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**Testimony**

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**JUDICIARY  
AUTOMATION FUND**

**Reauthorization Should Be  
Linked to Better Planning  
and Reporting**

Statement of Henry R. Wray  
Director  
Administration of Justice Issues  
General Government Division



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JUDICIARY AUTOMATION FUND: REAUTHORIZATION SHOULD  
BE LINKED TO BETTER PLANNING AND REPORTING

SUMMARY OF STATEMENT OF HENRY R. WRAY  
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Congress established the Judiciary Automation Fund (the Fund) in 1989 to create a stable, flexible multiyear source of funding to permit the federal judiciary to develop and implement long term plans for the effective expansion, management, and use of automation in the federal courts. The Administrative Office of the U.S. Courts (AO) administers the Fund and provides a variety of automation support functions.

Fund obligations for fiscal years 1990-1993 were about \$351 million for automation services, equipment, and support for 12 federal courts of appeals, 94 district courts (including their associated probation and pretrial offices), 91 bankruptcy courts, the National Fine Center, and the Court of Federal Claims. The Fund does not cover the salaries and benefits--about \$61.6 million in fiscal year 1994--of about 1,287 automation staff located in these local courts and offices.

The Fund has financed expansion of automated case management systems in the courts--rising from 41 courts in 1990 to 190 of 197 courts in March 1994. These systems are somewhat cumbersome to use and maintain, and a number of courts have chosen not to use them, relying on local automation solutions instead. The result has been competition for resources and duplication of effort. Recognizing the existing systems deficiencies, the judiciary has begun to establish life cycle management standards intended to ensure quality systems design and implementation and to develop greater user involvement in systems development.

The judiciary's long-range automation plan is not linked to a strategic plan which provides a clear vision of the judiciary's mission, goals, and objectives. Without such a linkage, there is no assurance that automation will help to meet the judiciary missions, goals, and objectives, address high-priority needs, and use scarce resources effectively. Nor is there effective audit oversight of automation in the local courts; reviews are done only at the invitation of the local court.

The Congress should reauthorize the Fund for less than the 5 years the judiciary has requested. During the reauthorization period, the judiciary would report annually to Congress on progress in (1) developing a strategic business plan for the courts, (2) implementing a long-range Information Resources Management plan that is based on that strategic plan, and (3) achieving effective AO audit oversight of court automation efforts. We believe such actions would result in more effective use of the judiciary's automation resources.



Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our work for this subcommittee on the Judiciary Automation Fund (the Fund). With me today is Ms. Linda Koontz, an Associate Director in our Accounting and Information Management Division, whose staff worked with us in reviewing the Fund.

The subcommittee asked that we review the Fund's expenditures and results to assist in reauthorization deliberations. As you know, the Congress established the Fund in 1989 for a 5-year period ending September 30, 1994, for the purpose of creating a stable and flexible multiyear source of funding that would permit the judiciary to make long term plans for the expansion, management, and use of automation in the judiciary. We examined the judiciary's automation planning and systems development processes, efforts to install and improve automated case management and administrative systems in the courts, and the audit and oversight of automation initiatives in local court units.

We reviewed automation-related documents and policies since the Fund's inception, such as the judiciary's Long Range Plan for Automation and its annual updates, budget requests, Fund obligations,<sup>1</sup> and a 1991 consultant's study of the judiciary's automation program as well as documentation on actions the judiciary took to implement the study's recommendations. We discussed these topics with officials in the Administrative Office of the U.S. Courts (AO) and judges and other court officials in a judgmentally selected sample of 22 courts.<sup>2</sup>

Based on our review, we believe the Fund has been useful in facilitating the expansion of automated systems in the courts. The judiciary's need to achieve operational efficiencies through automation and the flexibility offered by the Fund's no-year appropriations warrant the Fund's reauthorization. However, we believe the Fund should be reauthorized for less than the 5 years requested by the courts because we believe that the judiciary

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<sup>1</sup>We did not validate the financial data AO provided.

<sup>2</sup>We visited 5 appellate courts, 10 district courts, and 7 bankruptcy courts of varying sizes located in the Second, Fourth, Sixth, Ninth, Tenth, Eleventh, and D.C. Circuits. These courts were selected to include courts that had adopted national systems; courts that had not adopted national systems, but used systems of their own design or those adopted from other courts; and courts that were and were not already connected to the Data Communications Network. While we recognize that the results of our court meetings do not necessarily reflect the views of court officials generally, some common themes emerged from our discussions with those officials we did visit.

needs to take additional actions to assure that it uses its automation resources more effectively. During the additional period for which the Fund is reauthorized, the courts should report to Congress annually on their progress in (1) developing a strategic business plan for the courts; (2) implementing a long-range Information Resources Management (IRM) plan that is based on that business plan; and (3) achieving effective AO audit oversight of court automation efforts. Such actions, we believe, would result in more effective use of the judiciary's automation resources.

## BACKGROUND

The federal judiciary is a highly decentralized organization with a long tradition of local court autonomy. A fundamental automation challenge it faces is providing flexibility for local courts while providing cost-effective national solutions for common functional needs, such as case management, financial management, and personnel management. The Judicial Conference of the United States is the policymaking body for the judiciary. The AO recommends IRM policies to the Conference and implements the policies adopted by the Conference. The AO generally cannot require local courts to adopt national systems or IRM standards unless authorized to do so by the Conference, nor does the AO generally have the authority to grant or deny local court requests for exceptions to national requirements. Such exceptions must be approved by the Judicial Conference Committee on Automation and Technology. Another challenge is that the judiciary, like other modern organizations, must cope with the fact that since technology is constantly changing, new systems are often outmoded fairly soon after they are developed or purchased.

Automation assists in managing voluminous case, financial, and personnel management information pertaining to the operations of the appellate, district, and bankruptcy courts. Case filings continue to increase, though at a slower pace in the last 2 years. From 1987 through 1993, cases filed in the courts of appeals rose from about 35,510 to about 49,770.<sup>3</sup> District court civil filings fluctuated during this period, but criminal filings rose from 44,246 to 46,542. Although bankruptcy filings decreased by almost 60,000 between 1992 and 1993, bankruptcy filings still rose from 568,430 in 1987 to 918,734 in 1993. These federal courts have diverse case mixes, varying workloads, and distinct local rules and practices, all of which pose difficult systems development issues for the judiciary. The judiciary also faces budgetary constraints that require it to

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<sup>3</sup>Data on filings are for fiscal years ending September 30, except for 1993, which are for the statistical year ending June 30, 1993.

find ways to more effectively manage its rising workload with relatively static budgetary resources.

OVERVIEW OF THE JUDICIARY AUTOMATION  
FUND FINANCING AND OBLIGATIONS

Of the monies that Congress annually appropriates to the judiciary's salaries and expense account, the Judicial Conference determines how much will be allocated to the Fund. The AO, in turn, distributes a portion of this total Fund allocation to local court units who are users of the Fund. The Fund principally supports automation activities for those entities within the judiciary that are funded by the salaries and expenses appropriation. This includes 12 federal courts of appeals, 94 district courts (and their associated probation and pretrial services offices), 91 bankruptcy courts, the Court of Federal Claims, and the Judicial Panel on Multi-district Litigation. The Fund also supports the automation activities of the National Fine Center, whose funds are derived from the Crime Victims Fund.<sup>4</sup> All of these units are mandatory users of the Fund--that is, the AO, with the support of the Judicial Conference, has determined that these units must use the fund for their automation purchases such as equipment and services. The Fund also finances about 230 court automation support personnel in the AO. The remaining judicial branch entities--the Supreme Court, the Court of Appeals for the Federal Circuit, the Court of International Trade, the AO, the Federal Judicial Center, and the U.S. Sentencing Commission--have separate appropriations and may, at their discretion, use the Fund on a reimbursable basis. However, the Fund does not cover the salaries and benefits of court automation staff located in appellate, district (including probation and pretrial services offices), and bankruptcy courts. The AO estimates that fiscal year 1994 salaries and benefits for these approximately 1,287 court automation staff will be about \$61.6 million.

On behalf of the Fund's mandatory users, the AO (1) manages the implementation of the IRM program; (2) coordinates the annual updates of the Long Range Plan for Automation in the Federal Judiciary; (3) prepares the annual report to Congress on the Fund; (4) provides staff support to the Judicial Conference Committee on Automation and Technology, which recommends to the Judicial Conference automation policy for the mandatory users of the Fund; (5) formulates and executes the automation budget and spending plans; and (6) oversees the operations of the Fund.

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<sup>4</sup>The Fine Center receives designated funds from monies deposited into the Crime Victims Fund, an appropriation account within the Department of Justice. According to the AO, Fund obligations through fiscal year 1993 on behalf of the Fine Center totaled about \$968,600.

The statute establishing the Fund directs that expenditures from it be made in accordance with a long range automation plan. The judiciary describes the national goals and objectives of its automation program in its Long Range Plan for Automation in the Federal Judiciary. The judiciary's strategy is to equip the appellate, district, and bankruptcy courts with information technology, data communications, and office automation in such areas as electronic docketing, noticing, and case, jury, and financial management. Many of the courts have adopted the national systems and programs developed by the AO, while other courts have developed some of their own. The courts are not required to adopt the systems and programs that the AO develops.

#### Fund Financing and Obligations

Before fiscal year 1990, automation funding levels for the judiciary were less than \$40 million annually. In fiscal year 1990, the first year of the Fund's authorization, Congress appropriated \$78.2 million to finance the automation needs of the appellate courts, district courts, bankruptcy courts, and certain specialty courts, as well as AO court automation support personnel. In the 3 subsequent years, total available automation funds ranged from \$84.8 million to \$118.0 million (see table 1). Monies deposited into the Fund are available until expended. Thus, at the end of each fiscal year, unobligated Fund monies are carried over to the next fiscal year. Throughout the fiscal year, the AO maintains data on local court deposits to and withdrawals from the Fund, then makes a net deposit to the Fund at the end of the fiscal year (see table 1). Individual court units that are mandatory users of the Fund may augment their automation Fund allotments by moving monies from their salaries and expenses allotments into the Fund. They may also transfer monies from the Fund into salaries and expenses. Such transfers into and out of the Fund may occur no more than twice each year and only during the period from April 1 to August 15. Deposits by the judiciary into the Fund must equal or exceed total withdrawals.

Total Fund obligations from fiscal years 1990 to 1993 were \$351.1 million. Figure 1 (page 6), shows Fund obligations during this period for major categories of expense. More than 80 percent of all obligations funded equipment, services, and personnel.



**Table 1: Judiciary Automation Fund Financing and Obligations, Fiscal Years 1990 - 1994 (in millions of dollars)<sup>a</sup>:**

Categories of Funds/Total Obligations	Fiscal Year				
	1990	1991	1992	1993	1994
Automation Program <sup>b</sup>	\$71.4	\$87.6	\$82.5	\$62.6	\$65.9
Salaries & Expenses <sup>c</sup>	6.8	9.5	13.6	20.6	20.4
Net deposits by local courts and Administrative Office	0.0	2.3	7.0	0.6	n/a <sup>d</sup>
Funds carried over from prior years	0.0	8.7	14.9	1.0 <sup>e</sup>	14.1 <sup>e</sup>
Total funds available	78.2	108.1	118.0	84.8	n/a
Total obligations	69.5	93.2	117.4	70.9	n/a
Unobligated funds, end of year	8.7	14.9	0.6 <sup>e</sup>	13.9 <sup>e</sup>	n/a

<sup>a</sup>Current dollars not adjusted for inflation.

<sup>b</sup>Automation Program includes spending on automation products and services for the courts.

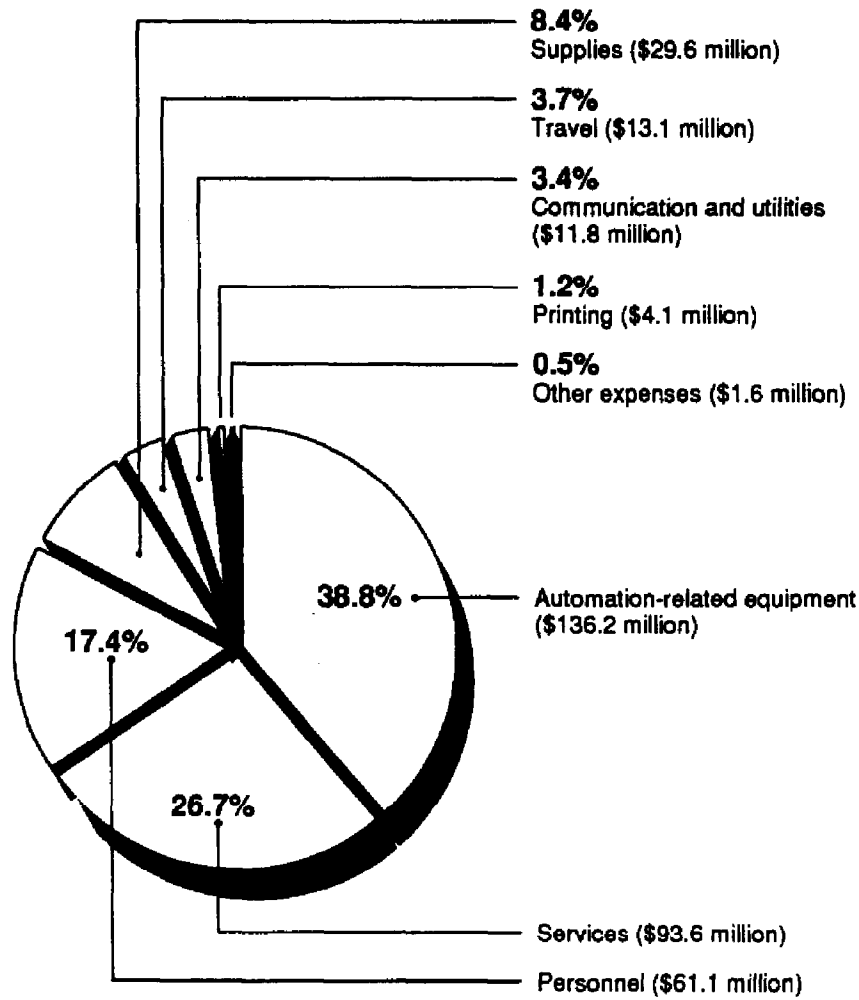
<sup>c</sup>Salaries & expenses includes AO court automation support staff.

<sup>d</sup>Data not available until end of fiscal year.

<sup>e</sup>Differences between "Unobligated funds, end of year" for one year and "Funds carried over from prior years" in the next year are the result of obligated funds recaptured from prior years.

Source: AO data.

**Figure 1: Automation Fund Obligations, Fiscal Years 1990-1993**



Source: AO Data

Automation Initiatives  
Financed by the Fund

The Fund has been used to expand the automation of the courts in many ways:

- Between 1990 and June 1994, the use of national automated case management systems was expanded from 41 to 190 of the 197 courts that are mandatory users of the Fund.
- A Bankruptcy Automated Noticing System was developed by the AO to alleviate the burden of processing over 26 million bankruptcy notices annually for 15 large bankruptcy courts.
- The Probation and Pretrial Services Automated Case Tracking System, which provides information on persons under court supervision and other data, is installed in 21 districts and is scheduled to be installed in an additional 40 districts in fiscal year 1994.
- A Court Financial System is operational in 54 district courts.
- The AO is working to connect the courts through the Data Communications Network (DCN), whose purpose is to facilitate communication and data transmission among the courts and between the courts and the AO. As of June 1994, 33 court sites, the AO, and the San Antonio Training and Support Center were connected to the DCN.
- The number of personal computers in the courts increased from approximately 4,000 to about 28,000 between 1990 and 1994. This increase brought the judiciary to its goal of one personal computer for each full-time staff member.<sup>5</sup>

PROBLEMS IN EXISTING SYSTEMS

While the judiciary has expanded the number of automated systems installed in the courts, the judiciary recognizes that there are problems with these systems. In addition, the functional requirements for the DCN, as currently envisioned, have not been fully documented.

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<sup>5</sup>According to AO officials, there are actually more personal computers than there are full-time staff members, since the courts have also purchased computers for staff to use while on official travel, for training, and for public access to the PACER system, which provides information on individual court dockets and case status.

## Case Management Systems Are Difficult to Use

Case management systems used by the courts represent the primary source of information to the courts and the AO about court-related case activity. To help standardize case management in the courts, during the 1980s the Federal Judicial Center<sup>5</sup> developed systems software known as the Integrated Case Management System (ICMS), which contains application modules designed for use by the appellate, district, and bankruptcy courts. From their first implementation starting in 1986, the ICMS applications were difficult to use and required extensive modifications and extensive user training. However, even with these problems, the AO continued to install these systems in courts because of the need to get automation to the courts and the lack of a viable alternative.

Because of the problems associated with the ICMS applications, a number of courts preferred to develop their own case management systems or to adopt a case management system developed by another local court. One court of appeals has designed its own case management system rather than adopt the national appellate system. Six district courts--including the three territorial courts for Guam, the Virgin Islands, and the Northern Mariana Islands--have decided not to use the civil and criminal ICMS modules for district courts.

So many bankruptcy courts have chosen not to use the ICMS bankruptcy module--the Bankruptcy Court Automation Project (BANCAP)--that there are, in effect, two national bankruptcy case management systems. Twenty of the 91 bankruptcy courts use the National Interim Bankruptcy System (NIBS)--which was developed by personnel in the Eleventh Circuit and provided to other local bankruptcy courts.<sup>7</sup> Court officials indicated that NIBS was originally created because of schedule delays in providing BANCAP for use in the bankruptcy courts. However, courts continued to use NIBS after BANCAP was made available because BANCAP was not considered user friendly and required significant amounts of support from AO staff, the training centers' staff, and other systems users to "trouble shoot" system problems. Because so

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<sup>5</sup>Until 1990, the Federal Judicial Center had responsibility for developing national systems for use by the courts. In 1990, the AO became responsible for the development and maintenance of nationally developed systems.

<sup>7</sup>NIBS is also used by the three territorial courts which also function as the local bankruptcy courts. There are no separate bankruptcy courts in these districts.

many bankruptcy courts use NIBS, both NIBS and BANCAP are considered to be national systems, and, therefore, are supported through the Fund.

While there may be some benefit to allowing the bankruptcy courts the flexibility to implement whichever national system they believe will best meet their needs, a major disadvantage results from having to provide a dual systems support structure<sup>8</sup> for BANCAP and NIBS. For example, if bankruptcy reporting requirements change, both systems must be modified. AO officials agree that this has resulted in competition for resources such as qualified personnel, hardware, software, training, maintenance, and systems enhancements. The Long Range Plan for Automation, Fiscal Year 1994 Update notes the need to develop a uniform bankruptcy case management system.

#### Financial Systems Developments Have Been Unsuccessful in Meeting Users' Needs

The judiciary's financial systems have not kept pace with the needs of the courts' managers under budget decentralization, or with changes in internal and external practices, reporting requirements, and technological advances. While some progress has been made to upgrade and improve financial systems, current systems are neither reliable nor efficient. This has resulted in the expensive development and maintenance of duplicate systems that court personnel have installed to meet day-to-day needs.

A Court Financial System (CFS-1), which is supported by the AO, is currently being used by 45 of the 94 district courts. Court officials in many of the courts we visited that used the CFS-1 system indicated that they could not rely on the data within the system. Many of the courts maintained systems of checks and balances to ensure the validity of the CFS-1 systems data. Also, other courts have been allowed to use locally developed financial systems in place of the CFS-1. For example, the D.C. District Court has chosen to use the Los Angeles Automated Financial System which was developed in 1980 by the District Court for the Central District of California.

Another effort, known as the CFS-2, was intended to provide modern automated financial management capabilities and to improve weaknesses within the CFS-1 system, but was canceled in fiscal year 1993 by the AO due to serious inadequacies in the CFS-2 system's design. Nine courts selected to pilot test CFS-2 have

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<sup>8</sup>A dual systems support structure has occurred because BANCAP, which is maintained by the AO, and NIBS, which is supported by the Third Circuit, use different operating systems and applications software. BANCAP is UNIX-based, whereas NIBS is DOS-based.

decided to continue using the limited functions provided by the system until a replacement becomes available.

The AO is currently modifying the Automated Spending and Accounting Package (ASAP) system, which was developed by a federal court, for use as an interim financial system. The AO has said that the installation of a single, national financial system in all the courts is at least 3 years away.

Data Communications Network  
Not Well Planned

We have concerns that the implementation of the DCN has not been well planned and that the AO has not fully assessed the communication needs of the courts. The DCN was intended to provide fully integrated data communications, document transfer, electronic mail, and access to internal and external databases among courts, the AO, the Federal Judicial Center, and the public. While court officials with whom we spoke agreed there is a need to electronically transmit statistical, financial, and administrative data between the courts and the AO, there was no consensus as to the extent of communications required between individual courts. Some court officials told us that they saw little or no need for electronic communication between courts. Others said that the DCN would facilitate (1) data linkages among probation units that need to share offender information when persons on probation and supervised release move from one circuit to another; (2) electronic document transfer from one district to another for consolidated multidistrict litigation, such as the asbestos cases consolidated in the Eastern District of Pennsylvania; or (3) communication among judges of an appellate panel when the judges are from more than one court of appeals.<sup>9</sup>

The judiciary has not conducted a complete assessment of court data communication needs. The two consultant contractor studies of user requirements performed in 1986 and 1987 supported the need for data communications within a court and its separate divisions,<sup>10</sup> and between courts and the AO. But neither study included an analysis that supported the need to share information among courts nationwide. This lack of analysis is important since some court officials we interviewed did not see a need for electronic communication between courts. Further, where they recognized a need to communicate within a court and its divisions, many had already installed local and wide area

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<sup>9</sup>It is not uncommon for senior judges from one court of appeals to sit on appeals panels in another court of appeals. A panel normally has three judges.

<sup>10</sup>A number of district courts hold court in more than one location within the district.

networks to enable communications between judges<sup>11</sup> and different court locations.

The AO has responsibility for performing and documenting the assessments needed to determine how the DCN is currently being used. This would include determining what systems the courts are accessing through the network, and the type, quantity and frequency of communications between courts, as well as between courts and the AO. These assessments could be useful in providing information on (1) how the courts are really using the installed DCN, and (2) what modifications or adjustments may be needed in the existing DCN contract to meet the courts' communications needs. The AO is not currently performing such assessments.

THE JUDICIARY HAS RECOGNIZED  
THE NEED FOR IMPROVEMENTS

Based on the difficulties experienced in successfully deploying information technology to the courts, the judiciary has begun to take steps to improve its automation program. Many of these steps were the result of an April 1991 report, The Federal Judiciary Automation Program Review, prepared for the Judicial Conference Committee on Automation and Technology. The report cited a number of problems including (1) inadequacies in the judiciary's long range plan for automation; (2) the lack of a corporate strategy that could be used as the basis for information technology strategic planning; (3) outdated, cumbersome, and inflexible case management systems; and (4) the lack of adequate user involvement in systems development. In response, the judiciary has taken steps to address some of these concerns by (1) improving the long-range automation planning process to set forth overall automation goals and identify information systems projects, (2) initiating an effort to define a life cycle management standard for information systems that is intended to ensure consistency and quality of systems development efforts, and (3) establishing user groups and implementing a Joint Application Design process to provide for greater user involvement in systems design and development.

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<sup>11</sup>The offices of individual court of appeals judges are usually widely scattered within the geographic area covered by the court.

GREATER FOCUS ON STRATEGIC  
BUSINESS OBJECTIVES IS NEEDED

While the judiciary has taken steps to improve its management of information resources, some concerns remain. Fundamental to these concerns is that the judiciary's automation program direction is not strongly linked to its overall mission, goals, and objectives. Without this linkage, there is little assurance that the judiciary's automation program will solve critical business and operational problems, or that proposed solutions will effectively address the needs of the courts. In addition, although the AO has recognized the need to prepare life cycle management standards that are intended to ensure the development of consistent and quality information systems, most of these standards are still in the draft stage. It is important that these standards be consistently applied to judiciary automation efforts.

Automation Planning Should be Closely  
Linked to a Business Plan

In a recent report, we identified what agencies could do to improve the management of information and their related technologies.<sup>12</sup> We found that in successful organizations strategic business and information system plans were tightly linked and predicated on satisfying explicit, high-priority customer needs. Moreover, management in these organizations made it clear that major system proposals that were not based on strategic plans would not be approved. We also found that successful information systems were not only defined as the ones delivered on time and within budget, but as ones that also produced meaningful improvements in cost, quality, or timeliness of service. Successful systems were firmly anchored in meeting the desired goals and objectives of the organization as promoted by the highest levels of management.

While the judiciary has a long-range automation plan, it has no strategic plan that clearly defines the judiciary's mission, goals, and objectives, establishes priorities, and identifies the courses of action needed to meet those priorities. Such a plan would serve as the basis for a long range automation planning process that would produce an integrated plan describing how automation would be used to accomplish identified missions and objectives. Without a strategic business plan to guide automation planning, there is no assurance that the judiciary's automation program will help the judiciary meet its mission, goals, and objectives, address high-priority customer (internal

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<sup>12</sup>Executive Guide: Improving Mission Performance Through Strategic Information Management and Technology, Learning From Leading Organizations (GAO/AIMD-94-115, May 1994)



and external) needs, and use scarce resources effectively.

The concept of a strategic business plan is not new to the judiciary. The 1991 consultant study of the judiciary's automation efforts noted that the courts did not have a strategic plan that could be used as the basis for information technology strategic planning. The study further indicated that one of the major reasons that existing case management systems did not meet user needs was the lack of alignment between the business strategies of the judiciary and the design of these systems. A strategic business plan could assist the AO in providing such an alignment.

The Judicial Conference has recognized a need to consider the future organization of the U.S. Courts. In 1991, the Conference established a Committee on Long Range Planning and assigned it the task of developing a national plan. The Committee is addressing the appropriate jurisdiction, size, structure, and governance of the federal courts. These are critical issues for the courts. However, the Committee was not also directed to assess the future direction of the courts with the specificity that would be useful for automation planning.

#### Existing Long Range Automation Plan Should Be Improved

The 1991 consultant study also recognized that the existing long range automation plan did not provide, in a form appropriate for strategic decision making, a clear, focused, and articulate picture of where the courts were going, why that direction was appropriate, and what it would take to get there. In response, the AO established a planning process which set forth overall automation goals and identified information systems projects. But this process has largely focused on the needs of individual components, such as district or bankruptcy courts, and lacks the broader cross-functional focus that a strategic plan could provide.

The consultant's report also identified the need for greater user involvement in automation planning, development, design and testing. To address this recommendation, in 1992 the AO implemented a process of identifying courts' needs through the institution of court automation advisory groups known as "umbrella" and "user" groups. The umbrella groups' membership consists of court unit executives, such as clerks of court. The groups are responsible for preparing strategic plans, identifying and prioritizing national systems needs, and monitoring systems effectiveness within each broad program or functional area. User groups, which are assigned to umbrella groups, consist generally of subject matter experts from the courts. The user groups are responsible for defining functional requirements for new systems and monitoring their development.

The umbrella groups provide information for inclusion in the Long Range Plan for Automation, such as the current status of automation, a vision for the future, and major strengths and weaknesses for their functional areas. Our review of the 1994 automation plan update disclosed, however, that most of the information included was very general and provided little indication of the desired direction and results to be achieved through the automation program.

For example, the Long Range Plan for Automation in the Federal Judiciary, Fiscal Year 1994 Update, included a number of automation projects that showed the judiciary's desire to provide automated public access to selective case data. However, without goals and objectives specifying the desired level of use, and effect on customers and internal operations, it would be difficult to determine what objectives had been met. In another example, the plan contained an umbrella group's statement that identified a number of priorities focused on cost savings for their courts. However, there were no specific goals and objectives for assessing whether any net savings realized from specific initiatives met desired savings targets. Consequently, the judiciary could not use the plan to determine whether these initiatives were successful in reducing costs or whether other alternatives should be pursued.

We recognize that the umbrella groups have been in existence for less than 2 years, and the AO is still refining their purpose and scope. We believe these organizations could provide more useful input in the future for automation planning if better guidance flows from the Judicial Conference. As the Judicial Conference Committee on Long Range Planning prepares its national plan, it should take advantage of the opportunity to expand the plan to cover such areas as desired future levels of services and efficiency by the courts that could be used by the umbrella groups to form the basis for their input into the Long Range Plan for Automation.

#### Efforts to Improve Systems Development Should Be Sustained

The AO has recognized the problems with existing systems and has begun to define a life cycle management process to improve the quality and consistency of its systems development efforts. This management process provides a methodology for performing a broad range of activities, starting with the initial identification of user needs, progressing through the building or acquisition of a solution, and ending with the installation and maintenance of a system. In addition, the AO is defining IRM standards for telecommunications, security, data management, and other areas. This structured approach to systems development is intended to provide a common understanding as to what is expected during each

stage of the process, provide clear measures of system development progress and status, enable effective corrective action if needed, and ensure that the final product will meet the needs of the users.

While we support the AO in its efforts to ensure consistency and quality of systems development efforts, there are two concerns that warrant attention. First, as of June 1994, documentation describing the life cycle management process and associated standards were still in draft form; therefore, it is premature to judge their quality or adequacy. Secondly, this process and standards will only be effective if the AO adheres to them and consistently applies them to local court automation efforts. However, the traditional independence of local courts is potentially a major barrier to the success of these efforts.

#### INFORMATION SYSTEMS AUDIT/OVERSIGHT FUNCTION SHOULD BE IMPROVED

AO has a mechanism in place, known as the Post Automation Review (PAR) process, that is intended to evaluate whether automated systems are being implemented correctly and managed in the most effective and efficient manner. We found, however, that (1) PARs are only performed at the request of the chief judge or clerk of the court; (2) although the AO performs about 12 PARs per year, there is currently a backlog of about 15 requests for reviews that the AO has not fulfilled; and (3) where reviews had been performed, AO officials had not performed audit followup, or requested documentation to ensure PAR recommendations were implemented and weaknesses corrected. As a result, the AO has not realized the maximum benefit to be gained from the PAR process--a tool for ensuring that the judiciary's multimillion dollar investment in automation is administered and managed properly. AO officials recognized that there are benefits to reviewing the court's implementation of automation systems, but told us that lack of resources has hindered their ability to perform the reviews more timely and comprehensively.

In addition, the AO currently does not have an audit function responsible for routinely reviewing its efforts to administer the judiciary's automation program. Over the years, we have reported that the involvement of internal auditing/inspector general organizations is important to the success of system development projects. An AO organization with responsibility for auditing programmatic aspects of the courts' operations without the need of a local court invitation was discontinued several years ago. Generally, formal audits now being performed are of the financial operations. These audits, however, place little emphasis on evaluating the adequacy of the financial systems used to process and report financial data, and do not address non-financial systems such as those used for case management and communications.

## BETTER REPORTING ON FUND'S EXPENDITURES AND ACCOMPLISHMENTS NEEDED

We also believe that the judiciary's annual report on the Fund does not now provide sufficient information to assist congressional oversight of the Fund and its expenditures. The statute creating the Fund requires the Director of the AO to submit to Congress an annual report on the Fund to demonstrate that funding was expended in accordance with the judiciary's Long Range Plan for Automation. As currently structured, the report does not do that clearly. It provides information on expenditures by major category, but provides little linkage of those expenditures to the plan. Nor does it explain the causes of delays or additional costs in systems projects. For example, the installation of the appellate ICMS system in one circuit was delayed for three years, but the report did not acknowledge the delay or explain the cause. More detailed reporting on the Fund's expenditures and accomplishments that clearly shows the relationship between those expenditures and accomplishments and the Long Range Plan for Automation would assist in congressional oversight of the Fund and the judiciary's automation program.

## CONCLUSIONS AND RECOMMENDATIONS

The judiciary has taken a number of actions to address the problems identified in the 1991 consultant's report, including the adoption of life cycle management for systems development and implementation, the creation of umbrella and user groups to provide greater user participation in systems development and implementation, and the drafting of IRM standards. However, additional actions are needed to help ensure that the judiciary maintains its momentum.

The Congress should reauthorize the Fund for a period less than the 5 years previously authorized. During this period, the judiciary would have the opportunity to assess the effectiveness of its ongoing efforts and demonstrate progress in improving the additional areas outlined above.

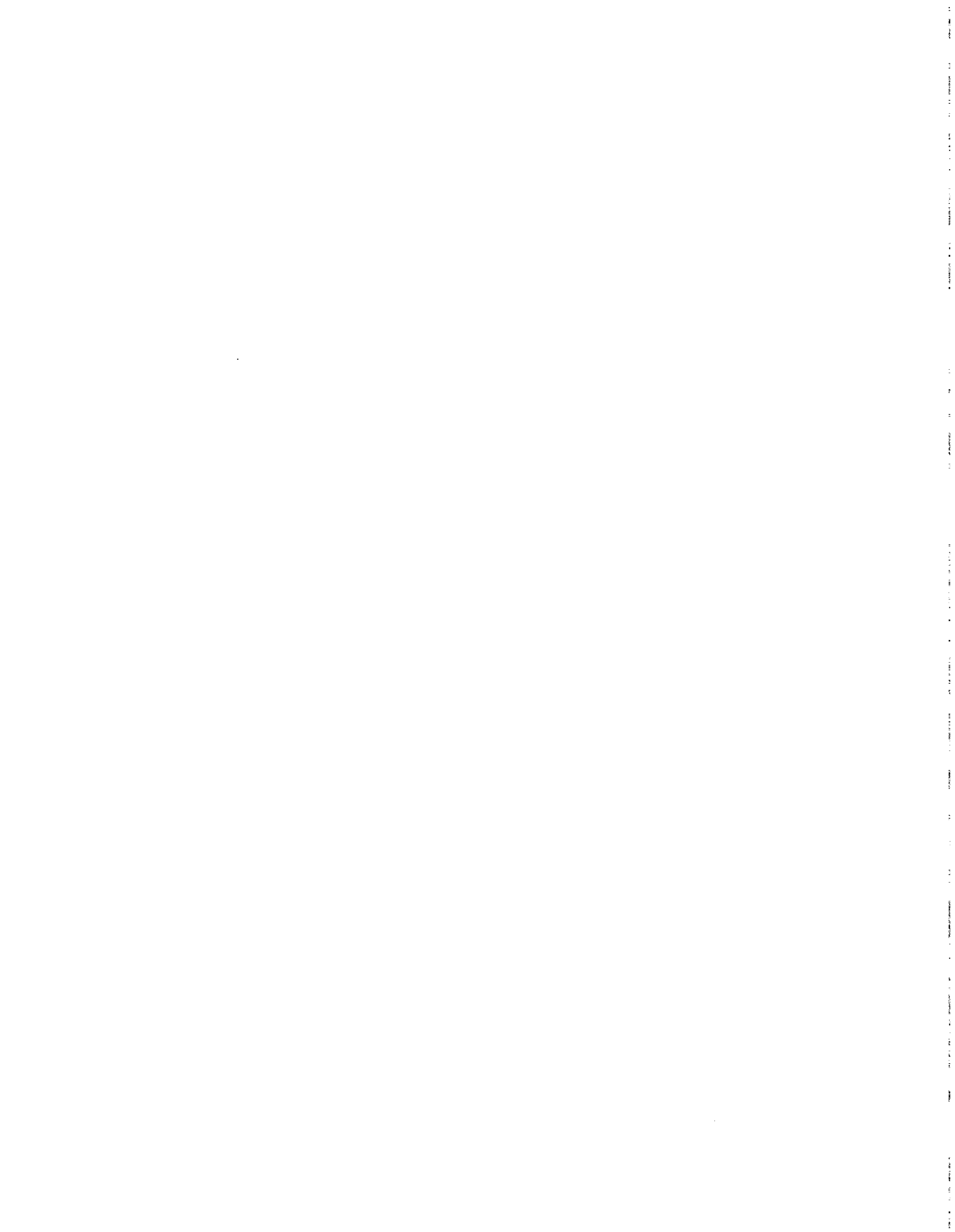
During the period of the Fund's reauthorization, the Congress should direct the judiciary to include in its annual report on the Judiciary Automation Fund the specific actions taken and progress made to improve the automation program, with a final report on its accomplishments delivered 9 months prior to the reauthorization's expiration date. These annual reports should include information on planned versus actual Fund expenditures and accomplishments, and the reasons for any delays in scheduled systems development or budget overruns.

Specifically, the Congress should direct the judiciary to (1) develop an overall strategic business plan which would identify the judiciary's missions, goals, and objectives, (2) develop a

long range automation plan based on the strategic business plan and user needs assessments, and (3) establish effective AO oversight of court automation efforts to ensure the effective operation of existing systems and control over developments of future systems.

The Administrative Office should also (1) expedite its efforts to complete the development and implementation of its life cycle management standards, (2) utilize the standards in developing its next generation of case management and financial systems, and (3) assess the current utilization and future user requirements of the DCN.

Mr. Chairman, that concludes my testimony. Ms. Koontz and I would be happy to answer any questions.



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