independence and to create a reporting function, we recommend AOC consider creating an audit committee that separates management from the internal audit activities that provide oversight of management.

# Response:

The AOC agrees that the auditing division, particularly as it takes on an internal audit function, requires independence. Last year, the AOC took an initial step of abolishing the Department of Administrative Services, reorganizing all the units and divisions therein, making the Division of Auditing Services a stand-alone division which currently reports directly to the Director's Office. The AOC intends to explore opportunities to contract with an outside consultant to advise and assist us in ensuring the continuing independence of the auditing division.

<u>Recommendation:</u> We recommend AOC also evaluate and consider, as part of an internal audit function, the competencies, education, and experience required for staff assigned to this function. This evaluation is consistent with the IPPF Standards cited throughout this Finding.

The AOC agrees that an evaluation of the competencies, education and experience required for staff assigned to the new internal audit function is required. The AOC intends to explore opportunities to contract with an outside consultant to advise and assist us in implementing this recommendation. The AOC will make every effort to provide training and additional education opportunities to existing Auditing staff.

<u>Recommendation:</u> If an internal audit function is more fully developed, we recommend AOC designate its internal audit division or internal audit committee as a reporting entity for allegations of waste, fraud, and abuse. Internal auditors should be aware of any such allegations for their risk assessment and audit planning.

## Response:

The AOC agrees that a function of the internal auditing group would be to investigate and respond to allegations of waste, fraud and abuse, which is currently being handled by the Human Resources Department. However, as noted above, inclusion of the internal auditing function in the auditing division is dependent on a significant budget outlay to appropriately staff the division.

*Clarification:* On page 10, the Auditor's report reflects that the AOC does not maintain a log of complaints unless the complaint was made by e-mail. The AOC's current process is to maintain a log of all complaints in SharePoint as well as hard copy.

<u>Recommendation:</u> We recommend the General Assembly require an annual external audit of AOC, permitting the Auditor of Public Accounts a right of first refusal to audit or examine AOC each year. Regardless of whether the General Assembly enacts such a requirement, we recommend AOC obtain an annual external audit. To provide further transparency, the results of any audits or examinations of AOC should be open records and posted to a public website.

## Response:

The AOC agrees that there is value in obtaining external audits of the AOC and making those results public. However, the determination of whether to require an external audit and the frequency of such must remain at the direction of the Supreme Court so as not to violate the principle of separation of powers.

# Finding 4: Employee Ethics Policies Are Poorly Developed

<u>Recommendation:</u> We recommend AOC conduct a comprehensive review of its ethics policies for all employees, including those applicable to appointed and elected officials on administrative matters, to consider whether all necessary areas and concerns are adequately addressed.

## Response:

Ethics policies for employees are located in AP Part III, "Personnel Policies for the Kentucky Court of Justice." Ethics policies for elected officials are located in the applicable Code of

Conduct, which is the Code of Judicial Conduct for judges (SCR 4.300, Supreme Court Order 2018-04) and the Code of Conduct for Circuit Court Clerks (Supreme Court Order 2014-12).

In light of these recommendations and findings, the AOC will review the Personnel Policies for the Kentucky Court of Justice and, pursuant to KRS 27A.020(6), make appropriate recommendations to the Supreme Court. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Personnel Policies for the Kentucky Court of Justice is vested in the Supreme Court.

<u>Recommendation:</u> We recommend AOC also consider and revise the wording of existing ethics rules. Although written in terms of general application, policies should be precise enough so that each employee understands what specific conduct is prohibited and what is expected of them. While terms like "may" and "should" have their places, the policies should avoid open-ended descriptions of possible bad conduct and attempt to draw bright-line rules and thresholds to be as clear and as uniformly enforceable as possible.

## Response:

In light of these recommendations and findings, the AOC will review the Personnel Policies for the Kentucky Court of Justice and, pursuant to KRS 27A.020(6), make appropriate recommendations to the Supreme Court. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Personnel Policies for the Kentucky Court of Justice is vested in the Supreme Court.

<u>Recommendation:</u> We recommend AOC specifically address lines of authority for reporting and enforcement for its ethics policies and communicate these matters to employees so that staff understand the correct place to take concerns, who has authority to address those concerns, the process for addressing concerns, and the consequences of violating a policy. Reporting authorities can also serve as an important resource for employees seeking guidance on compliance with ethics rules.

## Response:

It is clearly understood at the AOC and within the Court of Justice who the appointing authorities are. The AOC Director is the ultimate appointing authority for all AOC personnel, but in practice designates every Executive Officer and Manager as the appointing authority of employees within the department or division. The AOC has recently revised all job descriptions for Executive Officers and Managers and has included this designation in those job descriptions.

In light of these recommendations and findings, the AOC will review the Personnel Policies for the Kentucky Court of Justice and, pursuant to KRS 27A.020(6), make the recommendation to the Supreme Court that the definition of appointing authority be clarified consistent with these recommendations. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Personnel Policies for the Kentucky Court of Justice is vested in the Supreme Court.

With respect to concerns about the conduct of elected officials, the Judicial Conduct Commission, Kentucky Bar Association, and the Circuit Court Clerks Conduct Commission, and **not** the AOC, have the authority to review the conduct in question.

## Page 10 of 35

<u>Recommendation:</u> Once new policies are in place, we recommend AOC conduct ethics training for all employees, including appointed and elected officials. AOC should also consider periodic training, at a minimum for new hires. AOC should continue its practice of obtaining written acknowledgment by staff of these policies, as well as any revisions. Documenting acknowledgment of policies is helpful for when disciplinary action is required, and also communicates to employees the seriousness with which management takes ethics policies.

# Response:

The AOC agrees that ethics training for all employees and appointed and elected officials is of paramount importance. The AOC currently trains new employees on the ethics rules contained in the Personnel Policies for the KCOJ. The AOC will draft a summary sheet describing any new ethics rules adopted by the Supreme Court or the Chief Justice and will require every employee to review them and acknowledge receipt of them when accessing the Timesheet Portal.

<u>Recommendation:</u> AOC should consider organizing an independent body specifically to address, investigate, and enforce ethical matters related to AOC employees. An independent body can serve as an important reporting authority so employees can have confidence that ethical concerns will be handled impartially and without reprisal.

# Response:

The Personnel Policies of the KCOJ as they currently exist contain a Grievance Policy for the Kentucky Court of Justice in Section 8.02 which explicitly allows an employee to file a grievance without "interference, coercion, discrimination, or retaliation," e,g, "reprisal" and requires the AOC to impartially handle the matter. Section 2.02 of the Personnel Policies provides that any complaints received will be forwarded to the appropriate entity, which includes the Judicial Conduct Commission, the Circuit Court Clerks Conduct Commission, the Attorney General, the FBI, state police, or local law enforcement.

The AOC is a statutorily created entity that is required to fulfill all of its statutory functions. This includes the responsibilities of supervising "clerical and administrative personnel" and "executing the policies and programs of the Court of Justice." See KRS 27A. 020(2) and KRS 27A.050. The AOC is not authorized to delegate these responsibilities to any "independent body." As such, the AOC disagrees with your recommendation to organize an independent body to address, investigate and enforce ethical matters related to its employees.

# Finding 5: Procurement Policies are Weak

<u>Recommendation:</u> We recommend AOC review and reduce its small purchase authority, considering the level of authority granted to similar agencies in Kentucky.

# Response:

The only agencies in Kentucky that are similar to the AOC with respect to the authority to procure goods and services for their branch of government are the Finance and Administration Cabinet (FAC) and the Legislative Research Commission (LRC). The AOC, as the

administrative and operational arm of the Judicial Branch, cannot be reasonably compared to local agencies or state agencies whose limited authority to purchase is derived from the Finance and Administration Cabinet. As the report indicates, the AOC's small purchase limits are 25% higher than those of FAC and LRC with respect to the requirements for competitive bidding; however, the AOC requires three quotes for purchases of \$10,000 to \$49,999 while according to Figure 4 of the Audit Report, LRC obtains a single quote for purchases up to \$40,000.

The AOC intends to present comprehensive recommendations to the Supreme Court for the adoption of Rules of Administrative Procedure relating to procurement. In light of these recommendations and findings, one recommendation the AOC will make to the Supreme Court will be to consider the small purchase authority of the AOC. As discussed in our response to recommendations in Finding 2, ultimate authority to adopt policies for the Kentucky Court of Justice is vested in the Supreme Court.

<u>Recommendation:</u> We recommend all procurement policies be formalized, documented, and distributed to staff. Adoption of outside policies, such as incorporating FAPs by reference, should be similarly formalized, documented, and communicated.

# Response:

The AOC agrees with this recommendation and would like to note that in the thirteen months of the examination, the Auditor did not uncover a single incidence of fraud, waste, or abuse in the procurement of goods and services for the AOC.

The Division of Accounting and Purchasing is working with the Office of General Counsel to develop and submit comprehensive recommendations to the Supreme Court pursuant to KRS 27A.020(6) for the adoption of Rules of Administrative Procedure relating to procurement. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures for the Kentucky Court of Justice is vested in the Supreme Court.

Until the AOC makes recommendations to the Supreme Court and the Supreme Court adopts Administrative Procedures, the AOC will follow its current processes, which are described in Purchasing and Procurement Guidelines dated March 15, 2018 (AOC Appendix 1). While the AOC recognizes that additional staff training will be required following the Supreme Court's adoption of Rules of Administrative Procedure relating to procurement, the Division of Accounting and Purchasing and the Office of General Counsel, Division of Operations and Procurement have provided training regarding the March 15, 2018 Procurement Guidelines to all AOC Executive Officers and Managers and designated operational contacts within each department or division.

*Clarification:* The Auditor's report notes that documentation of the AOC's adoption of various FAPs would ideally have pre-dated the audit period. While the AOC agrees with that opinion, it is significant to note that the two Memoranda described on Page 26 of the Auditor's report were written **by** the former Manager of the Division of Accounting and Purchasing **to** the former General Counsel **upon the Auditor's request** that the former General Counsel identify "All policies, procedures, and **other guidance** applicable to the operation of AOC, the Department of Administrative Services, and/or the Budget Office, especially concerning procurement, surplus inventory, conflicts of interest, and ethics."

The Division of Accounting and Purchasing has historically complied with the FAPs identified in part because the AOC uses eMARS, the Executive Branch's accounting software, which is programmed to only permit purchases in compliance with the Finance and Administration Cabinet's FAPs. Significantly, the Auditor's report does not contain any incidents of noncompliance with any of the policies, procedures or other guidance identified by the AOC with respect to purchasing or procurement of goods and services.

<u>Recommendation:</u> We recommend AOC review and adopt clear lines of authority for origination of policies. Any delegation of policymaking powers should be formalized and documented.

## Response:

Please see the response to Finding 2, above.

<u>Recommendation</u>: We recommend AOC adopt definite criteria and require written justification for sole source purchasing or other bidding exceptions. Furthermore, clear lines of authority for making the decision regarding sole source purchases should be adopted.

## Response:

The AOC agrees with this recommendation. This specific recommendation will be included in the recommendations provided to the Supreme Court for the adoption of Rules of Administrative Procedure relating to procurement. Until the Supreme Court adopts Rules of Administrative Procedure relating to procurement, the AOC will follow its current processes, which are:

- As detailed in the Memorandum dated June 9, 2017 outlining purchasing procedures followed by the Division of Accounting and Purchasing, the AOC follows FAP 111-10-00.
- Purchasing and Procurement Guidelines for the AOC, which were established by the AOC in March 2018, designate the Office of General Counsel Division of Operations and Procurement as the decision-maker as to whether a sole source exception applies and documentation of any exception will be maintained in the contract file.
- Since March 2018, Managers, Executive Officers, and operations contacts within each department and division have been trained on the Purchasing and Procurement Guidelines.
- All purchases will be transacted by the Division of Accounting and Purchasing on behalf of all departments and divisions in the AOC; all solicitations will be issued by the Office of General Counsel Division of Operations and Procurement on behalf of all departments and divisions in the AOC.

*Clarification:* Apparently this recommendation was based on an informal note made by a former employee on training materials. However, there is no evidence that a sole source determination was ever actually made by any department or division other than the Division of Accounting and Purchasing. All purchases for the KCOJ are centralized in the Division of Accounting and Purchasing. Prior to the March 2018 Purchasing and Procurement Guidelines, if an existing procurement vehicle was not in place and the purchase in question exceeded the small purchase authority, the Division of Accounting and Purchasing would by default have had to make a determination as to whether a competitive bidding exception existed. The internal guidelines for

the Accounting and Purchasing Division appropriately indicated that the decisions should be made in consultation with the Office of General Counsel. Departments were not situated to make "their own determinations" with respect to competitive bidding exceptions. Nevertheless, the AOC agrees that it should recommend to the Supreme Court that it adopt a policy appointing a single procurement point of contact to make determinations on competitive bidding exceptions.

<u>Recommendation:</u> We recommend, consistent with Finding 2 (page 14), AOC conduct a comprehensive review of all ethics policies, including its procurement guidelines, to address the concerns identified in this and other findings.

# Response:

In light of these recommendations and findings, the AOC will review any applicable procurement guidelines to address the concerns identified in this Finding as well as in Finding 4 (pages 21-25). Pursuant to KRS 27A.020(6), the AOC will make appropriate recommendations to the Supreme Court for inclusion in Rules of Administrative Procedure for procurement. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures for the Kentucky Court of Justice is vested in the Supreme Court.

# **Finding 6: AOC Did Not Follow Advice of Legal Counsel Regarding Surplus Property** Sales and Provided Little to No Oversight for These Sales

<u>Recommendation</u>: We recommend AOC discontinue the practice of internal-only sales and instead follow its own legal counsel's guidance from the 2010 memo and subsequent SC Order 2017-5. No exceptions from prescribed procedures should occur. We recommend AOC conduct and advertise any surplus property sales consistently with other state law regarding surplus property.

# Response:

The AOC agrees with this recommendation. The Supreme Court has adopted policy concerning KCOJ surplus property in Supreme Court Order 2017-05, Judicial Branch Surplus Property, entered April 19, 2017. The AOC has discontinued the practice of internal sales of surplus property and has entered into an MOU with the Finance and Administration Cabinet to dispose of surplus property of the KCOJ eligible for sale. (MOU with Finance, AOC Appendix 2.)

In accordance with the Supreme Court Order, the Logistics Division (formerly DPAIC) has worked with the Office of General Counsel to create an official KCOJ form, AOC-PA-001, "KCOJ Owned Personal Property Declaration of Surplus," to document in writing all property declared surplus. Once property has been declared surplus eligible for sale, it is delivered to the Finance and Administration Cabinet's Division of Surplus (DOS), which becomes the custodian of the property and is responsible for its disposal in accordance with all applicable law, regulations, policies and procedures. (AOC-PA-001, AOC Appendix 3.)

The Logistics Manager will actively review all AOC-PA-001 Surplus Declaration forms for accuracy. Regular and frequent communication between the Logistics Manager and DOS will ensure DOS deliveries are happening in accordance with the MOU and will allow any issues or irregularities to be quickly identified and resolved.

<u>Recommendation:</u> We recommend AOC accurately record all vehicle information in eMARS as outlined in the Finance Cabinet Process for Vehicles in eMARS and FAP-120-20-01 or a substantially similar AOC policy. Furthermore, fixed assets should be removed from eMARS following each surplus sale to avoid errors in inventory and financial statements.

## Response:

The AOC agrees with this recommendation. The Logistics Division is working with the Office of General Counsel to develop and submit comprehensive recommendations to the Supreme Court pursuant to KRS 27A.020(6) for the adoption of Rules of Administrative Procedure relating to inventory and asset management. Once the AOC makes recommendations to the Supreme Court and the Supreme Court adopts Rules of Administrative Procedure relating to inventory and asset management, the Logistics Division and Department of Information & Technology Services (ITS) will promulgate appropriate operational procedures and conduct training.

Please see the responses to Finding 7 addressing asset management records in eMARS and Archibus and the removal of fixed assets from eMARS and Archibus and Finding 8 addressing surplus sales.

Additionally, the AOC has updated fixed asset records of all licensed vehicles and licensed trailers, which it will continue to monitor and update accordingly.

*Clarification:* Non-titled property will be designated as surplus in eMARS and Archibus upon delivery confirmation from the DOS. Titled property will be designated as surplus in eMARS and Archibus upon confirmation of title transfer from the DOS. All other fixed assets will be updated in eMARS and Archibus at the time of disposal pursuant to Supreme Court Order 2017-05.

<u>Recommendation:</u> We recommend AOC retain certain records related to surplus property for eight years as outlined in the Surplus Property Guidebook.

# Response:

The AOC agrees that records related to surplus property should be properly maintained in accordance with Supreme Court Order 2013-05, Records Retention Schedule for the Administrative Office of the Courts, which requires asset management records to be retained for eight years. The Surplus Property Guidebook is not applicable to the AOC because it is an Executive Branch, Finance and Administration Cabinet, Division of Surplus document. The DOS is required to follow the Guidebook in its sales of surplus property received from the AOC pursuant to the MOU.

Since the adoption of Supreme Court Order 2017-05, all surplus declarations have been made in writing by the Director or designee on KCOJ form AOC-PA-001, KCOJ Owned Personal Property Declaration of Surplus. Completed AOC-PA-001 forms and documents related to fleet vehicle maintenance are scanned and stored electronically on the Logistics Division's Property Accountability SharePoint site which was developed on June 1, 2017. The originals are maintained by Logistics in accordance with Supreme Court Order 2013-05.

<u>Recommendation:</u> We recommend AOC properly segregate duties for identifying items as surplus, document asset records (mileage etc.), and conduct surplus sales to safeguard assets and reduce the risk of error or fraud.

# Response:

The AOC agrees with this recommendation. The Supreme Court has adopted policy concerning KCOJ surplus property in Supreme Court Order 2017-05, Judicial Branch Surplus Property, entered April 19, 2017. The AOC has discontinued the practice of internal sales of surplus property and has entered into an MOU with the Finance and Administration Cabinet to dispose of surplus property of the KCOJ eligible for sale. As the AOC no longer conducts surplus sales, there are no duties regarding surplus sales to be segregated at this time. However, the duties associated with the process of assessing, recommending, and declaring property as surplus have been segregated.

The AOC has also taken steps to segregate duties by abolishing the Department of Administrative Services and reorganizing the former Department into three separate divisions, each of which reports directly to the Director's office.

The Logistics Division is in the process of promulgating operational procedures as part of the AOC's comprehensive review of operational procedures and guidelines described in the AOC's response to Finding 2, above. These operational procedures will segregate duties among ITS, Facilities and Logistics, requiring ITS to evaluate technical equipment, Facilities to assess furniture, the Logistics Fleet Unit to assess vehicles, and the Logistics Property Accountability Unit to assess all other property. These requirements will ensure that no one person has control over recommending property for surplus declaration and that surplus recommendations are determined by employees with specific experience related to the property type. Recommendations will be reviewed and processed by both the Logistics Property Accountability Administrator and Logistics Manager before being submitted to the AOC Director or designee for final approval.

Assessments and recommendations will be documented in writing. Maintaining assessment and recommendation forms will allow the Logistics Manager and Director's Office, if needed, to cross reference recommendations of ITS, Facilities, and/or the Fleet Unit against property included and listed on an AOC-PA-001 for surplus declaration.

*Clarification:* The AOC supports the Auditor's decision to refer this finding to the Kentucky Attorney General. The AOC has been assisting the Attorney General in its investigation of this matter since March 2017.

# **Finding 7: AOC Failed to Properly Maintain Inventory Records and Did Not Establish Procedures to Ensure Assets are Accurately Valued and Accounted For**

<u>Recommendation:</u> In order to strengthen the internal controls over inventory assets, we recommend AOC maintain adequate asset listings. To streamline the process and integrate reporting among its departments, AOC should consider utilizing one detailed inventory system

for all asset purchases. Strong oversight over DPAIC should occur and involve an employee who is not concurrently performing any other duties to reduce the chance of errors. Data entry should include some form of review to ensure accuracy and completeness.

## Response:

The AOC agrees with this recommendation. The Logistics Division will work with the Office of General Counsel to develop comprehensive recommendations to the Supreme Court pursuant to KRS 27A.020(6) for the adoption of Rules of Administrative Procedure relating to inventory and asset management. Once the AOC makes recommendations to the Supreme Court and the Supreme Court adopts Rules of Administrative Procedure relating to inventory and asset management, the Logistics Division and ITS will promulgate appropriate operational procedures. Until that time, the AOC is taking the following steps to strengthen the internal controls over inventory assets:

1) As of April 2018, ITS has merged the internal Archibus databases. Going forward, all data entered by ITS and Logistics will be recorded in the same database, with identical data fields, and consistent data labels. The AOC does not intend to eliminate the internal inventory database associated with Archibus because it is a more efficient and detailed physical inventory tracking and data management system than eMARS, which is designed to track accounting data more than physical inventory location and tracking. Nonetheless, the AOC will continue to input accounting data associated with assets valued at \$5,000 or more into eMARS for the Comprehensive Annual Financial Report (CAFR).

2) Logistics has worked with ITS to develop improved weekly reports from the Purchase Order (PO) database to identify acquired fixed assets that need to be entered into Archibus and eMARS.

3) To reduce human error, the AOC intends to develop an electronic version of the AOC form for purchasing requests (AOC-3), and automate data transfer between the AOC-3, the PO system, and the inventory database.

ITS has already implemented a similar electronic form for Technical Equipment Requests. It has been tested and successfully implemented and will serve as a model for the AOC-3 revision project.

4) Both ITS and Logistics have established new positions with job duties focused solely on inventory and surplus data management.

5) ITS and Logistics staff members have developed an Asset Inventory project team to facilitate continuous process improvement with respect to asset processes and procedures. Currently, the team meets weekly.

6) The AOC continues to conduct a comprehensive and thorough physical inventory of fixed assets valued at \$5,000 or more annually. By the end of calendar year 2019, the AOC intends to begin a statewide physical inventory of all fixed assets valued at \$500 or more.

The merging of the two Archibus inventory databases into one comprehensive database used by both Logistics and ITS will ensure fixed-asset data is no longer being manually shuffled between two different databases, which previously led to multiple data and tracking errors. Management of

both Logistics and ITS have engaged in an active oversight role to ensure new procedures and data entry methodologies remain consistent and timely entered.

*Clarification:* Because of staffing changes, division reorganization, and the decision to consolidate the two Archibus databases, the AOC decided to place a temporary hold on data entry into Archibus and eMARS while databases were consolidated and reconciled. As a result, fixed-asset data was incomplete between July 1, 2017 and March 1, 2018. If the examiners tested asset line items during this timeframe, it would produce the incomplete results identified in the Auditor's report.

<u>Recommendation:</u> We recommend AOC implement detailed inventory and disposal policies and procedures to ensure the agency's assets are monitored and accurate. The policies and procedures should address the staff involved and their responsibilities.

## Response:

The AOC agrees with this recommendation. Please see the above response.

<u>Recommendation:</u> We also recommend AOC select a sample of assets valued at or above a threshold as established by policy and conduct a physical inventory at the end of each year to make comparisons to the assets in the inventory system.

## Response:

The AOC agrees with this recommendation. Please see the above response.

<u>Recommendation:</u> We recommend AOC follow FAP 120-11-00, related to lost or stolen stateowned property. In addition, we recommend all AOC departments, including ITS, verify the contents of shipments upon receipt to the warehouse.

# Response:

The AOC agrees with this recommendation. The Logistics Division will work with the Office of General Counsel to develop comprehensive recommendations to the Supreme Court pursuant to KRS 27A.020(6) for the adoption of Rules of Administrative Procedure relating to inventory and asset management that will address this recommendation. The Logistics Division will train AOC staff on any Rules of Administrative Procedure adopted by the Supreme Court relating to inventory and asset management.

FAP-120-11-00 is consistent with current AOC practices, which is to report property suspected as being stolen to the Logistics Manager and the Court Security Unit. The Logistics Court Security Unit will coordinate the filing of police reports as necessary.

The AOC agrees that any KCOJ property reported missing, lost, or stolen should be documented as such in the inventory database. The Logistics Division is currently developing a form to document the circumstances of missing, lost or stolen property. These reports will be maintained on the Court Security SharePoint site and will be provided to the Property Accountability Unit so inventory data can be accurately updated and the property can be declared surplus as necessary. <u>Recommendation:</u> We recommend AOC follow internal guidance already developed to match shipping documents with purchase orders and develop a system to have a receiving clerk conduct a blind count of incoming shipments before accepting delivery.

## Response:

The AOC agrees with this recommendation. The Logistics Division is working with the Office of General Counsel to develop comprehensive recommendations to the Supreme Court pursuant to KRS 27A.020(6) for the adoption of Rules of Administrative Procedure relating to inventory and asset management that will address this recommendation. The Logistics Division will train AOC staff on any Rules of Administrative Procedure adopted by the Supreme Court relating to inventory and asset management.

## <u>Finding 8: AOC Did Not Ensure Surplus Sales Receipts Were Deposited Appropriately and</u> <u>Did Not Consistently Apply or Remit Sales Tax from Surplus Sales</u>

<u>Recommendation:</u> We recommend AOC comply with FAP 120-24-00 by depositing cash, checks, and other negotiable instruments in the State Treasury on the same day of receipt. Additionally, we recommend AOC comply with KRS 41.070 by adequately recording each amount received, the source of receipt, and the date received. Furthermore, we recommend AOC update and comply with the AOC Deposit Instructions, which were most recently revised in August 2013. The updated AOC Deposit Instructions should then be communicated to the Division of Accounting and Purchasing staff as well as individual departments which receive money.

# Response:

The AOC agrees with the Auditor's recommendation that it should comply with the requirement of KRS 41.070(1) that deposits "be deposited in state depositories in the most prompt and costefficient manner available" and recognize that several deposits described in the Auditor's report may not have been promptly deposited. While the Division of Accounting and Purchasing reconciles all moneys daily, the requirement in FAP 120-24-00 that deposits be made on the same day of receipt is unattainable for the AOC based on operational limitations. The AOC Division of Accounting and Purchasing currently deposits cash, checks, and other negotiable instruments in the State Treasury within one week of receipt. The Division of Accounting and Purchasing has determined this practice to be "prompt" within the meaning of KRS 41.070(1) and will promulgate an appropriate operational procedure accordingly. The AOC agrees that its departments and divisions that receive money should adequately record each amount received, the source of receipt, and the date received. This is reflected in the AOC Deposit Instructions and is the current practice.

The AOC Deposit Instructions will be reviewed and updated in accordance with these recommendations as part of the AOC's comprehensive review of operational procedures and guidelines described in the AOC's response to Finding 2, above. The Manager of Accounting and Purchasing will communicate the resulting operational procedure with Division of Accounting and Purchasing staff and departments that receive money.

<u>Recommendation:</u> We recommend AOC collect sales tax on all sales associated with surplus property as well as remit the tax collected to the Department of Revenue as specified in the Division of Surplus Property Guidebook. Furthermore, we recommend AOC comply with KRS 139.550 by filing a sales tax return.

# Response:

The AOC agrees with this recommendation. The AOC has entered into an MOU with the Finance and Administration Cabinet to dispose of surplus property of the KCOJ. As such, the Finance and Administration Cabinet will be conducting future sales of surplus property of the KCOJ, collecting sales tax on those sales, and remitting the tax collected to the Department of Revenue. Although the AOC is not subject to the Division of Surplus Property Guidebook, the AOC understands that the Finance and Administration Cabinet will conduct its sales of KCOJ property in accordance with the Division of Surplus Property Guidebook.

# **Finding 9: AOC Does Not Follow Its Information Technology Sanitization Policy, Which Has Been in "Draft" Form Since 2009**

<u>Recommendation:</u> We recommend AOC update and finalize the Kentucky Court of Justice Draft Sanitization & Electronic Data Disposal Policy. ITS staff with authority to assess whether decommissioned IT equipment should return to stock or be surplused, and those staff who sanitize equipment, should receive formal training and be provided a copy of the policy. In addition, we recommend AOC maintain records for all sanitization procedures including surplused equipment in a central location such as the ITS Department, and be maintained as outlined by the records retention schedule.

# Response:

The AOC agrees with this recommendation.

The AOC will finalize the "Sanitization & Electronic Data Disposal Procedures" before August 1, 2018. In practice, it has already been implemented although it has not been consistently applied. Once the Procedures have been finalized, they will be distributed to affected staff and training will be conducted.

ITS staff will complete sanitization certificates and scan them to be maintained in a centralized repository.

Additionally, ITS has developed a technical equipment surplus process, which will be implemented. (Surplus Process, AOC Appendix 4.)

As an internal control measure, the warehouse will not accept equipment that has not been sanitized as denoted by the attached certificate of sanitization. (Record of IT Equipment Sanitization, AOC Appendix 5.)

ITS will monitor compliance with these processes through random selection and verification of sanitized technical equipment/assets.

## **Finding 10: Numerous Weaknesses in Travel and Expense Reimbursement Policies Have Led to Confusion and Inconsistent Application**

<u>Recommendation:</u> We recommend KCOJ revise its travel and expense policies to address vague or inconsistent policy language. Once revised, the new policies should be distributed to all KCOJ staff and officials. Mandatory training should also be provided on the revised policies to ensure those submitting requests and those processing requests receive the same level of explanation and detail. AOC should then develop clear procedures to ensure consistent application of the policy.

# Response:

The AOC agrees with this recommendation and has reviewed AP Part VII, Reimbursement for Official Travel for the purpose of making recommendations to the Supreme Court pursuant to KRS 27A.020(6). In light of the findings and recommendations in the Auditor's report, the AOC will review the recommendations it has previously made to the Supreme Court and revise them accordingly. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures for the Kentucky Court of Justice is vested in the Supreme Court.

The AOC also agrees that ITS and the Division of Accounting and Purchasing will train AOC employees and elected and appointed officials on any revised travel regulations adopted by the Supreme Court. Finally, the AOC agrees that any travel vouchers not in compliance with the revised travel regulations will be returned to the employee or elected or appointed official.

*Clarification:* Contrary to the statements on Pages 15 and 46 of the Auditor's report, the Chief Justice has *not* been "outvoted" on this issue. In fact, the Supreme Court has *not* taken any "vote" with respect to the proposed travel regulations. Additionally, the draft version of the proposed travel regulations discussed on pages 45-47 of the Auditor's report is not the most current version that has been recommended to the Supreme Court.

<u>Recommendation:</u> We recommend AOC staff consistently apply all enacted policies and that all deviations from those policies be documented in writing and maintained. We recommend AOC staff not process for payment any request containing an insufficient level of detail such as: a valid and clear business purpose, travel departure and arrival times, destination addresses, or description of the item for which reimbursement is being requested. Additionally, AOC should not process for payment any requests that do not have adequate supporting documentation.

# Response:

The AOC agrees with this recommendation, and in light of the findings and recommendations in the Auditor's report, the AOC will review the recommendations it has previously made to the Supreme Court concerning proposed travel regulations and will revise them accordingly. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures for the Kentucky Court of Justice is vested in the Supreme Court.

The Division of Accounting and Purchasing has already implemented a process to reject and return travel vouchers submitted by employees and elected or appointed officials if they do not

comply with AP Part VII, or if they do not include a valid and clear business purpose, travel departure and arrival times, destination addresses, or description of the item for which reimbursement is being requested.

<u>Recommendation:</u> Furthermore, it is in the best interest of AOC to ensure all requests submitted have been reviewed by a second party. Review is an important control to prevent abuse of public funds. For elected officials, AOC should designate a reviewer for administrative matters. For example, Chief Regional Circuit Judges, an AOC Director or Deputy Director, could be assigned as reviewers for various elected officials.

# Response:

The AOC agrees with this recommendation in principle, and in light of the findings and recommendations in the Auditor's report, the AOC will review the recommendations it has previously made to the Supreme Court concerning proposed travel regulations and will revise them accordingly. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures for the Kentucky Court of Justice is vested in the Supreme Court.

<u>Recommendation:</u> We recommend AOC policies and expense reimbursements such as per diems be set at the same level for all employees and elected officials, unless there is a legitimate business reason for variation.

# Response:

As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures for the Kentucky Court of Justice is vested in the Supreme Court. The AOC will refer this recommendation to the Supreme Court for consideration.

# **Finding 11: AOC Failed to Provide Guidance or Establish Sufficient Controls to Properly Monitor the Use of Agency-Issued Credit Cards**

<u>Recommendation</u>: We recommend AOC develop, at a minimum, a cardholder agreement to be signed by all individuals issued a credit card. Cardholders should not use their cards to make personal purchases, even when cardholders intend to repay personal charges at a later date. Cardholders should submit supporting documentation for all purchases made using their card. Supporting documentation should include detailed merchant receipts or invoices, clearly identifying the name of the vendor, the date of the charge and the items purchased. Purchases of food when not in travel status should be prohibited. All transactions deemed necessary should include a written description of purpose and list of all recipients of food. AOC should provide cardholders with a list of unallowable items such as entertainment, gifts, alcohol. Elected officials should be required to follow AOC administrative policies.

# Response:

The AOC agrees with this recommendation.

The AOC will develop a cardholder agreement to be executed by any individual assigned an American Express card. At a minimum, the cardholder agreement will include the following:

- Notification that American Express cards should only be used by the cardholder for expenditures that are otherwise reimbursable pursuant to AP Part VII;
- A requirement that any expenditure incurred on the card not reimbursable pursuant to AP Part VII shall be reimbursed by the cardholder within 30 days of receipt of the credit card statement;
- A requirement that cardholders submit supporting documentation for all purchases made using their card; and
- A detailed list of unallowable items.

The Division of Accounting and Purchasing has already implemented a process requiring receipts before an American Express bill is paid and requiring reimbursement for personal charges.

*Clarification:* The reception mentioned in this Finding was allowable under the then-existing Purchasing Guidelines. The Division of Accounting and Purchasing and the Office of General Counsel will incorporate recommendations related to this finding into the proposed procurement policies that will be submitted to the Supreme Court pursuant to KRS 27A.020(6). As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures for the Kentucky Court of Justice is vested in the Supreme Court.

# **Finding 12: AOC Did Not Ensure Accurate and Timely Reporting of Taxable Personal Benefits from Take-Home Vehicles Assigned to Justices and Other AOC Personnel**

<u>Recommendation</u>: We recommend AOC update its vehicle use policy to reflect current operations and expectations of individuals assigned a take-home vehicle. In this policy, we recommend AOC establish penalties for failure to complete and submit, in a timely manner, the required reporting of personal usage to AOC. Appropriate penalties could include all mileage being reported as taxable or loss of take-home vehicle privileges. These consequences should apply equally to elected officials at all levels as well as staff. Once policies are finalized, they should be distributed to those responsible for processing the personal benefit forms and those assigned a take-home vehicle. Finally, these individuals should be trained on the new policies and AOC should provide sufficient oversight to ensure the policies are followed.

# Response:

The AOC agrees with this recommendation. In light of these recommendations and findings, the AOC will make recommendations to the Supreme Court, pursuant to KRS 27A.020(6), to adopt Administrative Procedures regarding fleet management. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures is vested in the Supreme Court.

Effective July 1, 2018, the responsibility for collection of personal use mileage for reporting taxable vehicle benefits was placed in the Logistics Division, which was already responsible for maintaining vehicle maintenance and service records including total mileage data. Managerial oversight of the Fleet Unit within this Division has significantly increased since the Department

of Administrative Services was abolished, which has resulted in improved recordkeeping and data collection.

The AOC will ensure that training is provided to Logistics staff regarding the calculation of taxable vehicle benefits.

The Logistics Division is developing Fleet Management Procedures that will be reviewed and updated in accordance with these recommendations as part of the AOC's comprehensive review of operational procedures and guidelines described in the AOC's response to Finding 2, above.

The Logistics Division will continue to provide KCOJ officials and personnel assigned a vehicle with "take home" privileges with information, policies, and procedures pertaining to the tax consequences of using a KCOJ vehicle for personal use.

*Clarification:* There are approximately 3,800 elected or appointed officials and employees within the Judicial Branch. Of those 3,800, only 31 are assigned vehicles and 21 of these have "takehome" privileges.

<u>Recommendation</u>: We further recommend AOC revise its procedures to ensure a review of taxable benefit calculations is performed by a second employee before adding the benefit to the individual's tax statement. Also, procedures should ensure that Human Resources staff are informed of individuals who are assigned take-home vehicles so that any taxable benefit is reported appropriately on the employee's W-2 tax documents.

## Response:

The AOC agrees with this recommendation. Please see the above response.

## **Finding 13: ProCard Policies Are Applied Inconsistently and Transactions Lack Adequate** <u>Controls</u>

<u>Recommendation</u>: We recommend AOC not use AOC funds to purchase gifts. Either purchase orders or AOC-3 Commodity/Service Request forms should be required for all purchases using a ProCard, except when the purchase is considered an emergency and cannot be delayed to seek approval. Furthermore, we recommend AOC amend purchasing policy and practices to apply consistently to all departments, specifically address these matters, and include consequences for noncompliance regarding unsupported purchases.

## Response:

The AOC agrees that ProCard expenditures should have adequate supporting documentation and agrees that AOC funds should not be used to purchase gifts.

The AOC will update the cardholder agreement to specify that the cardholder must obtain prior approval from his or her manager before making purchases with the ProCard. The Division of Accounting and Purchasing will promulgate operational procedures requiring the cardholder to submit receipts prior to payment of the ProCard bill and requiring two layers of review in the Division of Accounting and Purchasing prior to payment of ProCard bills.

In light of these recommendations and findings, the AOC will research how other state court systems address honoraria and make appropriate recommendations to the Supreme Court, pursuant to KRS 27A.020(6). As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to the Administrative Procedures is vested in the Supreme Court.

# Finding 14: AOC Did Not Comply with Its Own Policies for Procuring Leases, Resulting in Potential Bias and Conflicts of Interest in the Process

<u>Recommendation</u>: We recommend AOC comply with its own policies. To assist in this effort, AOC should develop standard forms that reflect the policy requirements for leases. This should include reinstating budget department concurrence.

## Response:

AP Part V, Real Property Leases constitutes the policies of the Supreme Court regarding the leasing process implemented by the AOC. The AOC is in the process of reviewing AP Part V, Real Property Leases (AP Part V) and, per KRS 27A.020(6), making recommendations to the Supreme Court to update that policy.

In construing FAP 111-35-00 to be applicable to the procurement of private sector leases, the report reflects a misunderstanding of what policies and operating procedures constitute the "competitive bidding process" for private sector leases. FAP 111-35-00 is not applicable to the procurement of leased space. Rather, FAP 111-35-00 applies to competitive bidding for goods and services. The only policy relating to competitive bidding for private sector leases for the Judicial Branch is AP Part V, which is modeled after KRS 56.800 – 56.832.

Standard leasing forms that reflect the policy requirements for leases have been or are in the process of being developed by the Manager of the Division of Facilities in consultation with the Office of General Counsel for each stage of the leasing procurement process. With these standard forms, each stage of the lease procurement process required by AP Part V will be properly documented from the space request to the final execution of the lease documents.

The Space Request form (AOC-FAC-8, AOC Appendix 6) has been developed and has been in use since March 2018. A Lease Certification Form has been developed (AOC-FAC-9, AOC Appendix 7) and leasing staff began using it in March 2018 to certify that they are not aware of any policy violations.

Additional forms will be updated and developed when the Supreme Court amends AP Part V. The use of these forms will be mandatory for all AOC Facilities staff, who will be trained on their use.

The current budget recommendation memo (Memorandum, AOC Appendix 8) contains a signature line for the Budget Director. This format has been in use since April 2017 when the former Executive Officer of Administrative Services was placed on investigative leave. While the AOC acknowledges that the former Executive Officer of Administrative Services removed the signature line for the Budget Director from the recommendation memo, budget concurrence was nonetheless obtained for all leases entered into during the examination period. All private sector lease agreements are reviewed by the Office of General Counsel before being executed by

the Director of the AOC. Part of the Office of General Counsel's review process includes ensuring that budget concurrence has occurred for any new lease. In January 2018, the examiners requested proof of Budget concurrence from the Office of General Counsel relating to certain specific contracts, but not the private sector leases. Had the examiners requested the Office of General Counsel provide proof of Budget concurrence on the five private sector leases identified in the report, the Office of General Counsel would have been able to provide that documentation.

The AOC will monitor compliance with this corrective action plan by requiring the use of a check list for all stages of the lease procurement process, which will be signed off on by the Manager of the Division of Facilities.

<u>Recommendation</u>: We recommend AOC policies require individuals (not just corporate forms) with relationships to AOC or AOC staff disclose those relationships during procurement.

## Response:

The AOC agrees with this recommendation. The Disclosure of Ownership form will be updated consistent with these findings and recommendations.

Until AP Part V and the Disclosure of Ownership form are updated, the Leasing Coordinator will require each individual to disclose in writing on the Best and Final form whether he or she is an elected or appointed official of the KCOJ or an employee of the AOC or whether he or she is related to an elected or appointed official of the KCOJ or an employee of the AOC.

<u>Recommendation</u>: We recommend AOC policies address conflicts of interest during procurement to avoid the appearance of favoritism or providing financial benefits to related parties. Disclosing relationships and removing those individuals with conflicts of interest from the process engenders public trust and a more ethical culture among employees. Any known conflict should be properly documented as to the reason(s) this relationship was considered acceptable and allowed to continue. Any individual who abstained from the process due to the conflict should also be documented.

## Response:

The AOC agrees with this recommendation. The AOC is in the process of reviewing AP Part V and, pursuant to KRS 27A.020(6), will make appropriate recommendations to the Supreme Court consistent with these findings and recommendations. As discussed in our response to recommendations in Finding 2, ultimate authority to make changes to AP Part V is vested in the Supreme Court.

While AP Part V does not currently address conflicts of interest other than to require disclosure, the AOC relies on Section 2.06 of Personnel Policies for the KCOJ as justification to reject lease proposals from AOC employees. Additionally, it is the longstanding practice of the AOC to abstain from leasing property directly from elected or appointed officials or members of their household.

<u>Recommendation</u>: We recommend AOC create a bid file and maintain all reports and evidence to support selection of winning bidders in the bid file. Reasons for the selection should also be

created and maintained. Analysis should support the result based on the criteria identified in the bid solicitation.

# Response:

The AOC agrees with this recommendation in principle. The AOC currently maintains files for all private sector leases; however, the AOC acknowledges that bid documentation in those files has not always been properly maintained. The Manager of Facilities will require that a checklist be included in every private sector lease file to document that all necessary reports and evidence to support the selection of "winning bidders" are included in the file. The Manager of Facilities will require that staff document their analysis of the criteria identified in the bid solicitation and reasons for the selection of the "winning bidder" in each private sector lease file. Before any lease is finalized, the Manager of Facilities will review the file and verify that each item on the checklist is complete and included in the file.

## <u>Finding 15: AOC's Facility Reimbursements to Local Governments Used Inconsistent</u> <u>Criteria and Policies Were Not Clearly Communicated, Resulting in Multiple Errors</u>

<u>Recommendation</u>: We recommend AOC develop and communicate consistent criteria for approval of a nonrecurring project. All counties should have a fair method to determine the expenditures that will be reimbursed. The information used to calculate quarterly payments should be verified to ensure accurate numbers are used and supported.

# Response:

The AOC agrees with this recommendation. The AOC has developed and communicated consistent criteria for the approval of a nonrecurring project, including definitions of a nonrecurring project in the Policies for the Operation and Maintenance of Court Facilities, promulgated by the AOC in February 2018. (See Policies for the Operation and Maintenance of Court Facilities, AOC Appendix 9.) The AOC is currently reviewing these "Policies" for the purpose of making a recommendation pursuant to KRS 27A.020(6) that the Supreme Court consider adopting them as Administrative Procedures of the KCOJ in conjunction with recommended changes to AP Part X and V.

The AOC will also review its processes related to county facility reimbursements to incorporate these findings and recommendations. Specifically, as part of its annual facilities audit, the Division of Auditing Services will review each county's accounting ledger to verify that the audit adjustment received by the county in the 4<sup>th</sup> quarter of a fiscal year matches the recommended adjustment requested by the Division of Auditing Services. Any discrepancies noted will be reviewed and resolved by the Manager of Auditing Services and Budget Director. The Division of Facilities will update the Nonrecurring Approval Letter template to require dates for signatures of the local government official and the Manager of Facilities.

The AOC is in the process of reviewing Figures 13 and 14 in the Auditor's report. The initial results of this review indicate that those figures represent *discrepancies* between the Facilities Audit Reports and the actual adjusted reimbursements, but not *all* the reported discrepancies necessarily represent "errors" in the actual adjusted reimbursement amounts paid to counties.

The Division of Auditing will continue to review the items listed in Figures 13 and 14 to resolve any errors.

*Clarification:* As noted in the Audit report, the AOC has abolished the Department of Administrative Services, reorganizing all the units and divisions therein, making the Division of Auditing Services a stand-alone division that currently reports directly to the Director's Office. There is no longer a single Executive Officer in charge of both the Facilities and Auditing Divisions. On October 1, 2016, the Department of Administrative Services adopted "Procedures for Operation and Maintenance of Judicial Facilities." While these operating procedures were not adopted by the Supreme Court as Administrative Procedures and therefore may have appropriately been described by AOC staff as "procedures" rather than "policies," they were at all times official procedures that were implemented by the former Department of Administrative Services, communicated to the counties in October 2016, and used by the Division of Auditing Services to audit county reimbursements for the period of October 1, 2016 through June 30, 2017. In February 2018, the AOC adopted the "Administrative Office of the Courts Policies for the Operation and Maintenance of Court Facilities," superseding the Procedures developed in 2016. The Policies were sent out to all counties and posted on the KCOJ website. Because these Policies became effective in Fiscal Year (FY) 2018, the Division of Auditing will begin using these Policies as the criteria for its FY2018 audits.

"Nonrecurring Project" is defined in the February 2018 Policies as follows:

**"Nonrecurring Project"** means a project consisting of a major repair; or a replacement, upgrade or modification to the court facility or KCOJ occupied portion of the facility. Examples of nonrecurring projects include, but are not limited to: new carpet or paint; replacement of the windows, roof, boiler or HVAC; or interior or mechanical renovations...

Finally, as reflected in the Auditor's report, there were departmental communication breakdowns that involved the former Executive Officer of the Department of Administrative Services. The AOC believes these have been resolved through the AOC's dismissal of the former Executive Officer, the abolishment of the former Department of Administrative Services, and the implementation of the February 2018 Operation and Maintenance procedures described above.

# <u>Finding 16: AOC Did Not Implement Adequate Controls for User Access to the KYCourts</u> <u>II System</u>

<u>Recommendation</u>: According to the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations, an organization should develop, document, and disseminate a defined access control policy to agency personnel. We recommend AOC develop and distribute an access control policy that standardizes access security controls related to KYCourts II. Policies and procedures should reflect applicable laws and standards. The policy should address the purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance. It should explain the process for staff to request access to KYCourts II, the need to limit privileges, or rights, within the application, the process to request access to be modified or removed, and the supporting documentation to be maintained to support the access being granted to staff.

KYCourts II is a 20-year-old legacy system based on an off-the-shelf product (Sustain) that has been constantly modified in-house over time and is being actively retired on a county-by-county basis.

The AOC is developing the next generation trial court case management system, KYCourts3, which replaces KYCourts II. There are 3 counties live on KYCourts3 and the statewide rollout is scheduled to be completed by 2022 and KYCourts II will be permanently retired at that time.

It would be cost prohibitive and would derail current development initiatives to re-design KYCourts II to incorporate the recommendations in this Finding into an application that is reaching end-of-life. However, the AOC has implemented interim solutions to address some of the identified issues as follows:

- 1) A KCOJ personnel list is generated on Mondays and employees or elected or appointed officials who have separated or transferred are inactivated in KYCourts II.
- 2) A quarterly audit of KYCourts II users is performed to ensure proper access to KYCourts II.
- 3) Guidelines for establishing KYCourts II users were distributed to circuit court clerks in April 2018, including naming conventions (first name\_last name), which is consistent with Active Directory. (Quick Reference Guide, AOC Appendix 10.)

While the AOC disagrees with these recommendations as they relate to KYCourts II, the AOC does agree with the recommendations in principle and will ensure that all recommendations in this Finding are considered in the development of KYCourts3.

<u>Recommendation</u>: AOC central level staff and Circuit Court Clerks responsible for creating, updating, and deleting access in KY Courts II should enter information into the system consistently. AOC should work with Circuit Court Clerks to develop a uniform naming convention for county level accounts.

## Response:

Please see the response above.

<u>Recommendation</u>: The Control Objectives for Information and Related Technologies (COBIT) DSS 05.04 states organizations should "Maintain user access rights in accordance with business function and process requirements. Align the management of identities and access rights to the defined roles and responsibilities, based on least-privilege, need-to-have and need-to-know principles."

## Response:

Please see the response above.

<u>Recommendation</u>: We recommend AOC no longer allow the cloning or copying of access rights from existing employees due to the potential for providing unnecessary access.

Please see the response above.

<u>Recommendation</u>: Reporting should be expanded to reflect a user's job title or role within the system.

#### Response:

Please see the response above.

<u>Recommendation</u>: AOC and Circuit Court Clerks should perform an annual review of the active user accounts in KYCourts II to ensure users are still employed by AOC and require access to support their job duties. Actions taken to change access levels should be thoroughly documented. All documentation supporting this annual review should be maintained for audit purposes.

#### Response:

Please see the response above.

<u>Recommendation</u>: NIST SP 800-53 Revision 4 also states that an organization should create, enable, modify, disable, and remove information system accounts in accordance with a defined policy or procedure. Credentials should be removed and access should be disabled when access is no longer required.

#### Response:

Please see the response above.

<u>Recommendation</u>: We recommend AOC review all active user accounts to ensure they reflect the user's entire legal name. AOC should identify all users that have more than one user ID and determine the necessity of the multiple accounts. If it is determined a user requires both accounts to perform his/her job duties, justification should be documented.

#### Response:

Please see the response above.

## **Finding 17: AOC Has No Policy for Account Termination Procedures and Did Not Terminate Accounts in a Timely Manner**

<u>Recommendation</u>: We recommend AOC expand its network account policy to ensure a user's KYCourts II access is inactivated at the time an AD account is terminated. The policy should also include the process to follow to disable or terminate an employee's AD and application access when on extended leave. AOC should put policies and processes in place to confirm that this occurs, not only for KYCourts II, but for any other IT systems, equipment, and for physical facilities as well. Termination of access should be documented and maintained.

## Page **30** of **35**

The AOC agrees with these recommendations.

KYCourts II is a 20-year-old legacy system based on an off-the-shelf product (Sustain) that has been constantly modified in-house over time and is being actively retired on a county-by-county basis.

KYCourts II has historically had its own login credentials which were entirely separate from the employee's network login credentials. Currently, however, with the implementation of the Accounts Receivable (AR) application, the user's KYCourts II credentials are linked to their unique network AD account.

The KCOJ employee on-boarding process is initiated by an electronic Personnel Action Request (PAR). The PAR determines what access level the individual will have to KCOJ systems based on his/her role. The PAR information is shared electronically with KHRIS via a nightly feed. The AOC is currently reviewing and evaluating its off-boarding process, which is being enhanced to address all of these recommendations.

When employees or elected or appointed officials separate from the KCOJ, their access to systems is eliminated because their AD account is terminated. In KYCourts II, this translates to making the user "Inactive." A KCOJ personnel list is generated on Mondays and employees or elected or appointed officials who have separated or transferred are inactivated in KYCourts II. Employees who change roles within the KCOJ must then request access to KYCourts II if he/she requires it as part of his/her new role.

Currently a user's Active Directory ID is the unique identifier and efforts are underway to link this identifier to KHRIS.

The HR Portal project provides the forum for the AOC to continuously evaluate and improve both on-boarding and off-boarding processes and procedures.

<u>Recommendation</u>: AOC should review the current list of employees that have separated from employment and ensure their AD accounts have been terminated. Also, access to any other internally developed applications should be terminated.

# Response:

Please see the response above.

<u>Recommendation</u>: We also recommend AOC consider adding a unique identifier that will link the KYCourts II users to KHRIS. This will help AOC ensure they terminate the correct user's accounts.

## Response:

Please see the response above.

#### **Finding 18: AOC Enabled the Use of Template and Group Accounts with Elevated Access** to KYCourts II Resulting in an Unnecessary Level of Access for Some Individuals

<u>Recommendation:</u> We recommend AOC review the users that have enhanced access to the various KYCourts II template accounts to ensure this access is appropriate. AOC should ensure all template account passwords are changed periodically.

## Response:

The AOC agrees with these recommendations in principle. However, the Auditor's report reflects a fundamental misunderstanding of application templates and the KCOJ's use and access of those templates. Templates are used and accessed only for the purpose of facilitating the setup of new users, e.g. the Manager of Auditing Services may request that ITS set up a new user account for a new auditor and ITS will use the ZZ\_AUDITOR template to create the new account. ITS is not familiar with the term "groups" in the context of application templates; templates are not user accounts as that term is used in this Report. To the extent that the use of the term "groups" implies that multiple users access KYCourts II through a template account, that implication is inaccurate. (See Beth Lucas email dated 2/5/18, AOC Appendix 11.)

ITS will review users with enhanced access to templates and will evaluate changing template passwords. ITS will review security of all templates referenced in the Auditor's report to ensure appropriate permissions are applied. ITS will conduct periodic reviews of templates and their usage until the retirement of KYCourts II.

*Clarification:* The AOC agrees that auditors generally should not have the ability to change information they are auditing or may be asked to audit. However, for a limited time, individuals from the Division of Auditing Services were assigned to the Accounts Receivable project. Due to the nature of their assignment, they required enhanced access. They were *not* conducting audits during the time they were assigned to the Accounts Receivable project. These individuals have since been transferred from Auditing Services to Court Services, where this enhanced level of access is granted to all implementation and support personnel who provide training and consulting services.

<u>Recommendation</u>: Furthermore, all group accounts should be disabled. The associated functionality, if still needed, should be transitioned to individual user accounts to allow for closer monitoring of the actions taken by these accounts. If required for business purposes and the transition to individual user accounts is not feasible, then justification for having the group accounts should be documented and approved by management. Management should consistently monitor use of any retained group accounts to ensure they are being used as intended.

## Response:

Please see the response above. Group accounts do not exist.

<u>Recommendation:</u> We recommend AOC review the security controls established over the three template accounts and ensure they are properly restricted from accessing PII. These template accounts should not be allowed the ability to add, update, or delete a case or the associated PII in a case.

Please see the response above. Templates are not user accounts. A template cannot be used to access KYCourts II. Rather, it is used to facilitate the creation of a new application user.

#### Finding 19: AOC Did Not Establish User Security Auditing for KYCourts II and Has No Policy or Procedures to Ensure Regular Monitoring

<u>Recommendation:</u> We recommend AOC develop a policy defining the rules that identify threshold breaches and security events. The policy should require AOC staff to log the defined security events and periodically review the captured information. These reviews can be performed on a periodic basis for a sample of accounts or days to make them more manageable. Actions taken by AOC to address issues identified as a result of the review should be thoroughly documented and maintained for audit purposes.

#### Response:

The AOC agrees with these recommendations in principle.

KYCourts II is a 20-year-old legacy system based on an off-the-shelf product (Sustain) that has been constantly modified in-house over time and is being actively retired on a county-by-county basis. Auditing of security updates was not an available feature at the time KYCourts II was implemented.

The AOC is ensuring that more robust auditing capabilities, consistent with these recommendations, are built into KYCourts3. Once KYCourts3 auditing capabilities are developed, ITS will determine whether operating procedures should be promulgated to address periodic monitoring.

<u>Recommendation:</u> We also recommend AOC continue performing regular reviews of the KYCourts II user lists to ensure only authorized employees have appropriate access to the system. Reviews should continue to be completed until KYCourts III is fully implemented. During this implementation, AOC should follow the COBIT section titled BAI (Build, Acquire and Implement) 03.05 "Build solutions," which states organizations should "Implement audit trails during configuration and integration of hardware and infrastructural software to protect resources and ensure availability and integrity."

## Response:

Please see the response above.

# Finding 20: AOC Did Not Develop or Maintain Basic Technical Documentation for the KYCourts II System

<u>Recommendation:</u> We recommend AOC develop documentation that provides an understanding of critical programs or jobs currently running in production. Proper documentation should be maintained for each critical program in production in order to, at a minimum, identify the purpose of the programs, the origin of data, the specific calculations or other procedures performed, and the output of data or reports. Once developed, AOC should provide this

#### Page **33** of **35**

documentation to technical staff and end-users for reference, and ensure the documentation is updated as changes are made to systems.

# Response:

The AOC agrees with these recommendations.

KYCourts II is a 20-year-old legacy system based on an off-the-shelf product (Sustain) that has been constantly modified in-house over time and is being actively retired on a county-by-county basis.

AOC acknowledges that modification of the product over time was not formally documented to the extent that ITS is currently documenting development projects, including KYCourts3.

The legacy application development manager is currently documenting critical production programs and jobs. The summary document is stored in a centralized repository accessible to ITS staff.

The application development managers ensure development projects comply with AOC software development processes and procedures. Microsoft's Visual Studio Team Server (VSTS) serves as the repository for application development assets including software requirements (user stories), technical requirements, technical specifications, testing requirements, and release specifications. This information is readily available to team resources working on application projects.

Judges, circuit court clerks, and staff have access to online end-user documentation to facilitate system use.

ITS is developing production acceptance criteria that will ensure no application transitions to production without proper documentation.

The Change Advisory Board, comprised of key ITS staff, conducts weekly meetings to review and approve changes made to systems, applications, and programs.

Again, thank you for the opportunity to respond to this report. The AOC has assembled an Audit Implementation Response Team, which will begin to implement changes. In addition, the AOC has asked the APA to conduct a one-day training for AOC managers and staff that will focus on internal controls to prevent waste, fraud and abuse. That training is scheduled for July 24 at the AOC.

I appreciate the hard work of your auditors and the APA's efforts to develop an understanding of Judicial Branch operations. The citizens of Kentucky benefit when the separate branches of government work together for the common good and I am grateful for your contributions to this

important undertaking. I encourage other agencies to take advantage of this opportunity to review their internal processes.

Sincerely,

Fauroudgen

Laurie K. Dudgeon Director, Administrative Office of the Courts

Enclosure

cc: Chief Justice of Kentucky John D. Minton, Jr.

APPENDIX
#### I. Goods and NonProfessional Services

When a Department recognizes a need to purchase goods or nonprofessional services it should initially notify a Judicial Buyer in the Division of Accounting and Purchasing. The Judicial Buyer will work with the Department's Operations Contact to refine the Department's specifications or statement of work, conduct market research, determine a method of procurement, and complete the purchase when the goods or nonprofessional services fall within the small purchase authority or there is an existing procurement vehicle available.

#### Purchases

- Less than \$10,000 One quote is required.
- \$10,000-\$49,999 Three quotes are required.
  - The Judicial Buyer in the Division of Accounting and Purchasing should document the reasons for selecting the chosen vendor in Determinations and Findings kept in the file.
- \$50,000 or above The Judicial Buyer will research for an existing procurement vehicle and, if no existing procurement vehicle exists, refer the Department to the Division of Operations and Procurement in Legal for development of an RFB.
  - > Existing procurement vehicles may include:
    - an existing AOC contract;
      - Up to 10% of the total contract amount may be added to an existing contract for a related product / service via Modification or Change Order.
      - If the Judicial Buyer recommends amending an existing contract, he or she will obtain approval of the Budget Director and make a request of the Division of Operations and Procurement to write an Addendum to the contract by submitting an AOC 19.1 to the Contract Coordinator.
    - o an Executive Branch contract;
    - another government entity contract;
    - o U.S. General Services Administration (GSA) pricing; or
    - o other cooperative purchasing agreements.
  - For purchases that will exceed \$50,000, if market research results in communications with prospective vendors, the Department or the Judicial Buyer should notify the Director of the Division of Operations and Procurement, who will assign a Procurement Officer or attorney to advise and memorialize any such conversations for the file.
  - The Judicial Buyer in the Division of Accounting and Purchasing is responsible for verifying that the item or service requested by the Department is covered by the identified procurement vehicle.
  - When the procurement vehicle is not a statewide master agreement established by the Executive Branch or GSA pricing, the Judicial Buyer should refer the procurement vehicle to the Director of the Division of Operations and Procurement, who will assign an attorney to determine whether or not it is appropriate for use by the AOC.
  - The Director of the Division of Operations and Procurement will assign an attorney to draft any necessary additional contracts to provide a framework for the purchase.
- The Judicial Buyer in the Division of Accounting and Purchasing is responsible for ensuring that the Department's Operations contact:
  - has obtained Budget approval, if necessary;

- has obtained all necessary documentation to establish the vendor's profile in the payment system including a W-9 and Certificate of Good Standing or Certificate of Authority; and
- > has obtained a copy of proof of any insurance required of the vendor.
- The Judicial Buyer in the Division of Accounting and Purchasing is responsible for:
  - Issuing Purchase Orders for goods; and
  - Sending an AOC 19.1 to the Contract Coordinator in the Division of Operations and Procurement requesting a contract be drafted to outline the terms of any services obtained; and
  - Ensuring that the Operations Contact for the Department sends any contracts to the Division of Operations and Procurement in Legal for review. Contracts may take the form of:
    - Service Level Agreements;
    - Statements of Work;
    - o Terms and Conditions;
    - o Equipment Leases;
    - o Agreements; or
    - o Contracts.
- The Department receives the goods or services and its Operations Contact is responsible for ensuring vendor compliance with the terms of the Purchase Order or Contract.
- The Judicial Buyer in the Division of Accounting and Purchasing will work with the Department's Operations Contact to resolve any issues that may arise and will maintain records of noncompliance with the Purchase Order or Contract terms.
- The Department's Operations Contact is responsible for verifying invoices and monitoring the contract balance.
- The Division of Accounting and Purchasing is responsible for paying invoices.
- The Division of Accounting and Purchasing will notify the Director of the Division of Operations and Procurement if termination of a contract is necessary, and an attorney will be assigned to assist.
- The Division of Accounting and Purchasing is responsible for maintaining all back up documentation, including any contracts, with the Purchase Order. The Division of Operations and Procurement will maintain a copy of any contract it has reviewed.

#### **Procurements (RFBs)**

- If there is no existing procurement vehicle for the purchase of goods and nonprofessional services and the amount of the purchase exceeds the small purchase authority, the Department's Operations contact should submit an AOC 19.1 to the Contract Coordinator in the Division of Operations and Procurement. A Procurement Officer or attorney from the Division of Operations and Procurement will be assigned to:
  - Assist the Department's Operations contact in refining specifications or a Scope of Work;
  - Assist the Department's Operations contact in performing additional Market Research;
  - Memorialize any communications with prospective vendors for the file during the course of market research;
  - Determine whether any exceptions to the requirement to issue a solicitation exist. Exceptions include:
    - o Sole Source

- o Emergency
- Not Feasible to Bid
- Draft the RFB;
- Manage the solicitation process, including:
  - o Acting as the point of contact for bidders throughout the RFB process;
  - Conducting any pre-bid meetings;
  - Drafting addenda to the RFB;
  - Receiving and opening bids;
  - Conducting a responsiveness review of the bids;
  - o Determining the low bid or best value bidder; and
  - Developing an Award Determination;
- Draft the resulting contract.
- The Department's Operations contact is responsible for investigating whether bidders are responsible.
- The Division of Accounting and Purchasing will assign an RFB number, assist with formatting issues for eMARS purposes, and post all RFBs, attachments, and addenda to eMARS.
- An attorney will be assigned in the Division of Operations and Procurement to review the RFB and answer legal questions that may arise during the course of the bid process.
- The Contract Coordinator in the Division of Operations and Procurement is responsible for ensuring that the Department's Operations contact has obtained Budget approval, if necessary, and for obtaining:
  - All necessary documentation to establish the vendor's profile in the payment system;
  - A Certificate of Good Standing or Certificate of Authority from the Secretary of State's office; and
  - Any insurance required of the vendor.
- The Division of Accounting and Purchasing is responsible for consulting on payment terms in the contract, assigning a contract number, and uploading the contract in eMARS.
- The Division of Accounting and Purchasing should issue any necessary purchase orders.
- The Department receives the goods or services and its Operations Contact is responsible for ensuring vendor compliance with the terms of the Contract.
- The Judicial Buyer in the Division of Accounting and Purchasing will work with the Department's Operations contact to resolve any minor issues that may arise with contract compliance. The Department's Operations contact should request the Director of Division of Operations and Procurement review any notices of noncompliance with contract terms before sending to the contractor. The Division of Operations and Procurement is responsible for maintaining records of Contractor performance in the contract file.
- The Department's Operations Contact is responsible for verifying invoices and monitoring the contract balance.
- The Division of Accounting and Purchasing is responsible for paying invoices.
- The Department's Operations contact will notify the Director of the Division of Operations and Procurement if termination of a contract is necessary, and an attorney will be assigned to assist.
- The Division of Operations and Procurement is responsible for maintaining all back up documentation in the solicitation or contract file.
- The Division of Operations and Procurement will draft contract renewals when appropriate.

#### II. Establishing Procurement Vehicles for Professional Services

When a Department recognizes a need to obtain professional services, the Department should notify the Director of the Division of Operations and Procurement in the Office of General Counsel. A Procurement Officer or attorney from the Division of Operations and Procurement will be assigned to:

- Assist the Department in developing a Scope of Work and grading criteria;
- Assist the Department in performing Market Research if necessary;
- Memorialize any communications with prospective vendors for the file during the course of market research;
- Determine whether any exception to the solicitation process applies. Exceptions include:
  - 501(c)(3) entities;
  - Governmental entities;
  - Emergency
  - o Sole Source
  - o Not Feasible to Bid
- Draft the RFP;
- Manage the solicitation process, including:
  - Acting as the point of contact for offerors throughout the RFP process;
  - Conducting any offeror conferences;
  - Drafting addenda to the RFP;
  - Receiving and opening proposals;
  - Establishing a selection committee;
  - Conducting a responsiveness review of the proposals;
  - Facilitating meetings of the selection committee;
  - Drafting conflict of interest / disclosure of contact statements for members of the selection committee;
  - Drafting grading sheets;
  - Developing a Composite Score Sheet; and
  - o Awarding the contract to the successful offeror.
- Draft the resulting contract.
- The Department representatives on the grading committee are responsible for investigating whether offerors are responsible.
- The Division of Accounting and Purchasing will assign an RFP number and post all RFPs, attachments and addenda to eMARS.
- The Contract Coordinator in the Division of Operations and Procurement is responsible for ensuring that the Department's Operations contact has obtained Budget approval, if necessary, and for obtaining:
  - All necessary documentation to establish the vendor's profile in the payment system;
  - A Certificate of Good Standing or Certificate of Authority from the Secretary of State's office; and
  - Any insurance required of the vendor.
- The Director of the Division of Operations and Procurement will assign an attorney to review the RFP and resulting contract, if initially prepared by a Procurement Officer.
- The Division of Accounting and Purchasing is responsible for consulting on payment terms in the contract, assigning a contract number, and uploading the contract in eMARS.
- The Division of Accounting and Purchasing submits the contract to GCRC.

- The Director of the Division of Operations and Procurement is responsible for testifying on an as needed basis at GCRC along with the Operations contact / EO / Manager of the Department.
- The Department receives the services and its Operations Contact is responsible for ensuring vendor compliance with the terms of the Contract.
- The Department's Operations contact should request the Director of Division of Operations and Procurement if the vendor is not compliance with the terms of the contract. An attorney will be assigned to review any notices of noncompliance with contract terms before sending to the contractor. The Division of Operations and Procurement is responsible for maintaining records of Contractor performance in the contract file.
- The Department's Operations Contact is responsible for verifying invoices and monitoring the contract balance.
- The Division of Accounting and Purchasing is responsible for paying invoices.
- The Department's Operations contact will notify the Director of the Division of Operations and Procurement if termination of a contract is necessary, and an attorney will be assigned to assist.
- The Division of Operations and Procurement is responsible for maintaining all back up documentation in the solicitation or contract file.
- The Division of Operations and Procurement will draft contract renewals when appropriate.

#### III. Other Contracts (Leases, Hotels, Terms and Conditions, User Agreements, MOUs, Etc.)

Departments should initiate requests to draft or review a contract by sending a completed AOC 19.1 form to Leigh Taylor, Contract Coordinator, Division of Operations and Procurement, Office of General Counsel.

- Any document containing terms and conditions and requiring the signature of an agency representative should be referred for contract review.
- All contracts must be recommended by a Manager or Executive Officer, reviewed by the Division of Operations and Procurement, Office of General Counsel, approved by the Budget Director if there is a cost to the AOC, and executed by the Director's office.
- The Contract Coordinator in the Division of Operations and Procurement, Office of General Counsel is responsible for circulating finalized contracts for signature internally and for maintaining records of executed contracts.
- The Contract Coordinator in the Division of Operations and Procurement is responsible for ensuring that the Department has obtained a W-9, any insurance or bonds required of the second party, a 501(c)(3) designation letter (if required), and a Certificate of Good Standing or Certificate of Authority.
- The Director of the Division of Operations and Procurement will assign an attorney to draft or review the contract.
- The Division of Accounting and Purchasing is responsible for consulting on payment terms, if any.
- The Contract Coordinator will forward executed contracts involving payment to the Division of Accounting and Purchasing to use a back-up documentation in its files.

#### IV. Other Responsibilities

- The Division of Accounting and Purchasing is responsible for issuing Delivery Orders for A/Es under Master Agreement with the AOC. The Division of Operations and Procurement is responsible for renewing the Master Agreements annually and ensuring that all appropriate insurance / licensing information is updated.
- The Division of Accounting and Purchasing is responsible for issuing Task Orders for contractors under the executive branch SDS Master Agreement.
- The Division of Operations and Procurement is responsible for providing legal advice to the Director's office on bid protests.



Administrative Office of the Courts

John D. Minton, Jr. Chief Justice of Kentucky 1001 Vandalay Frankfort, Kentucky 40601 502-573-2350 or 800-928-2350 www.courts.ky.gov

Laurie K. Dudgeon Director

#### MEMORANDUM

- TO: Patrick W. McGee Finance and Administration Cabinet, Office of General Counsel
- FROM: S. Leigh Taylor Administrative Office of the Courts
- DATE: December 18, 2017
- SUBJECT: MOU for Surplus Property

Enclosed is a copy of the MOU for surplus property to be executed per your correspondence with Jenny Lafferty. Please contact us if you have any questions.



#### MEMORANDUM OF UNDERSTANDING

WHEREAS, Division of Surplus Property ("Surplus"), a division of the Department for Facilities Management and Support Services within the Finance and Administration Cabinet is responsible for the disposal of all personal property no longer needed for state use, and to otherwise carry out the functions required by KRS 45A.045(5);

WHEREAS, the Administrative Office of the Courts ("AOC") is the agency responsible for carrying out the administrative functions of the court system and the judicial branch of government in Kentucky, as provided for by KRS Chapter 27A;

WHEREAS, AOC wishes to utilize the resources and expertise of Surplus to dispose of personal property owned by AOC which is no longer needed by the agency;

WHEREAS, Surplus is amenable to providing services to AOC on the same terms and conditions as the services it provides for executive branch agencies;

WHEREAS; the parties hereto wish to memorialize their agreement through this Memorandum of Understanding.

NOW THEREFORE, in consideration of the foregoing, Surplus and AOC hereby covenant and agree as follows:

1. That, in accordance with the provisions of the Order of the Supreme Court of Kentucky, No. 2017-05 titled *In Re: Judicial Branch Surplus Property*, said Order being incorporated herein by reference ("the Order"), Surplus shall accept and sell such items as requested by the Director of the AOC or the designee of the Director of the AOC;

2. Surplus will sell such personal property accepted by it under this MOU in accordance with the provisions of the User's Guide: Surplus Property Disposal manual (10/2017

edition), found on the webpage for the Division of Surplus Property, to the extent such manual does not conflict with the provisions of the Order;

 AOC will not send to Surplus any personal property deemed to be damaged beyond repair.

4. Non-Titled Property

a. AOC will contact Surplus in advance to schedule and arrange a delivery based on availability of Surplus. AOC will deliver the property to Surplus for sale.

 AOC will submit all requests as a Surplus Request via the Surplus Property Management System (SPMS).

c. All proceeds generated will be retained by Surplus.

5. Titled Property

a. Surplus will conduct online sales of vehicles, or other titled personal property, designated for sale by AOC pursuant to the Order.

b. To effectuate the sales:

i. AOC will send general descriptions of the vehicles to Surplus.

ii. AOC will supply supporting documentation (i.e. maintenance records, titles, affidavits) to Surplus upon request.

Surplus will take pictures of vehicles located within a 10-mile radius of Frankfort; AOC will supply pictures of vehicles located outside of a 10-mile radius of Frankfort.

iv. Surplus will verify auction contact information for AOC.

v. Surplus will catalogue items for auction.

vi. Surplus will Post items to the internet sales platform of its choice.

vii. Surplus will coordinate removal of the vehicles from AOC property by purchasers.

viii. Surplus will complete all paperwork needed for transfer of property from the AOC to the purchaser and provide copies thereof to the AOC.

ix. Surplus will distribute funds to the AOC via eMARS.

c. Surplus will retain 15% of the proceeds, or a minimum amount of \$150, whichever is greater, as an Administrative Fee for conducting the sale.

6. The term of this Memorandum of Understanding shall begin on January 1, 2018 and end on June 30, 2018, and thereafter shall renew automatically for additional one (1) year periods at the end of each fiscal year unless terminated by either party.

7. Either party may terminate this Memorandum of Understanding without cause by giving the other party thirty (30) days written notice of such termination.

8. Each party agrees that the other party shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The parties recognize that any books, documents, papers, records, or other evidence received during a financial audit or program review are the property of the originating agency. Any requests received pursuant to the Kentucky Open Records Act, KRS 61.870-61.884 or Supreme Court Order 2017-09 shall be referred to the originating agency as the custodian of the documents.

6. All notices delivered in connection with this Memorandum of Understanding shall be delivered to the following parties:

#### FOR SURPLUS:

Division of Surplus Property 999 Chenault Road Frankfort, Kentucky 40601 FOR AOC:

Tressa Milburn, Manager Administrative Office of the Courts 1001 Vandalay Drive Frankfort, Kentucky 40601

WITNESS OUR HANDS, this 3 day of November, 2017.

Administrative Office of the Courts

Finance and Administration Cabinet Department for Facilities Management and Support Services Division of Surplus Property

By:

William M. Landrum III, Secretary Finance and Administration Cabinet

Approved as to Form and Legality:

Counsel, Finance and Administration Cabinet

Fand Widgen

Laurie K. Dudgeon, Director Administrative Office of the Courts

Approved as to Form and Legality:

Counsel, Administrative Office of the Courts

Reviewed and Recommended:

Tressa Milburn, Manager Administrative Office of the Courts

AOC-PA-001 Rev. 2-18 Page 1 of 1

Commonwealth of Kentucky Court of Justice www.courts.ky.gov

Division of Logistics-Internal Form



LOGISTICS USE ONLY	
AOC Surplus Declaration #:	
Div. of Surplus DS #:	
Solid Waste Weight:	
Donation Agency/Organization:	
Donation Agency/Organization:	

#### KCOJ OWNED PERSONAL PROPERTY DECLARATION OF SURPLUS

The personal property specifically described in the table below is certified as either surplus to the need of the Court of Justice or has become unsuitable for use and will be disposed of by the following method:

Transfer to Executive Branch Division of Surplus

Solid Waste

Recycle

Donate/Sell to 501(c)(3) Organization (See attached supporting documentation)

Donate/Sell to Government Agency (See attached supporting documentation)

PROPERTY TAG # (IF APPLICABLE). IF NO TAG, LIST QUANTITY.	DESCRIPTION	SERIAL # (IF APPLICABLE)	INTENDED USE AT TIME OF ACQUISITION	DATE OF PURCHASE	PURCHASE PRICE	REASON FOR SURPLUS/DISPOSAL: Obsolete, Damaged, No Longer Needed
				2		
	N					

Recommended By:

PROPERTY ACCOUNTABILITY ADMINISTRATOR

Date

Endorsed By:

LOGISTICS MANAGER

Date

Approved By:

DIRECTOR

Date



#### SURPLUS OF TECHNICAL EQUIPMENT

#### **Removal of Equipment**

- o Technician creates a Service ticket. The following information is required:
  - End User Name.
  - Phone Number.
  - Location- address and room number or description.
  - <u>KCOJ Declaration of Surplus Form</u> (Save a local copy of this form to your PC, do not edit the form on the SharePoint site)
    - Each field on this form must be completed
    - Multiple items can be added on one form
  - Service ticket will be assigned to Warehouse Staff.
  - Property Accountability Administrator will coordinate the removal of equipment with warehouse crew and customer and/or technician.
  - Property Accountability Administrator will coordinate removal of equipment from warehouse for State Surplus Sales. Property Accountability Administrator will ensure proper storage until said sale.

#### Computers:

- Technician will complete 'Kentucky Record of IP Equipment Sanitization' (KRIES) for each item that is being placed in surplus.
  - The hard copy of the completed form will be attached to the equipment for COT
  - A digital copy of the completed forms shall be scanned and emailed to <u>RequestFulfillment@kycourts.net</u>
- Removal of hard drives must be deemed necessary and approved in writing by Technician's Manager.

#### Print Devices:

- Technician will complete the Out-of-Service disk wiping process.
- Technician will complete 'Kentucky Record of IP Equipment Sanitization' (KRIES) for each print device being placed into Surplus
  - The hard copy of the completed form will be attached to the equipment
  - A digital copy of the completed forms shall be scanned and emailed to <u>RequestFulfillment@kycourts.net</u>
- Removal of hard drives must be deemed necessary and approved in writing by Technician's Manager.

#### Miscellaneous Equipment:

 Miscellaneous items are considered mice, monitors, docking stations, keyboards, webcams, etc.).

#### Commonwealth of Kentucky Record of IT Equipment Sanitization

Date Requested:
Agency (include Cabinet, Department & Division):
Person Submitting Request:
Equipment Serial Number:
Equipment Inventory Number:
Equipment Manufacturer/Model:
Equipment/Media Type:         Server         Workstation: Assigned to (name of user):         Magnetic Tape (Type I, II or III)         Magnetic Disk (Bernoulli, floppy, non-removable rigid disk, removable rigid disk)         Optical Disk (read many-write many, read only, write once-ready many (WORM)         Memory (DRAM, PROM, EAPROM, EPROM, FEPROM, ROM, SRAM etc.)         Cathode Ray Tube (CRT)         Printer         Other (describe)
Disposition:  Transfer Surplus Donation Repair/maintenance Return to Contractor Other (explain)
Decommissioning provisions:         Equipment/media has been kept in continuous physical protection until sanitization         Information requiring archiving as public records identified and preserved         Temporary backups made (e.g., for equipment scheduled for repair)         OEM operating system and other software available for reload for repurposed equipment         MARS Fixed Asset documents completed         Agency asset management procedures completed         B217-2 form completed (Finance & Administration: Declared Surplus)         Compliant with procedures for disposal of hazardous waste if destroyed         Other (describe)

#### General description of data residing on equipment/media to be sanitized:

Agency (Cal	binet. Department & Division):		
Sector 2			
Equip. Inven	itory #:	Equip. Serial #:	
Signatur	e:		
	ion Method Used:		
	ompliant Overwrite (list softward Type I Degausser Type II Degausser Physical Destruction (disinteg	e used): Full Chip Erase Ultraviolet Erase grate, incinerate, pulverize, shred, melt)	
	Other (describe)	A 4 International Action Actions and a state of the State St	

AOC-FAC-8 Rev. 3-18 Page 1 of 1 Commonwealth of Kentucky		AOC USE ONLY Date Received:			
Court of Justice www.courts.ky.gov	ADMINISTRATIVE OFFICE OF THE COURTS DIVISION OF FACILITIES	2			
Division of Facilities-Internal Form	SPACE REQUEST FORM				
NAME OF REQUESTOR:	Тітьє:	5.000 ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )			
REQUESTOR PHONE NUMBER: ( )	REQUESTOR EMAIL:				
DEPARTMENT:	COUNTY WHERE SPACE IS	NEEDED:			
PROGRAM/POSITION:					
REASON FOR REQUEST: (ONLY CHECK ONE)	New Program Additional Staff-Number	R			
OTHER:					
TYPE OF SPACE REQUIRED: (CHECK ALL THAT					
TEMPORARY-NUMBER. OF MONTHS:					
ESTIMATION OF SQ. FT. NEEDED:	NUMBER OF OFFICES NEEDED:				
TOTAL NUMBER OF STAFF AT THIS LOCATION:	FULL-TIME: PART-TIME: _				
WILL CLIENTS BE SEEN AT THIS LOCATION:	YES NO IF YES, DAILY NUMBER OF CLIEN	TS:			
DAYS PER WEEK AT LOCATION:	HOURS OF OPERATION:	1997			
DESIRED OCCUPANCY DATE:	GRANT FUND	NING: YES NO			
LOCATION PREFERENCE: WITHIN 1-3 B	LOCKS OF COURTHOUSE D WITHIN CITY LIMITS	No Preference			
SPECIAL NEEDS: PARKING-NUMBER. OF	SPACES SECURE STORAGE	CONFERENCE ROOM SPACE			
AFTER-HOURS OPERATIONS OTHER					
LOCAL CONTACT NAME:					
LOCAL CONTACT PHONE NUMBER: ( )					
	S SECTION TO BE FILLED OUT BY FACILITIES ONI	<b>Y</b> :			
DIVISION OF FACILITIES INFORMA	<u>IION:</u>				
CURRENT LEASE: YES NO					
IF YES, PR NUMBER:		SF:			
CURRENT PRICE PER SF \$ CURRENT ANNUAL COST \$					
COUNTY/GOVERNMENT SPACE AV					
IF YES, AVAILABLE SF:	PRICE PER SF \$				
APPROVED BY:	DATE:				
BUDGET APPROVAL TO ADVERTISE:					
	DATE:	Approved Denied			
Budget Director					

AOC-FAC-9 Rev. 3-18 Page 1 of 1

Commonwealth of Kentucky Court of Justice www.courts.ky.gov

Division of Facilities-Internal Form



AOC EMPLOYEE NAME:

please print

PR NUMBER: \_\_\_\_\_

As an employee of the Division of Facilities directly involved with a site evaluation or negotiating a lease hereby certify that, to the best of my knowledge (please check one):

I am not aware of any circumstances that may constitute a violation of AP Part V in the awarding of this Lease.

I am aware of the following circumstances that may constitute a violation of AP Part V:

I hereby certify that the information set forth above is true and complete to the best of my knowledge as of the date below.

**Employee Signature** 

Date



Administrative Office of the Courts

John D. Minton, Jr. Chief Justice of Kentucky 1001 Vandalay Drive Frankfort, Kentucky 40601 502-573-2350 or 800-928-2350 www.courts.ky.gov

Laurie K. Dudgeon Director

#### MEMORANDUM

To: [NAME]

From: [NAME]

Date: [DATE]

Subject: [PROPOSED LEASE]

The AOC advertised for space and received [NUMBER] responses. I reached out to schedule visits with all [NUMBER] landlords. The [NUMBER] responses were [ADRESS OF PROPERTY, ADDRESS OF PROPERTY]. The proposed properties were visited and Best & Finals Proposals were sent out.

[NUMBER] Best & Final responses were received. The proposal is for [NUMBER] square feet @ [\$AMOUNT] per sq. ft. for an annual cost of [\$AMOUNT]. The lease term is until [DATE].

Danny Rhoades Facility Manager

Carole Henderson Budget Director Account Code: \_\_\_\_\_ OC Appendix 9



# ADMINISTRATIVE OFFICE OF THE COURTS

**Division of Facilities** 

# POLICIES FOR THE OPERATION and MAINTENANCE OF COURT FACILITIES



ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

Updated February 2018

# **Table of Contents**

Section 1: Introduction and Contact Information

Section 2: References and Terms

**Section 3: Regular Operating Expenses** 

**Section 3a: Janitorial Services** 

Section 3b: Maintenance and Preventative Maintenance Services

Section 4: Nonrecurring Project Requests

Appendix

- Checklist: Contracting with Service Providers
- Checklist: Work Project Request
- Facilities Work Order Request
- Planning Tool: Nonrecurring Project Requests



### ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

Section 1: Introduction and Contact Information

Updated February 2018

#### INTRODUCTION

The Administrative Office of the Courts ("AOC") Division of Facilities oversees the management of court facilities in all of Kentucky's 120 counties, including Judicial Centers, courthouses, and other property owned or operated by a local unit of government and occupied by the Court of Justice. The Division of Facilities also manages space occupied by the Court of Justice through private sector leases. Approvals for expenditures of funds related to the operation and maintenance of court facilities are processed by the Division of Facilities. The goal of these AOC Policies for the Operation and Maintenance of Court Facilities ("Operation and Maintenance Policies") is to provide guidance to local units of government in the management of court facilities while ensuring state funds are spent in an efficient manner on necessary repair and operating costs. Division of Facilities employees are committed to helping local governments efficiently manage court facilities and are available to answer questions or concerns you and your staff may have regarding the operation of court facilities. Division of Facilities staff can be contacted as noted below.

#### **CONTACT INFORMATION**

Administrative Office of the Courts Division of Facilities 1001 Vandalay Drive Frankfort, KY 40601 PH: (502) 573-2350

Danny Rhoades, Manager EXT. 50077 EMAIL: <u>dannyrhoades@kycourts.net</u>

Brad Smith, Facilities Coordinator EXT. 50901 EMAIL: <u>bradsmith@kycourts.net</u>

Michele Blanton, Facilities Coordinator EXT. 50054 EMAIL: <u>micheleblanton@kycourts.net</u>

Corky Mohedano, Facilities Coordinator EXT. 50078 EMAIL: <u>corkymohedano@kycourts.net</u> Ayshia Wood, Administrative Support Coordinator EXT. 50813 EMAIL: <u>ayshiawood@kycourts.net</u>

Ronnie McCall, Facilities Coordinator EXT. 50072 EMAIL: <u>ronniemccall@kycourts.net</u>

Michelle Evans, Facilities Coordinator EXT. 50933 EMAIL: <u>michelleevans@kycourts.net</u>

Sandra Starks, Facilities Coordinator EXT. 50814 EMAIL: <u>sandrastarks@kycourts.net</u>

Section 1 Page 1 of 1



### ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

Section 2: References and Terms Updated February 2018

"AOC" refers to the Administrative Office of the Courts.

"Additional Rentals" or "Other Rented Space" means property other than a judicial center, courthouse, or courthouse annex that is owned or operated by a local unit of government and occupied by the Kentucky Court of Justice.

"Court Facilities Local Government Reimbursement Form" or "Annual Reimbursement Form" formerly known as the Blue Form, refers to the document sent annually from the AOC Budget Office to Local Units of Government containing an itemization of the following annual payments to be made to the Unit of Government: (1) Regular Operating Expenses (estimated); (2) Use Allowance (if applicable); and (3) Additional Rentals (if applicable).

**"Facility" or "Court Facility"** as used in these Policies refers to a judicial center, courthouse, Additional Rentals or other property owned or operated by a local unit of government in which space for the Kentucky Court of Justice is provided.

"Fiscal Year" or "FY" means a one-year period beginning July 1 and ending on June 30.

"Janitorial Costs" refers to the costs associated with janitorial supplies; a contract for janitorial services and/or janitorial personnel employed by the county, including salaries, health and life benefits; and uniform costs.

"KCOJ" refers to the Kentucky Court of Justice.

"Local Unit of Government" or "Unit of Government" means a county, city, urban-county government, special district, or corporate entity created for the purpose of constructing or holding title to a court facility.

"Maintenance Costs" refers to the costs associated with general maintenance supplies; a contract for maintenance services and/or maintenance personnel employed by the county, including salaries, health and life benefits; uniform costs; elevator service contracts; HVAC preventative maintenance contracts; and consumables for the building (i.e. lightbulbs, filters).

"Major Repair" means a repair that costs \$2,500 or more and is not a reasonably anticipated recurring annual expense.

Section 2 Page 1 of 2 "Nonrecurring Project" means a project consisting of a major repair; or a replacement, upgrade or modification to the court facility or KCOJ occupied portion of the facility. Examples of nonrecurring projects include, but are not limited to: new carpet or paint; replacement of the windows, roof, boiler or HVAC; or interior or mechanical renovations. Capital renovations involving modifications to the exterior envelope of the facility are Court of Justice Capital Construction Projects and must be authorized by the General Assembly and developed in accordance with AP Part X.

"Operating Costs" means the reimbursement from the AOC to compensate the Unit of Government for annual expenses for utilities, janitorial costs, rent, insurance, and necessary maintenance, repair, and upkeep of the court facility which do not increase the permanent value or expected life of the court facility, but keeps it in efficient operating condition. Operating Costs are divided into the following categories: (1) Regular Operating Expenses which are estimated on the Annual Reimbursement Form; (2) Rent for Additional Rentals; and (3) Nonrecurring Projects.

"Ordinary repairs" are those repairs that are reasonably anticipated recurring annual expenses or unanticipated nonrecurring repairs costing \$2,499 or less.

"Regular Operating Expenses" or "Operating Expenses" means the local unit of government's annual expenses for janitorial costs, insurance, utilities, maintenance costs, and necessary maintenance and upkeep of the facility including ordinary repairs which do not increase the permanent value or expected life of the court facility, but keep it in efficient operating condition.

"Utilities" means electricity, gas, water, sewer, trash, and phone/internet services only to support the elevator phone, fire alarm, and panic button.

"Utility costs" refers to those costs associated with providing utilities. It does not include maintenance or repair costs for any of the systems involved in providing utility services.



## ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

Section 3: Regular Operating Expenses Updated February 2018

Per KRS 26A.115, the AOC pays Operating Costs to local units of government providing space to the KCOJ. Operating Costs are divided into the following categories: (1) Regular Operating Expenses which are estimated on the Annual Reimbursement Form; (2) Rent for Additional Rentals; and (3) Nonrecurring Projects.

Regular Operating Expenses include the local unit of government's annual expenses for utilities, insurance, janitorial costs, maintenance costs, and necessary maintenance and upkeep of the facility including ordinary repairs which do not increase the permanent value or expected life of the court facility, but keep it in efficient operating condition. Ordinary repairs are those repairs that are reasonably anticipated recurring annual expenses or unanticipated nonrecurring repairs costing \$2,499 or less.

#### A. Reimbursements to Local Units of Government for Operating Expenses

The AOC estimates operating expenses for each local unit of government annually based on the adjusted operating expenses for the prior Fiscal Year as determined by the annual AOC audit of the local unit of government's expenses. The estimated amount of operating expenses are included on the Annual Reimbursement Form for Court Facilities and the AOC makes quarterly payments to the local unit of government consistent with the estimate. Adjustments may be made to fourth quarter payments consistent with the annual AOC audit of the local unit of government's expenses for the prior fiscal year.

Example: Fiscal Year 2017 encompasses the time period July 1, 2016 – June 30, 2017. The annual AOC audit of Fiscal Year 2017 expenditures will conclude in or around February 2018. At that time, the operating expense reimbursement estimate for Fiscal Year 2018 will be adjusted and the adjustment will be reflected in the April 2018 reimbursement payment. The estimated operating expense reimbursement amount included on the Annual Reimbursement Form for Court Facilities for Fiscal Year 2019 (July 1, 2018 – June 30, 2019) will be based on the adjusted operating expenses approved in the February 2018 audit.

#### **B.** Calculation of Operating Expenses

The AOC's payment of operating expenses is calculated based on the KCOJ's proportionate share of the operating expenses according to the pro rata portion of the floor space that is occupied by

the KCOJ in a court facility. Operating expenses are not typically paid for Additional Rentals, as any such costs are wrapped into the agreed-upon per square foot rent.

#### C. Utilities

The AOC will reimburse the local unit of government for its proportionate share of costs for electricity, gas, water, sewer, trash, and phone/internet services only to support the elevator phone, fire alarm and panic button in a court facility. The local unit of government must provide documentation demonstrating the amount billed for utilities and the amount paid for utilities during the annual AOC audit.

The AOC pays directly for phone and internet services provided to KCOJ staff and elected officials. The AOC is not responsible for any other phone or internet services provided in the court facility for elected officials or staff of the local unit of government or for the convenience of the local unit of government.

The AOC is not responsible for any cable services provided in court facilities.

#### D. Insurance

Insurance costs will only be included in the operating expenses if proof of insurance is provided annually to the Division of Facilities Administrative Support Coordinator on or before August 1 of each Fiscal Year.

#### E. Ordinary Repairs

Ordinary repairs are those repairs that are reasonably anticipated recurring annual expenses or unanticipated nonrecurring repairs costing \$2,499 or less.

In order to receive reimbursement for ordinary repairs costing \$2,499 or less, the local unit of government must provide (1) the invoice and (2) documentation demonstrating the amount paid for the repair to the AOC Auditor during the annual AOC audit.

In order to receive reimbursement for ordinary repairs costing \$2,500 or more, the local unit of government must:

(1) Contact the Division of Facilities at <u>FacilitiesRequest@kycourts.net</u> for approval prior to proceeding with the Work to submit a Work Order Request;

(2) Obtain at least three (3) quotes if the repair is a reasonably anticipated recurring annual expense costing \$5,000 or more and provide those quotes to the AOC Division of Facilities;

(3) Receive written approval to proceed with the Work from the Division of Facilities on the Work Order Request Form; and (4) Provide (a) the invoice and (b) documentation demonstrating the amount paid for the repair to the AOC Auditor during the annual AOC audit.

Failure to provide the required documentation may result in rejection of the expense for reimbursement.

The AOC reserves the right to reject reimbursement for expenses associated with Work completed by any individual or entity that has been debarred by any state or federal agency, including the AOC.



### ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

#### Section 3a: Janitorial Services

Updated February 2018

Per KRS 26A.110, each local government is responsible for providing or procuring janitorial services for its court facility. The AOC will reimburse the local government for its proportionate costs for janitorial services based on the pro rata portion of the floor space that is occupied by the KCOJ in the court facility. Janitorial services include:

- a contract for janitorial services;
- janitorial supplies;
- janitorial personnel employed by the local government, including salaries, health and life benefits; and/or
- uniform costs.

The local government is not required to use one company to perform all required services or use its own staff for all required services. Rather, the local government may choose to contract with separate entities to perform various aspects of these requirements or to perform some aspects of the requirements with its own staff and contract for the rest. For example, a contract may be entered into for all daily, weekly and monthly performance requirements with one service provider, but the semi-annual and annual requirements may be bid separately and awarded to a different service provider. Or, a local government may use its own staff to provide daily and weekly services, but contract with a service provider to provide the monthly, semi-annual and annual requirements.

Janitorial services are considered operating expenses and are reimbursed via the Annual Reimbursement Form.

#### A. DENIAL OF REIMBURSEMENT

# The AOC may refuse to reimburse the local government expenses associated with an <u>employee</u> who performs janitorial services if:

(1) The local government failed to provide the AOC the information required in Subsection C for any individual accessing the building to perform janitorial services; or

(2) The local government allowed an individual to perform janitorial services for a court facility (either individually or on behalf of an entity) after the AOC notified the local government that the individual had been denied access to the court facility as a result of a Criminal History Record Check; or (3) The local government has added additional personnel to provide janitorial services without prior approval of the AOC; or

(4) The local government fails to perform all of the minimum services in Subsection E, or otherwise fails to maintain a clean court facility.

The AOC may refuse to reimburse the local government expenses associated with <u>a contract</u> for janitorial services if:

(1) The local government failed to notify the Division of Facilities prior to advertising for janitorial services; or

(2) The local government failed to provide the AOC the information required in Subsection C for any individual accessing the building to perform janitorial services; or

(3) The local government allowed an individual to perform janitorial services for a court facility (either individually or on behalf of an entity) after the AOC notified the local government that the individual had been denied access to the court facility as a result of a Criminal History Record Check; or

(4) The local government contracted with a janitorial service provider that is debarred by any state or federal agency, including the AOC; or

(5) The local government contracted with a janitorial provider that did not provide insurance and bonds as required by Subsection F; or

(6) The local government failed to enter into a valid contract with a janitorial services provider that includes, at a minimum, the services listed in Subsection E; or

(7) The local government otherwise fails to maintain a clean court facility.

#### B. POINTS OF CONTACT

The Chief Circuit Judge has the authority to control, assign, and otherwise manage the space in a judicial center or courthouse occupied by the KCOJ. The Chief Circuit Judge may designate a local KCOJ representative (i.e. Circuit Court Clerk, judicial secretary) to communicate facility-related concerns, issues, or requests to the local government's designated point of contact. If the Chief Circuit Judge designates a local KCOJ representative, he or she shall provide contact information for the designee to the local government.

The local government must designate a point of contact employed by the local government for the following purposes: (1) to discuss payment and contractual issues with the AOC Division of Facilities; and (2) to communicate with the Chief Circuit Judge or designee regarding concerns,

issues, or requests raised by local KCOJ officials and employees. The contact may be the same individual for both purposes or different individuals may be named for each purpose.

All issues concerning the adequacy of services shall first be discussed between the local government's designated point of contact and the Chief Circuit Judge or designee.

#### C. CRIMINAL HISTORY RECORD CHECKS

Because sensitive and confidential court documents, records, and information are housed in court facilities, the AOC must complete a Criminal History Record Check and approve each individual proposed to have access to the court facility to provide janitorial services.

To obtain approval, the local unit of government **must** provide to the Division of Facilities Administrative Support Coordinator at <u>FacilitiesRequest@kycourts.net</u> the following information for each individual **prior to** hiring, assigning, or contracting the individual or a business entity to provide janitorial services for a court facility:

- Name
- Address
- Social Security Number
- Date of Birth

The AOC reserves the right to deny access to a court facility by any proposed individual based on the result of a Criminal History Record Check.

#### D. SCHEDULING AND ACCESS

The local government and the Chief Circuit Judge or designee must:

- Agree to all janitorial service schedules, including active cleaning times;
- Agree to and designate special access areas, such as records areas, judges' private offices, and evidence storage areas; and
- Determine and coordinate how access to the court facility and special access areas will be given.

The local government must provide the Chief Circuit Judge or designee the names of all janitorial personnel, whether employed by the local government or contracted, who will have access to the court facility.

The AOC is not responsible for providing keys to the court facility for service provider access, but is available to assist with access issues should they arise.

#### E. JANITORAL PERFORMANCE STANDARDS

The local government must provide or contract to provide the following minimum janitorial services for a court facility.

#### **Minimum Cleaning Requirements**

#### 1. DAILY SERVICES

The court facility is to be cleaned five days/nights per week, Monday through Friday.

#### Trash

- Empty trash receptacles:, replace all soiled or torn liners, and clean receptacle as needed
- Pick up all litter not put in trash containers
- Dispose of boxes and other items marked "TRASH" by the facility's occupants
- Dispose of trash and litter in dumpsters or area designated by the city or local government for pick-up

#### Restrooms

- Restock all supplies: paper towels, toilet tissue, soap, etc.
- Clean glass mirrors
- Flush commodes and urinals
- Wipe down all surfaces, including faucets and door handles or push plates

#### Breakrooms

- Clean any food spillage around cooking appliances (stoves, microwave ovens, coffee makers, etc.) and refrigerators
- Wipe down countertops, table tops, sinks and appliance surfaces

#### General Cleaning

- Spot clean surfaces, horizontal and vertical, to remove all smudges, cup rings, spills, nicotine residues, etc.
- Wipe down all drinking fountains
- Wiped down work counters and public work surfaces, including but limited to, clerk area counters, litigation tables, conference room tables, etc.

#### Floors

- Vacuum all carpeted high traffic areas, including halls, corridors, circulation within open office areas
- Spot clean carpets with commercial carpet cleaner or (if necessary) spot remover and wet/dry vacuum to insure stains are removed rather than spread and set

#### **Outside of the Facility**

- Empty trash receptacles, replace all soiled or torn liners; clean receptacles as needed
- Pick up all litter not put in trash containers
- Dispose of trash and litter in dumpsters or area designated by the city or local government for pick-up
- Empty smoker's outpost, disposal containers as needed
- Maintain perimeter sidewalks, outside stairs and ramps that provide direct access to the building and/or the property, in a clean, debris-free manner

#### 2. WEEKLY SERVICES

#### Floors

Vacuum all carpeted areas, including office spaces, break rooms and stairs

Section 3a Page 4 of 8

- Damp mop all non-wood, hard surfaced traffic areas, including office spaces, break rooms and stairs
- Dust mop all wood floor areas, including office spaces, break rooms and stairs
   Bathrooms
- Clean and disinfect all dispensers: paper towel, toilet tissue holder, soap, etc.
- Clean and disinfect entrance doors, including bright surfaces: door knobs, push plates, etc.
- Clean and disinfect all tiled wall surfaces and partition walls
- Clean and disinfect commodes and urinals, both inside and out
- Mop and disinfect all floors

#### **General Cleaning**

- Spot clean horizontal and vertical surfaces, removing any obvious stains or residue
- Spot clean windows and doors, including glass area
- Clean all public seating: Cloth seats- brush-out or vacuum, Wood seating- wipe down

#### **Break rooms**

- Disinfect (sanitize) all tabletops, counter tops and sinks

#### 3. Monthly

#### **General Cleaning**

- Dust, high (above desktop level, including signage) and low (below desktop level)
- Clean and polish entrance doors
- Clean baseboards
- Clean wainscot (except for restrooms, which are cleaned weekly)
- Remove cobwebs and bugs from high areas, lights, and corners
- Vacuum air diffusers and grills

#### 4. Semi-Annually

The following services should be performed at least twice a year. The services may be included in the janitorial services contract, or may be bid or quoted separately as needed.

- Apply polish and buff hard-surfaced (non-wood) floors to a high gloss
- Scrub and clean all stone or ceramic/quarry tiled floors
- Clean all wood floors apply polish and buff wood floors
- Clean (hot water extraction method) all high-traffic carpeted floors, including halls, corridors, circulation within open office areas
- Mop all sealed concrete floors
- Clean light fixtures and light fixture lenses
- Vacuum clean all drapes and blinds

#### 5. Annually

The following services should be performed at least once a year. The services may be included in the janitorial services contract, or may be bid or quoted separately as needed.

 Clean (hot water extraction method) all carpeted floors not cleaned semi-annually, including all office spaces, breakrooms and stairs

Section 3a Page 5 of 8

- Clean and polish all window interiors and exteriors
- Clean all blinds
- Strip, clean, and apply sealer to all non-wood, hard-surfaced floors
- Strip and seal joints in stone or ceramic/quarry tiled floors
- Pressure clean walkways

#### Specifications

The standards outlined above are minimum requirements and may be used as specifications in a request for bids for janitorial services. The local government and Chief Circuit Judge or designee may agree that additional services need to be performed in the Facility or that they should be performed more often than required by this Subsection. If an agreement is reached to perform services in excess of these minimum requirements and the local government intends to use contracted janitorial services, the request for bids, quotes, or proposals should clearly specify all requirements and they should also be included in the contract for services.

#### **Unsatisfactory Performance of Janitorial Services**

Concerns regarding the adequacy of janitorial services performed at the court facility should first be brought by the Chief Circuit Judge or designee to the local government's designated point of contact. If the local government fails to respond or to correct the unsatisfactory performance of janitorial services, the Chief Circuit Judge or designee should contact the Manager of the AOC Division of Facilities via email to report the unresolved concerns. Once notified of potential issues with the performance of janitorial services, the AOC Division of Facilities will discuss the alleged unsatisfactory performance directly with the local government.

#### **Reporting Facility Deficiencies**

Janitorial staff or services providers are required to immediately notify the designated local government contact of any deficiencies noted in the court facility, including, but not limited to, plumbing leaks or issues, electrical problems, carpet rips or tears, broken mirrors, insect infestations, or other conditions requiring repair observed while performing janitorial services. Upon receiving notice of a deficiency or issue with the court facility, the local government should take immediate steps to correct the deficiency. The procedures in *Section 4: Nonrecurring Project Requests* apply.

#### Inspections

The AOC reserves the right to inspect the entire court facility and prepare a list of janitorial insufficiencies. The list shall be presented to local government and the local government should either correct or present a plan to the AOC to correct the insufficiencies within five (5) business days. If this schedule for corrections is not met, the local government may no longer qualify for reimbursement of janitorial services.

#### F. CONTRACTED JANITORIAL SERVICE PROVIDERS

Section 3a Page 6 of 8 The requirements in this Subsection only apply when a local government uses a contracted service provider, as opposed to janitorial staff employed by the local government, to provide some or all of the required janitorial services.

#### **Requests for Bids, Quotes, or Proposals**

The local government must notify the AOC Division of Facilities prior to advertising for a new janitorial service provider.

#### Insurance and Bonding

The AOC will only reimburse the local government for expenses associated with a janitorial service provider, whether it be an individual or business entity, if that provider is bonded *and* maintains a General Liability Insurance policy with a minimum of \$25,000 in coverage for Property Damage. The amount of the janitorial service provider's bond is in the discretion of the local unit of government. The local government may also choose to require a janitorial service provider to maintain a General Liability Insurance policy for Personal Injuries and/or Workman's Compensation Insurance to provide coverage for personal injury claims.

The local unit of government must send copies of the insurance and bond to the AOC Division of Facilities Administrative Support Coordinator via email at <a href="mailto:FacilitiesRequest@kycourts.net">FacilitiesRequest@kycourts.net</a>.

The AOC will not reimburse the local government for any expenses associated with personal injuries caused by negligence of a janitorial service provider or for claims made by the janitorial service provider for work-related injuries.

#### Services Contract Required

The local government must enter into a contract with any individual or business entity selected to provide janitorial services for a court facility who is not employed by the local government. The contract must contain at least the required services outlined above in Subsection E- Janitorial Performance Standards. The local government must send a copy of the contract(s) to the Division of Facilities Administrative Support Coordinator via email at FacilitiesRequest@kycourts.net.

The contract should include at the minimum the following: names of individuals accessing the Facility to provide janitorial services; the type and scope of services to be provided; how often services will be provided; rate of pay for the services provided; and a start date and end date for the contract.

#### G. SERVICES PROVIDED DIRECTLY BY THE LOCAL GOVERNMENT

Maintaining a clean facility is important to ensure that judicial centers and courthouses operate efficiently. If a local government elects to use its own staff instead of contracting for janitorial services, the AOC strongly encourages the local government to designate a single employee to specifically address the needs of the KCOJ-occupied space.

The requirements in this Subsection only apply when a local government uses janitorial staff employed by the local government to provide all of the required janitorial services.

#### Initial Set-Up of a New Judicial Center

For new judicial centers, AOC will reimburse the local government upon submittal of an invoice, for the following:

- Commercial/Industrial quality vacuum cleaner
- Commercial/Industrial floor polisher and/or buffer
- Wet/Dry vacuum cleaner
- Sufficient quality and quantity of mops and mop buckets with wringers
- All other appropriate cleaning tools and equipment
- Cleaning supplies and materials
- Appropriate "safety" signage (Danger Wet Floor, etc.)
- Supplies: Trash can liners, Toilet tissue, Paper towels, Hand soap

If the total cost of purchasing these items exceeds \$4,000, the local government is required to obtain prior approval from the Manager of the AOC Division of Facilities.

#### Supplies After Initial Set-Up

The cost of janitorial supplies is included in the Operating Expenses paid by the AOC to the local government quarterly in accordance with the estimate agreed to on the Annual Reimbursement Form signed by the local government.

#### **Equipment After Initial Set-Up**

From time to time a local government may need to purchase equipment related to providing janitorial services at the court facility and its grounds. The AOC will reimburse the local government for the purchase if the proposed piece of equipment is to be used solely for KCOJ occupied space and the cost is under \$1000. To receive reimbursement for these purchases, send an invoice and copy of the payment issued by the local government to the Division of Facilities Administrative Support Coordinator via email at <u>FacilitiesRequest@kycourts.net</u>. Reimbursements will be paid directly to the local government from the AOC Budget Office.

If the piece of equipment will cost \$1000 or more, or if the local government intends to also use the equipment in spaces not occupied by the KCOJ, the AOC will only reimburse the purchase if the local government requests and receives approval in writing prior to the purchase of the equipment. To obtain pre-approval, follow the process outlined in *Section 4: Nonrecurring Project Requests*.



## ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

Section 3b: Maintenance and Preventative Maintenance Services Updated February 2018

Per KRS 26A.110, each local government is responsible for providing or procuring maintenance services for its court facility. Additionally, the local government is encouraged to procure an HVAC preventative maintenance services contract. The local government **must** obtain prior approval from the AOC before awarding any maintenance or preventative maintenance contract.

The AOC will reimburse the local government for its proportionate costs for maintenance services based on the pro rata portion of the floor space that is occupied by the KCOJ in the court facility. Maintenance services includes:

- a contract for maintenance services;
- general maintenance supplies;
- maintenance personnel employed by the local government, including salaries, health and life benefits;
- uniform costs;
- elevator service contracts;
- HVAC preventative maintenance contracts; and
- consumables for the building (i.e. lightbulbs, filters).

Maintenance and preventative maintenance services are considered operating expenses and are reimbursed via the Annual Reimbursement Form.

#### A. DENIAL OF REIMBURSEMENT

# The AOC may refuse to reimburse the local government expenses associated with an <u>employee</u> who performs maintenance services if:

(1) The local government failed to provide the AOC the information required in Subsection C for any individual accessing the building to perform maintenance or preventative maintenance services; or

(2) The local government allowed an individual to perform maintenance or preventative maintenance services for a court facility (either individually or on behalf of an entity) after the AOC notified the local government that the individual had been denied access to the court facility as a result of a Criminal History Record Check; or

(3) The local government has added additional personnel to provide maintenance services without prior approval of the AOC; or

(4) The local government fails to perform all of the minimum services in Subsection E or otherwise fails to properly maintain the court facility or fails to adhere to appropriate safety standards.

# The AOC may refuse to reimburse the local government expenses associated with <u>a contract</u> for maintenance or preventative maintenance services if:

(1) The local government failed to notify the Division of Facilities prior to advertising for maintenance or preventative maintenance services; or

(2) The local government failed to provide the AOC the information required in Subsection C for any individual accessing the building to perform maintenance or preventative maintenance services; or

(3) The local government allowed an individual to perform maintenance or preventative maintenance services for a court facility (either individually or on behalf of an entity) after the AOC notified the local government that the individual had been denied access to the court facility as a result of a Criminal History Record Check; or

(4) The local government contracted with a maintenance or preventative maintenance provider that is debarred by any state or federal agency, including the AOC; or

(5) The local government contracted with a maintenance or preventative maintenance provider that did not provide insurance and bonds as required by Subsection F; or

(6) The local government failed to enter into a valid contract with a maintenance or preventative maintenance provider; or

(7) The local government failed to obtain the approval of the AOC prior to entering into the maintenance or preventative maintenance contract; or

(8) The local government fails to properly maintain the facility or fails to adhere to appropriate safety standards.

#### B. POINTS OF CONTACT

The Chief Circuit Judge has the authority to control, assign, and otherwise manage the space in a judicial center or courthouse occupied by the KCOJ. The Chief Circuit Judge may designate a local KCOJ representative (i.e. Circuit Court Clerk, judicial secretary) to communicate facility-related concerns, issues, or requests to the local government's designated point of contact. If the Chief

Section 3b Page 2 of 9 Circuit Judge designates a local KCOJ representative, he or she shall provide contact information for the designee to the local government.

The local government must designate a point of contact employed by the local government for the following purposes: (1) to discuss payment and contractual issues with the AOC Division of Facilities; and (2) to communicate with the Chief Circuit Judge or designee regarding concerns, issues, or requests raised by local KCOJ officials and employees. The contact may be the same individual for both purposes or different individuals may be named for each purpose.

All issues concerning the adequacy of services shall first be discussed between the local government's designated point of contact and the Chief Circuit Judge or designee.

#### C. CRIMINAL HISTORY RECORD CHECKS

Because sensitive and confidential court documents, records, and information are housed in court facilities, the AOC must complete a Criminal History Record Check and approve each individual proposed to have access to the court facility to provide maintenance or preventative maintenance services.

To obtain approval, the local unit of government **must** provide to the Division of Facilities Administrative Support Coordinator via email to <u>FacilitiesRequest@kycourts.net</u> the following information for each individual **prior to** hiring, assigning, or contracting the individual or a business entity to provide maintenance or preventative maintenance services for a court facility:

- Name
- Address
- Social Security Number
- Date of Birth

The AOC reserves the right to deny access to a court facility by any proposed individual based on the result of a Criminal History Record Check.

#### D. SCHEDULING AND ACCESS

The local government and the Chief Circuit Judge or designee must:

- Agree to all maintenance and preventative maintenance service schedules, including active cleaning times;
- Agree to and designate special access areas, such as records areas, judges' private offices, and evidence storage areas; and
- Determine and coordinate how access to the court facility and special access areas will be given.
The local government must provide the Chief Circuit Judge or designee the names of all maintenance and preventative maintenance personnel, whether employed by the local government or contracted, who will have access to the court facility.

The AOC is not responsible for providing keys to the court facility for service provider access, but is available to assist with access issues should they arise.

### E. MAINTENANCE SERVICE PERFORMANCE STANDARDS

### Personnel

The local government and/or service provider shall utilize personnel who are both competent and, if applicable, licensed and certified in the Commonwealth of Kentucky to execute work in the applicable trades and for the type of equipment in use at the court facility.

### Work Plan

It is responsibility of the local government or the local government's contracted maintenance service provider to determine the appropriate level of maintenance for the components of the court facility. The local government or service provider should execute maintenance, including the changing of wearable components, filters, lubrication, and cleaning, in accordance with the manufacturer's recommendation or best industry management practice, whichever is more stringent.

For contracted maintenance service providers, the service provider should submit with the bid or proposal package a "Preliminary Work Plan." This plan shall include, but not be limited to: personnel providing services, including tradesmen and/or sub-service providers the service provider will employ or utilize as part of the contract; scope and type of work to be performed; schedules of maintenance; cost of services to be provided; and the experience of the company and its personnel in maintaining commercial buildings and the type of equipment used in the court facility.

### **Repairs and Replacements**

Maintenance or preventative maintenance service providers or local government staff should not perform repairs costing \$2,500 or more and should not replace any equipment, systems, or components of the court facility without receiving prior approval from the local government. The local government must not authorize the performance of repairs totaling \$2,500 or more or replace any equipment, systems, or components of the court facility without first receiving written pre-approval from the AOC Division of Facilities.

The AOC **will not** reimburse a repair or replacement totaling \$2,500 or more if the local government did not seek and receive written approval from the Division of Facilities before authorizing and beginning the work. Repairs are categorized as ordinary repairs or major repairs.

Ordinary repairs are considered reimbursable operating expenses. Ordinary repairs are those repairs that are reasonably anticipated recurring annual expenses or unanticipated nonrecurring repairs costing \$2,499 or less. For all ordinary repairs costing more than \$2,499, the approval processes in *Section 3: Operating Expenses* apply.

A Major Repair is a repair that costs \$2,500 or more, including all parts and labor related to the repair, and *is not* a reasonably anticipated recurring annual expense. Major Repairs are considered Nonrecurring Projects. Replacements, upgrades, modifications and renovations are also considered Nonrecurring Projects. The processes in *Section 4: Nonrecurring Project Requests* of these rules apply.

#### Renovations

Any proposed renovations <u>must</u> be pre-approved. Work should not begin on a renovation until all procedural steps outlined in Section 4: Nonrecurring Project Requests have been taken and the local government has received written authorization from the Manager of the Division of Facilities to proceed.

### Unsatisfactory Performance of Maintenance Services

Concerns regarding the adequacy of maintenance or preventative maintenance services performed at the court facility should first be brought by the Chief Circuit Judge or designee to the local government's designated point of contact. If the local government fails to respond or to correct the unsatisfactory performance of the maintenance or preventative maintenance services, the Chief Circuit Judge or designee should contact the Manager of the AOC Division of Facilities to report the unresolved concerns. Once notified of potential issues with the performance of maintenance or preventative maintenance services, the AOC Division of Facilities will discuss the alleged unsatisfactory performance directly with the local government.

#### **Reporting Facility Deficiencies**

Maintenance staff or service providers are required to immediately notify the designated local government contact of any deficiencies noted in the court facility, including, but not limited to, plumbing leaks or issues, electrical problems, carpet rips or tears, broken mirrors, insect infestations, or other conditions requiring repair observed while performing janitorial services. Upon receiving notice of a deficiency or issue with the court facility, the local government should take immediate steps to correct the deficiency. The procedures in *Section 4: Nonrecurring Project Requests* apply.

#### Inspections

The AOC reserves the right to inspect the entire court facility and prepare a list of maintenance insufficiencies. The list shall be presented to local government and the local government should either correct or present a plan to the AOC to correct the insufficiencies within five (5) business

days. If this schedule for corrections is not met, the local government may no longer qualify for reimbursement of maintenance or preventative maintenance services.

### F. CONTRACTED MAINTENANCE SERVICE PROVIDERS

The requirements in this Subsection only apply when a local government uses a contracted service provider, as opposed to maintenance staff employed by the local government, to provide some or all of the maintenance and HVAC preventative maintenance services. Local governments are encouraged to procure maintenance and HVAC preventative maintenance service providers if the local government's maintenance employee does not have the applicable or recommended license or certification to work on the equipment installed at the court facility.

#### **Requests for Bids, Quotes, or Proposals**

The local government must notify the AOC Division of Facilities prior to advertising for a maintenance or preventative maintenance service provider. HVAC preventative maintenance agreements <u>must</u> be pre-approved in writing by the AOC Division of Facilities or local government will not be reimbursed for the preventative maintenance contract costs.

Note: If a local government currently has an agreement in place, email a copy of the agreement to the Division of Facilities Administrative Support Coordinator at <a href="mailto:FacilitiesRequest@kycourts.net">FacilitiesRequest@kycourts.net</a>. If the local government does not have a current, written contract for services, contact the Manager of the AOC Division of Facilities to discuss options.

#### Insurance and Bonding

The AOC will only reimburse the local government for expenses associated with a maintenance or preventative maintenance service provider, whether it be an individual or business entity, if that provider is bonded *and* maintains a General Liability Insurance policy with a minimum of \$25,000 in coverage for Property Damage. The amount of the maintenance or preventative maintenance service provider's bond is in the discretion of the local unit of government. The local government may also choose to require a maintenance or preventative maintenance service provider to maintain a General Liability Insurance policy for Personal Injuries and/or Workman's Compensation Insurance to provide coverage for personal injury claims.

The local unit of government must send copies of the insurance and bond to the AOC Division of Facilities Administrative Support Coordinator via email at <u>FacilitiesRequest@kycourts.net</u>.

The AOC will not reimburse the local government for any expenses associated with personal injuries caused by negligence of a maintenance or preventative maintenance service provider or for claims made by the maintenance or preventative maintenance service provider for work-related injuries.

### Service Provider Personnel and Qualifications

As part of its submitted proposal for work, the service provider should provide the experience of the company and its personnel in maintaining commercial buildings and the type of equipment

in use at the court facility. Before awarding a contract to a maintenance or preventative maintenance service provider, the local government should review and check that all personnel proposed by the service provider are competent and licensed/ certified in the Commonwealth of Kentucky to execute work in the applicable trades and for the type of equipment in use at the court facility.

### Services Contract Required

The local government must enter into a contract with any individual or business entity selected to provide maintenance or preventative maintenance services for a court facility who is not employed by the local government. The local government must send a copy of the contract(s) to the Division of Facilities Administrative Support Coordinator via email at FacilitiesRequest@kycourts.net.

The contract should include at the minimum the following: names of individuals accessing the Facility to provide janitorial services; the type and scope of services to be provided; how often services will be provided; rate of pay for the services provided; which party is responsible for providing the equipment, tools, materials, and supplies to perform all manufacturer-recommended or necessary maintenance; and a start date and end date for the contract.

### G. AUTHORIZED MAINTENANCE SUPPLIES, SERVICES AND EQUIPMENT EXPENDITURES

The information below is provided for the purpose of helping local units of government ensure maintenance expenditures are authorized and will be reimbursed as an operating cost. If the local government is not sure whether an expenditure is an authorized maintenance expense, prior to entering into the contract, purchasing the supply or arranging the inspection, contact the Manager of the AOC Division of Facilities for clarification. All HVAC preventative maintenance contracts require prior approval by the Division of Facilities.

### Supplies

The cost of general maintenance supplies is included in the Operating Expenses paid by the AOC to the local government quarterly in accordance with the estimate on the Annual Reimbursement Form signed by the local government.

General maintenance supplies may include, but are not limited to, the following items:

- HVAC Filters
- Fuses
- Light Bulbs
- Keys

- Fire Alarm Equipment and Extinguishers
- Locks

### **Contracted Services and Inspections**

The following types of contracted services are considered maintenance costs unless they are associated with a major repair:

- HVAC Preventative Maintenance (must be pre-approved by the Division of Facilities)
- Elevator Service and Inspection

Section 3b Page 7 of 9

- Water Treatment
- Boiler, HVAC Inspections
- Pest and Termite Control-Extermination
- Security or Fire Alarm Monitoring
- Snow and Ice Removal
- Grounds Maintenance

### Equipment

From time to time a local government may need to purchase equipment that is necessary to efficiently maintain the Facility and its grounds. The AOC will reimburse the local government for the purchase if the proposed piece of equipment is to be used solely at the judicial center or courthouse and the cost is under \$1000.

If the piece of equipment will cost \$1000 or more or will not be used solely at the judicial center or courthouse, the AOC will only reimburse the purchase if prior approval for the purchase was given by the AOC. To obtain pre-approval, follow the process outlined in *Section 4: Nonrecurring Project Requests* of these Policies.

### Workmanship

All work shall be performed in a neat, orderly, and professional manner with applicable local, state, and federal laws and codes. Whenever possible, maintenance services, preventative maintenance services, and repair services should be performed in a manner that is not disruptive to the administration of court business. Additionally, special care shall be taken to insure that all tools, fixtures, and equipment used by service provider staff or local government maintenance personnel in the execution of duties are properly stored and not kept or used in such a way that creates a safety or environmental hazard.

### Safety

Safety in and around the workplace should take precedence over all other required tasks. The following provisions and procedures must be strictly administered:

- Lockout/Tagout procedures
- Appropriate Barriers and Barricade
- Appropriate Shoring, Bracing, and Blocking
- Warning Signage
- Appropriate tools (e.g. insulated hand tools, the proper wrenches, etc.)
- Appropriate equipment (e.g., insulated ladders, test sets, etc.)
- Safety harnesses and lanyards, when working in high areas
- Ground guides, when maneuvering equipment inside and outside of building
- Flagmen, when necessary
- Appropriate safety apparel when handing hazardous/toxic substances and materials
- Label, handle, and store all hazardous and toxic materials in strict accordance with applicable environmental law and regulations

Section 3b Page 8 of 9

- Appropriate trade training and certifications
- All required OSHA training and certifications and
- Immediately notify the Chief Circuit Judge or designee and proper agencies (*e.g., Fire Department*) of all hazardous and potentially hazardous situations.

If the AOC becomes aware of unsafe conditions at the court facility and the local government does not quickly rectify the problem upon notice, the local government may be disqualified from receiving reimbursement for maintenance or preventative maintenance expenses.



### ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

Section 4: Nonrecurring Project Requests Updated February 2018

A Nonrecurring Project means a major repair (i.e. those that cost \$2,500 or more for all labor and materials, and are not reasonably anticipated annual expenses); or replacements, upgrades or modifications to the KCOJ facility or KCOJ occupied portion of the facility. Examples of nonrecurring projects include, but are not limited to: new carpet or paint; replacement of the windows, roof, boiler or HVAC; or interior or mechanical renovations. Renovations involving exterior walls are Court of Justice Capital Construction Projects and must be authorized by the General Assembly and developed in accordance with AP Part X.

The AOC will reimburse the local government for the AOC portion of the Nonrecurring Project in the fourth quarter of the fiscal year, or earlier upon request and approval as set forth in these Policies. For Nonrecurring Projects that benefit the facility as a whole (e.g. windows, roof, boiler, HVAC, structural issues, mechanical renovations), the AOC portion is calculated based on the KCOJ's proportionate share of the operating expenses according to the pro rata portion of the floor space that is occupied by the KCOJ in a court facility. For Nonrecurring Projects that benefit *only* the KCOJ-occupied portion of the facility (e.g. moving a wall in the circuit clerk's office; new carpet or paint in the judicial suites), the AOC may agree to reimburse the local unit of government up to 100% of its costs associated with the Nonrecurring Project subject to the approval processes and documentation required by this Policy. If the Nonrecurring Project benefits only the portion of the facility occupied by the local government, the AOC will not reimburse the local government for any portion of the costs.

The process for obtaining pre-approval of a Nonrecurring Project is the same for both emergency and non-emergency situations. However, the AOC recognizes that some emergency circumstances may necessitate a modification in the Nonrecurring Project Request process. Emergency exemptions will be handled on a case by case basis and are addressed in more detail in Subsection C below.

The local unit of government should follow its procurement policies in the procurement of any goods or services for the court facility. Additionally, the following requirements must be met in order for the local government to qualify for reimbursement from the AOC of expenses associated with a Nonrecurring Project:

A. INITIATING A NONRECURRING PROJECT REQUEST

Section 4 Page 1 of 5 Prior to submitting a Nonrecurring Project Request to the AOC, the local government should begin by obtaining at least one (1) quote for the necessary work from a qualified contractor or vendor. If the quote is for a repair costing less than \$2,500, including both the cost of necessary parts and the labor to install all parts, the local government does not need to obtain prior approval and may proceed with the work. The repair will be included in Operating Expenses and the estimated Operating Expenses for the Fiscal Year will be adjusted accordingly during the annual AOC audit. The quote and all related paperwork should be maintained by the local government for auditing purposes, however, there is no need to submit it to the AOC Division of Facilities.

If the quote received by the local government totals \$2,500 or more for a repair, including all necessary parts and labor, or if the quote is for a replacement, modification, upgrade or renovation of the court facility, the local government must obtain approval of the AOC prior to entering into a contract for services or proceeding with the work. Approval may be requested by submitting the Work Order Request form to the AOC Division of Facilities.

If the quote received by the local government totals \$5,000 or more, including all necessary parts and labor, the local government is required to obtain two (2) additional quotes for the same scope of work as the original quote. Once the local government has received three (3) quotes, the next step is to submit the Nonrecurring Project Request to the AOC Division of Facilities. If the local government is having difficulty finding three (3) contractors or vendors willing to provide a free quote for the necessary repair or replacement services, contact the Manager of the Division of Court Facilities to discuss possible resolutions to the issue. If the local government's procurement policies require a Request for Bids to be issued, the local government should issue the RFB in lieu of obtaining quotes.

### Vendor and Contractor Quotes

Quotes should be in writing and contain the following information:

- Name and contact information of contractor or vendor
- Detailed description of the proposed scope of work
- Expenses related to parts and labor, and if applicable, travel, listed separately
- Parts information should be specific and include identifying information, such as the manufacturer and model or part number

Failure to provide a detailed quote with the above information could result in the quote being disqualified by the AOC.

### **B. SUBMITTING A REQUEST**

All requests for pre-approval of a Nonrecurring Project begin with an email to the AOC Division of Facilities Administrative Support Coordinator at <u>FacilitiesRequest@kycourts.net</u>. The request should contain the following information:

Section 4 Page 2 of 5

- Local government name
- Requestor's name, title, and contact information
- Facility name (Example: Franklin County Courthouse)
- Facility address
- Location of the requested repair, replacement, renovation within the Facility. (Example: 3<sup>rd</sup> Floor, Pretrial Office)
- Name of a Facility Contact familiar with the repair, replacement or renovation request (Typically this will be the local government's maintenance or janitorial staff assigned to the Facility)
- Email and phone number for the Facility Contact
- Identify whether the Nonrecurring Project Request is related to an emergency (Example: flooded basement, loss of power, etc. See Subsection C below for more information about emergencies) or an urgent situation (Example: malfunctioning HVAC system)
- Description of the Nonrecurring Project Request, including any pertinent background information
- If the Nonrecurring Project Request involves an HVAC system, please note whether the local government has an HVAC preventative maintenance contract. If there is a valid preventative maintenance contract, list the name and contact information of the service provider.
- List the totals of each quote obtained and the name of the business providing the quote
- Note the estimated amount of time the repair, replacement or addition is expected to take
- Identify the anticipated start and completion date
- Attach all three (3) quotes to the email
- Identify the vendor or contractor the local government prefers to select. If the preferred contractor or vendor is not the lowest quote submitted, provide an explanation as to why the local government prefers to work with that vendor or contractor. So long as the quote provided by the preferred vendor is close in price to the other two (2) quotes, the AOC will honor the local government's preference whenever feasible.

The AOC Division of Facilities will review the submitted request and provide a written response via email. For some requests, a Facilities Coordinator may need to follow-up with a phone call or site visit to review the requested repair, replacement, or renovation. In those instances, the Division of Facilities will notify the local government that a decision on the submitted request will be delayed until all necessary inspections and reviews have been completed.

If the submitted request involves an urgent situation, the AOC Division of Facilities will make every effort to contact the local government the same day the request is submitted. If the local government has not heard from the AOC Division of Facilities within 24 hours of an emergency related submittal, call the Manager of the AOC Division of Facilities to discuss the request. If the submitted request involves an emergency, please see Subsection C below.

#### C. EMERGENCY REPAIRS

If an emergency occurs in a court facility that prevents the normal function of judiciary business, call the Manager of the Division of Facilities to obtain immediate authorization for mitigation, repair or replacement expenses. If the Manager is not available, refer to the Division of Facilities Contact Information in *Section 1: Introduction and Contact Information* of these Procedures to contact another employee of the AOC Division of Facilities. To receive reimbursement for expenses related to an emergency, following the process outlined in Subsection E below.

### D. APPROVAL OF A NONRECURRING PROJECT REQUEST

If the AOC Division of Facilities approves a Nonrecurring Project Request, it will notify the local government Judge Executive or Mayor, the local government Treasurer or Financial Officer, and the person who submitted the request via email. Attached to the email will be a written approval letter signed by the Manager of the Division of Facilities detailing the scope of the Nonrecurring Project, the name of the approved vendor or service provider, approved project cost based on the provided quote, percentage of AOC reimbursement based on KCOJ occupancy, Fiscal Year in which the project is committed, required start and completion deadlines, and the name of the Facilities Coordinator assigned to the nonrecurring project.

If the local government agrees to the terms of the approval letter, the letter must be signed, dated, and emailed back to the AOC Division of Facilities prior to beginning work on the nonrecurring project. If the local government has any questions or concerns about the details contained in the letter, contact the Manager of the Division of Facilities to discuss the matter before returning the letter.

### E. REIMBURSEMENT OF AN APPROVED NONRECURRING PROJECT

Upon completion of the pre-approved Nonrecurring project, the local government should submit the following to the AOC Division of Facilities Administrative Support Coordinator via email at <u>FacilitiesRequest@kycourts.net</u>:

- Invoice from contractor or vendor detailing completed work. If there are any substantial changes in the completed work versus the proposed work, it should be noted clearly on the invoice.
- Copy of cancelled check showing local government issued payment to the approved contractor or vendor.

Upon receipt of invoice and proof of payment, the Division of Facilities will submit all the necessary paperwork to the AOC Budget Office for processing. A reimbursement check for the Nonrecurring Project expense should be issued within 60 days.

### F. DENIAL OF A NONRECURRING PROJECT REQUEST

The AOC Division of Facilities has a limited budget to address statewide repair, replacement and renovation issues and requests. Our goal is to ensure the most urgent and necessary needs are

prioritized over cosmetic upgrades. If a request is denied, the Division of Facilities will, when possible, provide a recommendation for when the Nonrecurring Project Request may be resubmitted for consideration. Providing ample advance notice for Nonrecurring Project Requests allows the Division of Facilities to efficiently allocate our resources. All local governments are encouraged to provide advanced notice when making a non-emergency or non-urgent request. Advance notice is crucial for larger projects, as explained in Subsection G below, which could require 1-2 years of Budget Planning.

### G. PLANNING FOR NONRECURRING PROJECTS

The AOC Division of Facilities receives numerous Nonrecurring Project Requests every Fiscal Year. In the Appendix is a Nonrecurring Project Request Planning Tool, which is intended to help both the AOC and the local government plan for small and large nonrecurring projects. Local governments can submit a planning tool to the AOC Division of Facilities at any point during the Fiscal Year, however, local government units will be asked to submit one every April. The submission is merely a planning tool and not an official request for funds. Unless the local government has been advised otherwise in writing, all Nonrecurring Projects must be officially requested according to the procedures outlined in this *Section 56 Nonrecurring Project Requests*. Below is guideline for how long the budgeting process might take for Nonrecurring Project Requests based on total project price.

Total Nonrecurring Project Cost	Ideal Advance Notice Timeframe
\$1000-\$99,999	0-6 months
\$100,000-\$299,999	6 months – 1 year
\$300,000-\$599,000	1-2 years
\$600,000 +	2+ years (will require Legislative approval)

If the local government has any questions regarding the planning process for Nonrecurring Project Requests it should contact the Manager of the Division of Facilities to discuss the process and seek advice.



### ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

### **CHECKLIST:** Contracting with Service Providers

Updated February 2018

- Obtain at least three (3) proposals prior to awarding a service provider contract, or issue a solicitation if required by the local unit of government's procurement policies.
- □ Review proposals to ensure all the required information is included, including proof the service provider is bonded **and** maintains a General Liability Insurance policy with a minimum of \$25,000 in coverage for Property Damage.
- □ Submit all service provider proposals to the AOC for review and approval.
- □ Receive written approval from the AOC to contract with its selected service provider.
- Check to ensure selected service provider has provided the name, social security number, address, and date of birth for each person proposed to work in the court facility as part of the service contract.
- □ Submit the required information for proposed personnel of the selected service provider to the Division of Facilities Administrative Support Specialist via email to <u>FacilitiesRequest@kycourts.net</u> for an AOC *Criminal History Record Check*

Do not begin work until the AOC Division of Facilities has provided written notice the proposed personnel have passed the record check.

- □ Chief Circuit Judge or designee agrees to the proposed regular janitorial or maintenance schedule and how special areas of the court facility will be accessed.
- □ Circuit Judge or designee has been provided with the names of all service provider personnel that will have access to the court facility.
- □ Service provider signs a contract with the local government that includes the following:
  - Names of individuals accessing the Facility to provide services
  - Type and scope of services to be provided
  - How often services will be provided
  - Rate of pay for the services provided
  - Start date and end date for the contract

□ Email a copy of the completed and signed contract to the Division of Facilities Administrative Support Coordinator at <u>FacilitiesRequest@kycourts.net</u>.

Checklist: Service Provider Contracts Page 2 of 2



### ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

### CHECKLIST: Work Project Request

Updated February 2018

For Repairs, Replacements, or Renovations totaling **\$2,500 or more**, including all necessary parts and labor, the following steps should be taken to obtain pre-approval of the Work and receive reimbursement for the expense:

### SUBMITTING A REQUEST

Prior to submitting the request to the AOC for review and approval: Solicit at least 3 quotes to perform the same scope of work for the proposed Work. If the estimated cost of the Work would require the local unit of government to issue a solicitation pursuant to its procurement guidelines, the local unit of government must contact the AOC for approval prior to issuing the solicitation.

*EXECPTION*: HVAC related requests will only require 1 quote if the following 3 requirements are met: (1) County has an HVAC preventative maintenance contract on file with the AOC Division of Facilities, and (2) Written quote is provided by the preventative maintenance service provider, and (3) Written quote is for between \$2,500-\$4999.

□ Submit an email request containing the following information to the Division of Facilities Administrative Support Specialist at <u>FacilitiesRequest@kycourts.net</u>:

- County name
- Requestor's name, title, and contact information
- Facility name (Example: Franklin County Courthouse)
- Facility address
- Location of the requested repair, replacement, renovation within the Facility (Example: 3<sup>rd</sup> Floor, Pretrial Office)
- Name of a Facility Contact familiar with the repair, replacement or renovation request (*Typically this will be the county's maintenance or janitorial staff assigned to the Facility*)
- Email and phone number for the Facility Contact
- Identify whether the Work Order Request is related to an emergency situation (*Example: flooded basement, loss of power, destroyed equipment*)
- Description of the Work Request, including any pertinent background information
- If the Work involves an HVAC system, please note whether the county has an HVAC preventative maintenance contract. If there is a valid preventative maintenance contract, list the name and contact information of the service provider.

CHECKLIST: Nonrecurring Expense Request Page 1 of 2

- List the totals of each quote obtained and the name of the business providing the quote
- Note the estimated amount of time the repair, replacement or addition is expected to take
- Anticipated start and stop date
- Identify the vendor or contractor the county prefers to select. If the preferred contractor or vendor is not the lowest quote provided, provide an explanation as to why the county prefers to work with that vendor or contractor
- Attach all three (3) quotes to the email.
- □ Upon receiving a written approval letter signed by the Manager of the Division of Facilities, accept the reimbursement offer by signing and dating the letter and returning it via email to the Division of Facilities Administrative Support Specialist at FacilitiesRequest@kycourts.net.
- Begin work.

### REIMBURSEMENT OF NONRECURRING PROJECT

Upon completion of the Work submit the following documents via email to the Division of Facilities Administrative Support Specialist at FacilitiesRequest@kycourts.net:

- □ Final invoice for Work reflecting all costs, including necessary parts and labor.
- □ Proof of payment issued by the local government to the vendor or contractor (*e.g. Copy* of cancelled check).
- The AOC Budget Office should issue a reimbursement check to the county within 60 days.

# A DE TOT JUNE

### Administrative Office of the Courts

John D. Minton, Jr.	1001 Vandalay Drive	Laurie K. Dudgeor
Chief Justice of Kentucky	Frankfort, Kentucky 40601	Director
	WORK ORDER REQUEST	
Date of Request:	County:	
Requested by:		
Email:		
Facility Name:	Address:	
Local contact who will be coord	linating repair/renovation:	
Email:	Phone:	
Type of Request: 🛛 Emerge	ncy 🗌 Non-Emergency	
Description of Repair/Renovation	on Request:	
Is there a current preventative	maintenance contract for items affected by the	his request? Yes No
If yes, include name of service p	provider:	Phone:

Provide copy of signed contract with quote.

List in order of service provider preference, three (3) quotes, with itemized parts and labor, obtained for this request. Submit all quotes and this form to the AOC Department of Facilities to:

Name	Total Amount of Quote
1.	
2.	
3.	

If preferred service provider is not the lowest quote, provide an explanation for selecting this provider.

Anticipated Start: Click or tap to enter a date. Projected Completion: Click or tap to enter a date.

		FACILITY USE ONLY	
Approved for AOC Reimbu	irsement	Denied for AOC Reimbursement	CFF
□ Non-Recurring Expense	Project # _	Regular Opera	ting Expense



### ADMINISTRATIVE OFFICE OF THE COURTS POLICIES FOR THE OPERATION AND MAINTENANCE OF COURT FACILITIES

### Planning Tool: Nonrecurring Project Requests

Updated February 2018

Please list below any Nonrecurring Project Requests anticipated to be submitted for approval in the next 6 months to 2 years.

1. PROJ	ECT DESCRIPTION, INCLUDE ANY RELI	EVANT BA	CKGROU	IND INFORMATION:	
ESTIN	/ATED COST: \$				
HAVE	BIDS OR QUOTES BEEN OBTAINED?		□ YES	(If yes, please attach)	
2. PROJE	ECT DESCRIPTION, INCLUDE ANY RELE	VANT BA	CKGROU	ND INFORMATION:	
	(4)				
ESTIM	IATED COST: \$				
HAVE	BIDS OR QUOTES BEEN OBTAINED?			(If yes, please attach)	

 3. PROJECT DESCRIPTION, INCLUDE ANY RELEVANT BACKGROUND INFORMATION:

 ESTIMATED COST: \$

 HAVE BIDS OR QUOTES BEEN OBTAINED?
 □ NO
 □ YES (If yes, please attach)

 4. PROJECT DESCRIPTION, INCLUDE ANY RELEVANT BACKGROUND INFORMATION:

 ESTIMATED COST: \$

 HAVE BIDS OR QUOTES BEEN OBTAINED?
 □ NO
 □ YES (If yes, please attach)

AOC acceptance of this document does not constitute prior written approval. Nonrecurring Project Planning Tool Page 2 of 2

### KyCourts II Setting Up New Users Quick Reference Guide

### Administrative Office of the Courts 1001 Vandalay Drive Frankfort, KY 40601 (502) 573-2350



Look for <i>Helpful Hints</i> Click=Select w/ Mouse or	Touch Pad	Bold Text = Action Italicized Text = Object of Action	Bracketed Text<> = button or link Single Quotes = Description
Objective	Action		
Adding a New User	assistance 2. From the 3. Enter the	e, if needed. Security Table, <b>click</b> <add new="">. <i>User ID</i> (jane_doe) and <i>User Name</i></add>	(doe, jane) then choose the
able (ability to add or remove mployees) and Supervisor Rights use of Local Notes). "ZZ-Deputy" as rights to inquire, add, change and delete material except for Case ntity. "ZZ-Deputy No Co" has rights	User Level User ID jane_doe Password	User Name Group doe, jane MAINTENAN	Do Not Link User
nquire, aaa, change, aelete except for case entity) but has no ghts to confidential cases.	least four	characters. Enter the password agai	n in the Re-Type Password field.
	This is the	division in which the user will comp	lete the majority of their work.
loning a User	the second se	Security Table, select the new user.	vision Security C Menu Security
	2. Click <clor< td=""><td>ne User&gt;. The Clone User dialog box</td><td>Anna Decure,</td></clor<>	ne User>. The Clone User dialog box	Anna Decure,
	select the	appropriate template. Next, click Clo	one To from the dropdown menu
		Clone To:	elected User
	Click=Select w/ Mouse or <b>Objective</b> adding a New User adding a New User elpful Hint: "ZZ-Clerk" has Utility lelete or expunge cases, Security able (ability to add or remove mployees) and Supervisor Rights use of Local Notes). "ZZ-Deputy" as rights to inquire, add, change ad delete material except for Case nity. "ZZ-Deputy No Co" has rights inquire, add, change, delete except for case entity) but has no abts to confidential cases.	Click=Select w/ Mouse or Touch Pad         Objective       Action         adding a New User       1. Ensure the assistance         adding the work of the select or expunge cases, Security able (ability to add or remove mployees) and Supervisor Rights are of Local Notes). "ZZ-Deputy" as rights to inquire, add, change add delete material except for Case thity. "ZZ-Deputy No Co" has rights inquire, add, change, delete xcept for case entity) but has no phts to confidential cases.       1. In the Pass least four         Ioning a User       1. From the select of Click < Insee	Click=Select w/ Mouse or Touch Pad       Italicized Text = Object of Action         Adding a New User       Action         adding a New User <ul> <li>Ensure the user has a network account. Conta assistance, if needed.</li> <li>From the Security Table, click <add new="">.</add></li> <li>Enter the User ID (jane_doe) and User Name appropriate group from the Group dropdown</li> <li>User ID User Name Group dropdown</li> <li>User ID User Name Group for Oster Name appropriate group from the Group dropdown</li> <li>User ID User Name Group Group Group Group Group for the Group dropdown</li> <li>User ID User Name Group Group Group Group For the Group Gro</li></ul>

		4.	Click on the Clone User dialog box. A message displays in the lower-left corner indicating that the clone was successful.
			User O User Nomel Group JOHAL DOE DOE JOHN Passward Rie Type Passward Division BK User O - Tethonic D DisTRict - 1
		5.	Account.
3	Reviewing a User's Security Permissions	1. 2.	, and a set of the set
			JOHNDOE     C User Security     C User Division Security     C Menu Security       User Id     Division       JOHNDOE     CI       JOHNDOE     DC       JOHNDOE     DI
		3.	<b>Select</b> <i>Menu Security</i> . The rights available to the user will display in this table. The permission options are inquire, add, update, delete or print from each
			listed screen. The screen will also indicate division and case type
	Modifying a User's Permissions	1.	listed screen. The screen will also indicate division and case type. With the user's security permissions open, <b>highlight</b> the line you wish to modify. The item displays in the fields at the bottom of the screen.
		1.	With the user's security permissions open, highlight the line you wish to modify. The item displays in the fields at the bottom of the screen.
	Permissions Helpful Hint: It is possible to delete a user entirely from this section. Simply click <delete> and the user</delete>		With the user's security permissions open, highlight the line you wish to modify. The item displays in the fields at the bottom of the screen.
	Permissions Helpful Hint: It is possible to delete a user entirely from this section. Simply click <delete> and the user</delete>	2.	With the user's security permissions open, highlight the line you wish to modify. The item displays in the fields at the bottom of the screen.
	Permissions Helpful Hint: It is possible to delete a user entirely from this section. Simply click <delete> and the user</delete>	2. 3.	With the user's security permissions open, highlight the line you wish to modify. The item displays in the fields at the bottom of the screen.
	Permissions Helpful Hint: It is possible to delete a user entirely from this section. Simply click <delete> and the user</delete>	2. 3. 4.	With the user's security permissions open, highlight the line you wish to modify. The item displays in the fields at the bottom of the screen.
	Permissions Helpful Hint: It is possible to delete a user entirely from this section. Simply click <delete> and the user</delete>	2. 3. 4. 5.	With the user's security permissions open, <b>highlight</b> the line you wish to modify. The item displays in the fields at the bottom of the screen.
	Permissions Helpful Hint: It is possible to delete a user entirely from this section. Simply click <delete> and the user</delete>	<ol> <li>2.</li> <li>3.</li> <li>4.</li> <li>5.</li> <li>6.</li> </ol>	With the user's security permissions open, highlight the line you wish to modify. The item displays in the fields at the bottom of the screen.

### Hosea, Kimberly

From:	Lucas, Elizabeth
Sent:	Monday, February 05, 2018 3:48 PM
To:	Fisher, Amy (APA)
Cc:	Byers, Charles; Mattingly, Scott; Broaddus, Lisa; Hosea, Kimberly; Lucas, Elizabeth; Capps, Justin
Subject:	RE: KYCourts - 2nd Set of Additional Follow Up Questions
Attachments:	APA Audit - Additional Questions_2018_01_17.pdf

Greetings Amy -

All KYCourts user templates are utilized for the same purpose - to facilitate the application access set-up process.

Please refer to APA Audit Follow-up KYCOURTS Security Questions 1/17/2018 document page 6 for a list of templates. This document is re-attached to this email for your convenience.

If this is not what you are asking, please let me know.

Thanks Beth

From: Fisher, Amy (APA) [mailto:Amy.Fisher@ky.gov]
Sent: Friday, February 02, 2018 11:09 AM
To: Lucas, Elizabeth <ElizabethLucas@kycourts.net>
Cc: Byers, Charles <CharlesByers@kycourts.net>; Mattingly, Scott <scottmattingly@kycourts.net>; Broaddus, Lisa
<LisaB@KYCOURTS.NET>; Hosea, Kimberly <KimberlyHosea@KYCOURTS.NET>; Lucas, Elizabeth
<ElizabethLucas@kycourts.net>
Subject: RE: KYCourts - 2nd Set of Additional Follow Up Questions

Within this response, AOC stated that the ZZ\_CLERK is a template used to facilitate the application access process. Can I get this type of information (purpose/use) for all of the template accounts?

From: Lucas, Elizabeth [mailto:ElizabethLucas@kycourts.net]
Sent: Wednesday, January 17, 2018 9:51 AM
To: Fisher, Amy (APA) <<u>Amy.Fisher@ky.gov</u>>
Cc: Byers, Charles <<u>CharlesByers@kycourts.net</u>>; Mattingly, Scott <<u>scottmattingly@kycourts.net</u>>; Broaddus, Lisa
<<u>LisaB@KYCOURTS.NET</u>>; Hosea, Kimberly <<u>KimberlyHosea@KYCOURTS.NET</u>>; Lucas, Elizabeth
<<u>ElizabethLucas@kycourts.net</u>>
Subject: RE: KYCourts - 2nd Set of Additional Follow Up Questions

Good morning –

Here is the link to the list of terminated employees from 2015-2017. 2015 to 2017 APA Report Employee Leaving.xlsx. This list was provided by HR.

Attached is a document containing answers to the remaining questions.

Please advise if there are additional questions.

Beth

From: Fisher, Amy (APA) [mailto:Amy.Fisher@ky.gov]
Sent: Friday, January 05, 2018 3:33 PM
To: Lucas, Elizabeth <<u>ElizabethLucas@kycourts.net</u>>
Cc: Byers, Charles <<u>CharlesByers@kycourts.net</u>>; Mattingly, Scott <<u>scottmattingly@kycourts.net</u>>; Broaddus, Lisa
<<u>LisaB@KYCOURTS.NET</u>>; Hosea, Kimberly <<u>KimberlyHosea@KYCOURTS.NET</u>>; Lucas, Elizabeth
<<u>ElizabethLucas@kycourts.net</u>>
Subject: KYCourts - 2nd Set of Additional Follow Up Questions

After managerial review, I have another set of questions related to KYCourts II logical security. If possible, please try to provide the requested information by Tuesday, January 16. Items can be sent piecemeal if necessary.

Thanks!

## APA Audit Follow-up KYCOURTS Security Questions 1/17/2018



# I&T SERVICES

### **APA AUDIT – KYCOURTS SECURITY**

IN	TRODUCTION
1.	Separated and Terminated Employees 3
2.	Termination Documentation
3.	Template Access
4.	Revoking User Access
5.	KYCourts User Creation Templates6
	Security Level for Diversion Division:
	Amount Due Screen/Money Balances Screen:8
	Money Line Items Screen:
	ARSecurity Screen:
	eReceipts Menu:
	Party Screen:
	Security Screen:
	Xlate Local Screen
	Xlate Local Screen:
	Xlate Statewide Screen:
6.	Auditing Usage





### INTRODUCTION

APA Audit follow-up questions regarding KyCourts Security. Responses requested by January 16, 2018. Answers follow.

### 1. Separated and Terminated Employees

Please provide a list of users that have left AOC (separated and terminated) between July 1, 2015 and June 30, 2017. If possible, please include the users' Perner or member Id and the date in which separation/termination occurred. **This list will be provided separately.** 

### 2. Termination Documentation

What types of documentation are maintained to support the termination of a network account and deactivation of a KyCourts II account?

<u>Termination/Deactivation of a network account</u>. When a user is terminated, the Service Desk receives an incident request via email, phone, etc. Rights are disabled. After 90 days the account is terminated. The policy for creating and terminating NT User and Email Accounts follows:

Policy for Creating and Terminating NT User and E-mail Accounts:

- Only help Desk staff can setup or terminate NT User and E-mail accounts.
- Managers, Elected Official, or PAR reporting are the only way Additions, Deletions, and Changes can be requested.
- Managers, Elected Official, or PAR reporting must notify the help desk of the needed change. The "best security" practice it to have them e-mail the information from their account. This ensure correct name spelling, written request for the action, and ensure that you are indeed speaking with the Manager or elected official.
- Using a template must create all NT User and E-mail accounts.
- Disabled accounts must include: Disabled on month/year per Name of person requesting action or PAR reporting in the "Full Name" field.
- Disabled accounts must be disabled 90 days prior to deletion.
- Changes listed in the PAR reporting must be made to both accounts with-in 24 hours.
- Delete monthly (1st Tuesday of the Month) all accounts that meet the 90-day criteria. (Sort all accounts by "full name" and delete all account that has been disabled for 90 days. Delete all e-mail accounts associated to that name.)
- If a user calls and their account has been disabled please get verification from their current manager or elected official, before enabling the account. Once verified, enter the correct the information.

<u>Termination/Deactivation of a KyCourts account</u>. Please refer to the KyCourts Manual Chapter on Security previously provided.



**&T SERVICES** 

Please provide a list of users with access to the following template accounts. Please include all application screens or security levels they have access to and what functions or types of access they have (read only, update, delete, etc.). All users with supervisory access to KyCourts have access to and may use the templates. Refer to information previously provided, namely KyCourts Statewide User Permission file dated 1/7/17 and Jefferson User Permissions file dated 11/8/2017, regarding the list of users who may access these templates.

User Name	User Id
AOC INQUIRY	ZZ_AOCI
APPEALS DEPUTY	ZZ_APPEALS
ATTORNEY WORKROOM USERS	ATTY_ROOM
CA-SUBPOENA	ZZ_CA-SUBP
CIRCUIT CIVIL DEPUTY	ZZ_CIRCUIT CIVIL
Circuit Clerk	FR_Clerk
CIRCUIT CRIMINAL DEPUTY	ZZ_CIRCUIT CRIMINAL
CIVIL JUDGE/SECRETARY	ZZ_CIVJUDGE/SEC
CLERK/SUPERVISOR	ZZ_CLERK
CountyAttorney	ZZ_COUNTY-ATTY
DEMO USER	DEMO_USER1
DEPUTY	ZZ_DEPUTY
DEPUTY CIRC	ZZ_DEPCIRC
DEPUTY MENTAL INQ	ZZ_DEPMINQ
DEPUTY PROBATE	ZZ_DEPPROB
DEPUTY SUPPORT STAFF	ZZ_SUPPORTSTAFF
DEPUTY-NO CONFIDENTIAL	ZZ_CIRC_CIVIL_NO_CO
DEPUTY-NO CONFIDENTIAL	ZZ_DEPUTY-NO CO
DESK	DESK
DISTRECPT	DSTREC
DISTRICT	DISTRICT
DISTRICT CIVIL DEPUTY	ZZ_DISTRICT CIVIL
DISTRICT CRIMINAL SUPERVISOR	ZZ_D CRIMINAL SUPERVISOR
DIVERSION SUPERVISOR	ZZ_DC_SUPV
DIVERSION OFFICER	ZZ_DC_OFFICER
DOM. VIOL. DEPUTY	ZZ_DOMESTIC VIOLENCE
EVERYDAY USER	USER
EWARRANT03	EWARRANT03
FAMILY COURT	FAM
GENERIC CLERK	FR_DICICO
HELP DESK	HELP9
ID LAB	LMDC3
INQ NO COFIDENTIAL	ZZ_INQ_ONLY_NO_CO
INTERPRETER	ZZ_INTERPRETER
JEFFERSON CO. ATT	COAT



User Name	User Id
JEFFERSON JDG SEC CI	ZZ_JDGSEC_JEFFCI
JEFFERSON JDG SEC DI	ZZ_JDGSEC_JEFFDI
JUDGE READONLY ID	JUDG
KENTUCKY ALTERNATIVE PROGRAMS	КАР
LAW CLERK	LCLK
MASTER USER	GOD9
MEDIATION	ZZ_MEDIATION
MENTAL HEALTH DEPUTY	ZZ_MENTAL HEALTH
METRO CORRECTIONS BOOKING	Imdc2
METRO CORRECTIONS RECORDS	LMDC1
NSCLERKTEST	NSCLERKTEST
PRETRIAL	PRETRIAL
PRETRIAL JEFFERSON CO	PRETRIAL056_7
PRETRIAL SERVICES	PRETRIAL
PRETRIAL TEST	PRETRIALS
PRINT, DOCKET	DPO9
PROBATE DEPUTY	ZZ_PROBATE
SECURITY MAINTENANCE	ZZ_SECURITYMAIN
SUPV CIRC	ZZ_SUPVCIRC
SUPV MENTAL INQ	ZZ_SUPVMINQ
SUPV PROBATE	ZZ_SUPVPROB
Template CIVIL_DI_CLERK	ZZ_CIVIL_DI_CLERK
Template CIVIL_DI_SUPERVISOR	ZZ_CIVIL_DI_SUPERVISOR
Template Clerk ADOPTION	ZZ_ADOPTION
Template Clerk Inquiry Only	ZZ_ClerkInquiry
Template Clerk INTAKE	ZZ_INTAKE
Template Clerk SUPERVISOR	ZZ_SUPERVISOR
TEMPLATE FOR AUDITORS	ZZ_AUDITOR
TEMPLATE JUDGE OR JUDGE STAFF	ZZ_JUDICIAL
TEST	TEST
TEST MEDIATION	99MD
TEST SEC	TEST
ZZ_JUDGEWITHBENCHPRO	ZZ_JUDGEWITHBENCHPRO

Table 1 – KYCourts User Templates

### 4. Revoking User Access

&T SERVICES

Please explain the process used to revoke user access at the central level and circuit clerk level. **Refer to the KyCourts Manual Security Chapter previously provided.** 

KyCourts II access is now tied to Active Directory. Does AOC use the Enterprise Identity Management (EIM), which was enabled by COT, to process network access terminations? **No.** 



### 5. KyCourts User Creation Templates

Who authorizes inclusion into the above noted templates; is this done at AOC, by the circuit clerks, or both? Usage of the templates is limited to the supervisor role. KyCourts application supervisors include Circuit Court Clerks and members of the AOC staff.

The Clerk/Supervisor (ZZ\_CLERK) is setup to be used in each of the 120 KY counties. Is this considered an individual account per county and each county maintains this account (so there would be 120 different passwords to use it)? **ZZ\_CLERK**, **like all items listed in Table 1**, **is a template used to facilitate the application access process. Rather than cloning existing users or creating access to screens one by one, templates expedite the set-up process.** Or can whoever has access to this particular account access all 120 counties via 1 password? **There is a password for every template.** However, it is unknown.

How often are the passwords changed to the above noted templates? Who is responsible for performing this function? We do not change templates passwords, unless there is breach. If the password needs to be changed ITS staff would be responsible for doing so.

The above noted templates (Table 1) appear to have the ability to create, update and delete a case within one or more of the following application screens/security levels:

- Amount Due Screen
- ARSecurity
- eReceipts Menu
- Money Balances Screen
- Money Line Items Screen
- Party Screen
- Security Screen
- Xlate Local Screen
- Xlate Statewide Screen

Based on the name of some of these accounts, we would not anticipate some of these having the ability to create, update and delete a case (for example AOC Inquiry (ZZ\_AOCI) or Template for Auditors (ZZ\_AUDITOR))? Please provide a justification as to why they need <del>for</del> this type of access. We will review AOC Inquiry as it should have inquiry-only rights. AOC Auditors must be able to perform auditing tasks/activities and access to this information is necessary.

Can you also provide screen prints of the above noted application screens/security levels so we can see what data is available? **Screen shots are included in the pages that follow.** 



The following screens will only display for jurisdictions with Diversion Programs/Divisions:

- Amount Due Screen
- Money Balances Screen
- Money Line Items Screen

To view these screens, users must have the appropriate access level. Screen shots follow.

#### Security Level for Diversion Division:

Prowse	Add Case	Citation Entry	Case Inquiry K	ENTON		-	GO
		- cu	lser Security	• User	Division Security	C Menu Security	/
Jser Id	Division						Exit
	CI						
	CO						
	DC						Clone User
	DI SE						
							Terminate Rights Refresh
lser Divi:	sion						
User ID		Division	and the second se				
ļ		JDIVERS	SION CASES		Insert De	lete	Total Records
							5



#### Amount Due Screen/Money Balances Screen:

rowse	Add Ca	ase Ci	itation Entry	Case Inquiry	KENTON	SION CASE	s 🗾		GO
ount Due	Inform	ation: 059	1 DC				-		
Initial Date	e <mark>11/1</mark>	3/2007					5		Exit
Тура	e PF	F	PROGRAM FEE					LUV	Exit No Save
otal Amoun	it \$10	0.00	Min.	Amount 0		Balance 0			
				- Memo -		6			1 Update
				menio					
				Mellio					Add New
				Mento					Add New
				Mento					
e Items:	(Double	e click rov	<del>v</del> for more del						Add New
Date	Туре		Ref Value		Line Amount	Memo	Add New		
Date	Туре	1		tails)	and the second s	Memo WESTERN UNION	Add New		Delete Refresh
IDate	Туре	Ref Type	Ref Value	tails)	and the second s		Add New	Report Pr	Delete  Refresh Ent Num: 1
Date	Туре	Ref Type	Ref Value	tails)	and the second s		Add New	Report Pr No Rep	Delete  Refresh Ent Num: 1 inting
Date	Туре	Ref Type	Ref Value	tails)	and the second s		Add New		Delete Delete Refresh Ent Num: 1 inting orts
IDate	Туре	Ref Type	Ref Value	tails)	and the second s		Add New	No Rep	Delete  Refresh Ent Num: 1 inting
<b>ne Items:</b> II Date 1/01 /2008	Туре	Ref Type	Ref Value	tails)	and the second s		Add New	No Rep	Delete Delete Refresh Ent Num: 1 inting orts Add Date



### **APA AUDIT – KYCOURTS SECURITY**

### Money Line Items Screen:

Browse	Add Case	Citation Entry	Case Inquiry	KENTON	SION CASES	•	GO
ROGRAM	FEE						
oney Line	Items Inform	ation: 059 1 DC					
Bill Dat	e 04/01/200	ليسبر 8					Exit
eference Typ	e MO	MONEY ORDI	ER NUMBER			LUV	Exit No Save
ference Valu	e 08847037	7849					
	n PAY	PAYMENT (-)				LUV	
	t (\$100.00)		Amount Owe	d: 0			Add New
		9	Memo				
			WESTERN L	INION			
							<u>D</u> elete
							Ent Num: 1
						- Report P	
						No Rep	oorts 💌 💉
							Add Date
						04/01	/2008 2:32:24 PM
						Last	Modified Date
						1	



### **ARSecurity Screen:**

Users with this security have access to the Accounts Receivable application.

Case Summary 4.37.0							
County: 040	GARRARD		Last Sch				
Court: 1			01/26/ COURTE	2009 10:30 AM A	ARRAIGNMEN	T DISTRICT	*
Division: DI						111 III III III	
Case #:							-
Case Title:		<b>^</b>	Next Sch	Event:			*
Case Type: TRA	FFIC	¢					
Filing Date: 01/	05/2009						-
ase Parties							Exit
ase Parties Party	Party Type	Amount Due	Ordered Sen \$	Money Events \$	Collected \$	Ent num	
	DEFENDANT / RESPONDENT	\$173.00	\$148.00	\$25.00	\$0.00	1	
	COMPLAINING WITNESS	\$0.00	\$0.00	\$0.00	\$0.00		
	COMPLAINING WITNESS	\$0.00	\$0.00	\$0.00	\$0.00		
	COMPLAINING WITNESS	\$0.00	\$0.00	\$0.00	\$0.00	5	



### **APA AUDIT – KYCOURTS SECURITY**

### eReceipts Menu:

Event Type F		Party N	ame:	$\searrow$	E-Receipt Date: 0	1/10/2018
, tone type	Fee Code	SubFee Code	Description			Amoun
Monetary Event E	E		BOND FILING FEES			20.0
Rest Order P	р		REST. & GARNISHMENT			100.0
Rest.Fee Order 8	8		RESTITUTION FEES			5.0
Owes		Fee Code	SubFee Code	Collected	Undisbursed	Total Credit
20.00		E		5.00	0.00	5.00



### **APA AUDIT – KYCOURTS SECURITY**

#### Party Screen:

😰 File Utilities Supervisor Reports Web Window Help ReaderHelp	
Browse Add Case Citation Entry Case Inquiry GARRARD 👥 DISTRI	ICT INTER CASE/CITATION GO
Party Information:           Name:         TEST, TESTIE           Party Type         D           DEFENDANT / RESPONDENT	Atty W/D Date // Subpoen
Personal Information     Sex     M Y     Race     Y     Ethnic Origin     Y       Height     510     Y     Hair     Y     Violation Key     Y       Weight     170     Eyes     BE     Y     Violation Key     Y       DOB     //     Age       Address - @00000115836       100 MILLCREEK PARK       FRANKFORT     KY     40601-0000	ID Numbers     Exit No Sav       SSN     CrimHist       State     Jail ID       DrvLn     Image: CrimHist Comparison of the state of
Phone # 0 - Party ID - No Data Available	Ent Num: 1
Warrants - No Data Available	Add New         Add Date           Optimizer         01/10/2018 1:41:45 F           Last Modified Date         01/10/2018 1:42:44
Summons - No Data Available	Add New
Bail	Add New



### Security Screen:

Browse	Add Case Citation Entry	Case Inquiry GARRARD		ENTER CASE/CIT	TATION GO
	- © U:	ser Security 🕥 User	Division Security	Menu Security	
User Id	User Name	Group MAINTENANCE	Division BK User It	d AD User Id	Clone User
					Terminate Rights
1					Refresh 🚺
User Leve User ID	User Name	Group MAINTEN	ANCE1	Update Add New	Total Records
Passwor	d Re-Type Pass	word Division B	K User ID Network II		1



### Xlate Local Screen:

Users with Create, Read, Update, Delete permissions see the screen below.

Browse A	idd Case	Citation Entry	Case Inquiry	POWELL			G
oms			•				Exit
de Code De	and the second						Contraction
himmen and a second sec	COURTRO						
	COURTRO						
	CT COURTE						
earch In Cu	rrent Table		Cod	le Display ———			
earch In Cu	rrent Tabl		- <b>a</b> r 1 ar a			Available Cate	and the second
earch In Cu	rrent Tabl	A Eine	- <b>a</b> r 1 ar a		1	Appeals	Mental Health
earch In Cu	rrent Table		d Cod	e	1	Appeals Civil Criminal	and the second
			d Cod		1	Appeals Civil	└── Mental Health └── Juvenile └── Probate
otal Record	8	M Eine	d Cod	e	1	Appeals Civil Criminal	│ Mental Health │ Juvenile │ Probate □ Delete Dt
earch In Cu otal Record Total Rec	8		d Cod	e	1	Appeals Civil Criminal	Mental Health Juvenile Probate Delete Dt
otal Record	8	4	d Cod	e	1	Appeals Civil Criminal	Mental Health Juvenile Probate Delete Dt /// Obselete Dt
otal Record	8	M Eine		e		Appeals Civil Criminal	Mental Health Juvenile Probate Delete Dt



### **APA AUDIT – KYCOURTS SECURITY**

### Xlate Local Screen:

Browse	Add Case Citation Entry Case	e Inquiry	GA	RRARI	D 🗾	DISTR	RICT 🔄	ENTE	R CASE/0	CITATION	GC
Bail Type	Codes							2.0		->/	Exit
Agency C	odes			-							
	Status Codes			Crim				Probate	Obs Date	Del Date	L 🔺
Bail Type				Y	Y	Y	Y	Y			0
	eal Status			Y	Y	Y	Y	Y			0
	o Type Codes			Y	Y	Y	Y	Y			C
	g Type Codes			Y	Y	Y	Y	Y			C
Case Тур				Y	Y	Y	Y	Y			C =
	isp Type Codes			▼ Y	Y	Y	Y	Y			C
NBS	NO BAIL SET (DEF MAY NOT GIVE BAIL)		Y	-Υ	Y	Y	Y	Y			C
OR	PERSONAL RECOGNIZANCE	Y	Y	Y	Y	Y	Y	Y			C
PB	PROPERTY BOND	Y	Y	Y	Y	Y	Y	Y			С 🔄
PS	PARTIALLY SECURED	Y	Y	Y	Y	Y	Y	Y			C
SU	SURETY	Y	Y	Y	Y	Y	Y	Y			(*
4			ш								×
Total R	in (Code Desc) column										
	Audit									ß	



#### Xlate Statewide Screen:

&T SERVICES

Only AOC administrators have ability to modify this screen. All users statewide only have Inquiry permissions to the Xlate Statewide Screen.

Code DescAppealCivilCiminalDomesticHealthJuvenileProbateObs DateDel DateLADMRELADMINISTRATIVE RELEASEYYY </th <th>Browse</th> <th>Add Case Citation Entry Case</th> <th>Inquiry</th> <th>FOW</th> <th></th> <th>-</th> <th>CIRCL</th> <th></th> <th>1</th> <th></th> <th></th> <th>G</th>	Browse	Add Case Citation Entry Case	Inquiry	FOW		-	CIRCL		1			G
ADMREL ADMINISTRATIVE RELEASE Y Y Y Y Y Y Y Y Y Y Y Y C AI RELEASED KRS 222.204 Y Y Y Y Y Y Y Y Y Y Y CA CASH Y Y Y Y Y Y Y Y Y Y Y Y CC CONCURRENT BOND Y Y Y Y Y Y Y Y Y Y Y CC CONCURRENT BOND Y Y Y Y Y Y Y Y Y Y Y Y Y GA GUARANTEED ARREST BOND CERT. Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y	Bail Type (	Codes 💌										E <u>x</u> it
AI RELEASED KRS 222.204 Y Y Y Y Y Y Y Y Y Y Y C CA CASH Y Y Y Y Y Y Y Y Y Y Y Y C CC CONCURRENT BOND Y Y Y Y Y Y Y Y Y Y C FC FEDERALLY CUT Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y	Code	Code Desc	Appeal	Civil	Criminal	Domestic	Health	Juvenile	Probate	Obs Date	Del Date	L 🔺
CA CASH Y Y Y Y Y Y Y Y Y Y C CC CONCURRENT BOND Y Y Y Y Y Y Y Y Y FC FEDERALLY CUT Y Y Y Y Y Y Y Y Y GA GUARANTEED ARREST BOND CERT. Y Y Y Y Y Y Y Y Y NBS NO BAIL SET (DEF MAY NOT GIVE BAIL) Y Y Y Y Y Y Y Y Y Y OR PERSONAL RECOGNIZANCE Y Y Y Y Y Y Y Y Y PB PROPERTY BOND Y Y Y Y Y Y Y Y Y PS PARTIALLY SECURED Y Y Y Y Y Y Y Y SU SURETY Y Code Descination Code Descination Code Description Code Description Mental Health Civil Mental Health Civil Mental Health Probate	ADMREL	ADMINISTRATIVE RELEASE	Y	Y	Y	Y	Y	Y	Y			C
CC CONCURRENT BOND Y Y Y Y Y Y Y Y Y Y C FC FEDERALLY CUT Y Y Y Y Y Y Y Y Y Y C GA GUARANTEED ARREST BOND CERT. Y Y Y Y Y Y Y Y Y C GA GUARANTEED ARREST BOND CERT. Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y	Al	RELEASED KRS 222.204	Y	Y	Y	Y	Y	Y	Y			C
FC       FEDERALLY CUT       Y	CA	CASH	Y	Y	Y	Y	Y	Y	Y			C
GA GUARANTEED ARREST BOND CERT. Y Y Y Y Y Y Y Y Y Y C NBS NO BAIL SET (DEF MAY NOT GIVE BAIL) Y Y Y Y Y Y Y Y Y Y OR PERSONAL RECOGNIZANCE Y Y Y Y Y Y Y Y Y PB PROPERTY BOND Y Y Y Y Y Y Y Y Y PS PARTIALLY SECURED Y Y Y Y Y Y Y Y Y SU SURETY Y Y Y Y Y Y Y Y Y Y SU SURETY Y Y Y Y Y Y Y Y Y Y Y Search in (Code Desc) column Code Description Code Description Code Description Code Description Code Description Code Description Code Description Nental Health Divenile Probate	CC	CONCURRENT BOND	Y	Y	Y	Y	Y	Y	Y			C
NBS NO BAIL SET (DEF MAY NOT GIVE BAIL) Y Y Y Y Y Y Y Y Y Y O OR PERSONAL RECOGNIZANCE Y Y Y Y Y Y Y Y O PB PROPERTY BOND Y Y Y Y Y Y Y Y O PS PARTIALLY SECURED Y Y Y Y Y Y Y Y O SU SURETY Y Y Y Y Y Y Y Y Y O Search in (Code Desc) column Code Desciption Code Description Code Description Code Description Code Description Code Description Code Description Code Description Code Description Nental Health Divenile Probate	FC	FEDERALLY CUT	Y	Y	Y	Y	Y	Y	Y			C
OR PERSONAL RECOGNIZANCE Y Y Y Y Y Y Y Y Y C PB PROPERTY BOND Y Y Y Y Y Y Y Y C PS PARTIALLY SECURED Y Y Y Y Y Y Y Y C SU SURETY Y Y Y Y Y Y Y Y Y C Search in (Code Desc) column Code Display Code Code Description Code Display Mental Health Juvenile Code Description Code Description Probate	GA	GUARANTEED ARREST BOND CERT.	Y					Y	Y			
PB PROPERTY BOND Y Y Y Y Y Y Y Y C C PS PARTIALLY SECURED Y Y Y Y Y Y Y Y C C SU SURETY Y Y Y Y Y Y Y Y Y C C Search in (Code Desc) column Code Display Code Code Display Code Code Display Code Code Display Code Code Code Code Code Code Code Code	NBS	NO BAIL SET (DEF MAY NOT GIVE BAIL)	Y	Y	10.1	191	101	Y				C
PS PARTIALLY SECURED Y Y Y Y Y Y Y Y C C SU SURETY Y Y Y Y Y Y Y Y Y Y C C Search in (Code Desc) column Code Display Code Code Code Display Code Code Code Code Code Code Code Code	OR	PERSONAL RECOGNIZANCE	Y	Y	Y	Y	Y	Y	Y			0
SU SURETY Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y Y	PB	PROPERTY BOND	Y	Y	Y	Y	Y	Y	Y			C
Search in (Code Desc) column	PS	PARTIALLY SECURED	Y	Y	Y	Y	Y	Y	Y			C
Search in (Code Desc) column  Code  Code  Code  Code  Available Categories  Available Categories  Appeals  Mental Health  Civil  Civil  Code  Code Code	SU	SURETY	Y	Y	Y	Y	Y	Y	Y			6 🗸
Code Code Code Code Code Code Code Code	<											>
Total Records Delete Dt //	Total Re	M Find	Code					Civil	eals inal	☐ Men ☐ Juve ☐ Prob Dolo	nile ate	



### 6. Auditing Usage

**I&T SERVICES** 

Does AOC enable audit logging for the KyCourts II application? There is audit logging for various screens within the application. Auditing Codes, definitions, and a sample audit follow.

Audit Casa.Rpt			Audit Listing	for Case POWELL		Run Date: 06/28/2016 3:08:43 PM
DI 10-T-00592	•				(CLOSED)	
Date /Time	Entity Type/N	1 um	<u>Trans Cd</u>	<u>Aud User Id</u>		
05/10/2010 8:05:18AM	CAS	0	A		.E	
05/10/2010 8:05:18AM	CAS	0	A		.E	
05/10/2010 8:05:18AM	CHG	1	A		.E .E .E .E .E .E .E .E .E .E .E	
05/10/2010 8:05:18AM	DEF	1	А		.E	
05/10/2010 8:05:18AM	DOC	1	A		.E	
05/10/2010 8:05:18AM	MEM	0	A		.E	
05/10/2010 8:05:18AM	MEM	0	A		E	
05/10/2010 8:05:18AM	MEM	1	A		E	
05/10/2010 8:05:18AM	PTY	1	A		.E	
05/10/2010 8:05:18AM	PTY	3	A		E	
05/10/2010 8:05:18AM	SCH	1	A		E	
06/11/2010 1:52:36PM	CAS	0	С			
06/11/2010 1:52:36PM	CHG	1	С			
06/11/2010 1:52:38PM	DOC	2	А			
06/11/2010 1:52:47PM	CAS	0	С			
06/11/2010 1:53:07PM	DOC	3	A			
06/11/2010 1:53:07PM	MEM	3	A			
06/11/2010 1:53:23PM	MEM	1	A			
06/11/2010 1:53:23PM	MEM	1	A			
06/11/2010 1:53:23PM	SCH	1	C			

### Sample Audit

### Codes and definitions in KyCourts II

Audit Type	Definition	Audit	Definition
		Туре	
BAL	Old Bail	PER	Person Reference
BLC	Bail Conditions	PTI	Parties ID
BLD	Bail Details	PTY	Parties
BLH	Bail Header	S01-S21	Sced Event Super Memo, Judges
			Order
BPM	Bench Pro Message	SCH	Scheduled Events
C01-C21	Case Supermemo	SEN	Old Sentences
CAS	Cases	SN2	Not Used
CHG	Charges	SNB	Sentences Base
CXF	Case Cross Reference	SNM	Sentences Money
DEF	Defendants Offenders	SNT	Sentences Time
DOC	Documents	STS	Sentences Other Options
MED	Monetary Events Detail	SUB	Subpoena
MEM	Memo	SUM	Summons
МОТ	Motions	SUR	Sureties
OUT	Outcomes	WAR	Warrants



### **APA AUDIT – KYCOURTS SECURITY**

Audit Type	Definition	Audit Type	Definition
PEF	Parties Expunged Felonies	Z01-Z10	County Atty Recommendations

Trans CD	
А	Add
С	Change
D	Delete
Т	Transfer To
F	Transfer From
E	Case Delete

If so, does AOC monitor this log? If so, who is responsible for this job function? Please explain when this type of review is performed, how it is documented, and how issues are investigated/resolved. Application auditing is not monitored, but it may be used in furtherance of other activities/tasks. For example, Information & Technology Services (ITS) may audit records to perform troubleshooting and/or to resolve issues. Clerks may use application logging to review employee activities within the KyCourts application. Auditing Services may use application logging when there is an investigation within a clerk's office.