



# JUDICIAL COUNCIL OF CALIFORNIA

ADVISORY COMMITTEE ON AUDITS AND  
FINANCIAL ACCOUNTABILITY FOR THE  
JUDICIAL BRANCH

[www.courts.ca.gov/auditcommittee.htm](http://www.courts.ca.gov/auditcommittee.htm)  
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## ADVISORY COMMITTEE ON AUDITS AND FINANCIAL ACCOUNTABILITY FOR THE JUDICIAL BRANCH

### MINUTES OF OPEN MEETING WITH CLOSED SESSION

June 29, 2022  
12:15 p.m. - 1:15 p.m.  
Conference Call

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**Advisory Body Members Present:** Hon. David Rosenberg, Hon. Salvatore T. Sirna, Mr. Neal Taniguchi, Mr. Charles Johnson, Mr. Michael Powell, Mr. Phil Jelichich (non-voting advisory member);

**Advisory Body Members Absent:** Hon. Arthur A. Wick, Ms. Kate Bieker

**Others Present:** Mr. Grant Parks (Principal Manager, Judicial Council Audit Services), Ms. Dawn Tomita (Manager, Judicial Council, Audit Services), Ms. Michelle O'Connor (Senior Auditor, Judicial Council Audit Services), Mr. Joe Meyer (Senior Auditor, Judicial Council Audit Services), Mr. Christopher Lombardo (Accounting Director, Orange Superior Court), Mr. Patrick Ballard (Chief Financial Officer, Santa Barbara Superior Court), Mr. Hugh Swift (CEO, Stanislaus Superior Court), Ms. Ronna Uliana (Assistant CEO, Stanislaus Superior Court), Ms. Reena Amin (Fiscal Services Manager, Stanislaus Superior Court)

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#### OPEN MEETING

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##### Call to Order and Roll Call

The chair welcomed committee members and called the meeting to order at 12:15 p.m. and took roll call.

##### Approval of Minutes

Judge Sirna moved to approve the minutes of the February 1, 2022, meeting. Mr. Powell seconded the motion. There was no further discussion of the minutes. Motion to approve passed by unanimous voice vote of the committee members present.

No public comments were received for this meeting.

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#### DISCUSSION AND ACTION ITEMS

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##### Info Item 1

##### Report from Audit Services

Audit Services successfully hired two additional auditors since the last meeting. Audit Services currently employs eight full time auditors who perform on-site audits. Auditors are currently working on five court audits: Tuolumne,

Mendocino, Monterey, El Dorado, and Marin. Audit in Nevada has been substantially completed and will be presented at July meeting.

With respect to external audits for the judicial branch, the State Controller's Office (SCO) continues its work on auditing revenues, expenditures, and fund balances of superior courts. Four completed audit reports will be reviewed at today's meeting. Audits of Calaveras, Fresno, Humboldt, San Bernardino, and San Luis Obispo courts are currently in progress. SCO worked with Audit Services to identify five additional courts that will appear on audit plan presented at this meeting.

Fine and fee revenue distribution audits performed by the SCO continue to progress. There are about 11-15 of these audits at any given time. Audit Services also worked with that group to reduce audit duplication and overlap. This way, courts are not audited at the same time by different agencies.

Finally, the State Auditor's Office will audit court compliance with the Judicial Branch Contracting Manual. It's expected this audit will be available for the committee's review in roughly six months (or January 2023).

## **Info Item 2**

### **General Discussion by Audit Committee Members**

No items were discussed.

## **Action Item 1**

### **Annual Audit Plan – Fiscal Year 2022-23 (Action Required)**

One of primary responsibilities of this committee is approving the annual audit plan. This plan includes a list of courts to be audited and the scope of those audits. In fiscal year 2021-22 this committee reviewed 10 audit reports, total of 31 audit findings. Since testing and cash handling review was significantly reduced due to the pandemic, most findings were in areas of vendor payment processing procedures and case filing reporting in JBSIS.

Significant changes for the FY 22-23 audit plan include the resumption of on-site cash handling work in all courts. This is an area that has traditionally had the most audit findings and consumed the largest part of the budget for trial court audits. The audit plan also proposes to eliminate compliance testing under the AB 1058 program. After two years of auditing the program and not finding any reportable issues, audit staff believe it is time to remove this component from the audit plan. Audit staff have consulted with the council's Center for Families, Children, and the Courts and they do not object to this change.

Finally, Mr. Parks noted that Los Angeles is scheduled to be audited in FY 22-23 (starting in September) and will require an expanded scope and budget given the court's size and resources. For example, audit staff typically visit up to 16 locations when observing cash controls at large courts. For Los Angeles, audit staff plan to visit 25 locations. The audit of Los Angeles will also include expanded sample sizes (roughly double) for other areas of work such as: data accuracy for JBSIS reporting; vendor contracting and payments. For context, most large courts require a budget of roughly 1,064 hours, and audit staff have budgeted Los Angeles' audit at roughly 1,800 hours.

Judge Rosenberg asked if it's possible to audit all 39 courthouses located in Los Angeles County. Mr. Parks replied he will check with audit staff and let committee members know.

**Action:** Mr. Taniguchi moved to approve audit plan for FY 2022-23 (seconded by Mr. Johnson). The motion passed by unanimous voice vote of the committee members present.

#### **Action Item 2**

##### **External Audit Report – State Controller’s Office (Action Required)**

SCO’s recent audit of Colusa Superior Court’s revenues, expenditures, and fund balance for fiscal year 2019-20 concluded that the court complied with governing statutes and regulations. There were some findings related to prior year revenue adjustments. It’s a recurring issue seen at several courts, when correct general ledger account isn’t always used. Audit Services issued audit advisory in July 2021 regarding this issue. Another issue noted by SCO during Colusa audit was not always having contract with vendors and some missing records.

**Action:** Judge Sirna moved to approve posting of the audit report (seconded by Mr. Powell). The motion passed by unanimous voice vote of the committee members present.

#### **Action Item 3**

##### **External Audit Report – State Auditor’s Office (Action Required)**

SCO’s recent audit of Madera Superior Court’s revenues, expenditures, and fund balance for fiscal year 2019-20 concluded that the court generally complied with governing statutes and regulations. The audit identified some reporting issues, similarly with Colusa Superior Court. Another issue was not being able to locate contracts pertaining to psychological and psychiatric evaluation charges. Even though the court substantiates the amounts paid to these in-court service providers, the SCO recommended the Court to develop more formalized contracting process. Court also had some difficulties providing benefit election forms for two of their nine employees.

**Action:** Mr. Powell moved to approve posting of this audit report on Judicial Council’s website (seconded by Judge Sirna). The motion passed by unanimous voice vote of the committee members present.

#### **Action Item 4**

##### **External Audit Report – State Auditor’s Office (Action Required)**

SCO’s recent audit of Tulare Superior Court’s revenues, expenditures, and fund balance for fiscal year 2019-20 concluded that the court complied with governing statutes and regulations. The audit team was not able to find any findings at this court and the court is very well-managed.

**Action:** Judge Sirna moved to approve posting of this audit report on Judicial Council’s website (seconded by Mr. Taniguchi). The motion passed by unanimous voice vote of the committee members present.

#### **Action Item 5**

##### **External Audit Report – State Auditor’s Office (Action Required)**

SCO's recent audit of Ventura Superior Court's revenues, expenditures, and fund balance for fiscal year 2019-20 concluded that the court complied with governing statutes and regulations. One finding was related to current year vs. prior year reported revenues and expenditures.

**Action:** Mr. Johnson moved to approve posting of this audit report on Judicial Council's website (seconded by Mr. Taniguchi). The motion passed by unanimous voice vote of the committee members present.

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**A D J O U R N M E N T**

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There being no further open meeting business, the meeting was adjourned to closed session at 12:50 p.m.

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**C L O S E D S E S S I O N**

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**Item 6**

**Draft Audit Report – Rule of Court 10.75(d) (6) (Action Required)**

**Non-final audit reports or proposed responses to such reports**

Committee members discussed the draft audit report for Orange Superior Court, per Rule of Court 10.63(c)(1).

**Action:** Judge Sirna moved to approve this report for posting (seconded by Mr. Johnson). The motion passed by unanimous voice vote of the committee members present.

**Item 7**

**Draft Audit Report – Rule of Court 10.75(d) (6) (Action Required)**

**Non-final audit reports or proposed responses to such reports**

Committee members discussed the draft audit report for Santa Barbara Superior Court, per Rule of Court 10.63(c)(1).

**Action:** Judge Sirna moved to approve this report for posting (seconded by Mr. Powell). The motion passed by unanimous voice vote of the committee members present.

**Item 8**

**Draft Audit Report – Rule of Court 10.75(d) (6) (Action Required)**

**Non-final audit reports or proposed responses to such reports**

Committee members discussed the draft audit report for Stanislaus Superior Court, per Rule of Court 10.63(c)(1).

**Action:** Judge Sirna moved to approve this report for posting (seconded by Mr. Taniguchi). The motion passed by unanimous voice vote of the committee members present.

Adjourned closed session at 1:15pm.