



JUDICIAL COUNCIL OF CALIFORNIA

ADVISORY COMMITTEE ON AUDITS AND
FINANCIAL ACCOUNTABILITY FOR THE
JUDICIAL BRANCH

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ADVISORY COMMITTEE ON AUDITS AND FINANCIAL ACCOUNTABILITY FOR THE JUDICIAL BRANCH

MINUTES OF OPEN MEETING WITH CLOSED SESSION

November 8, 2022
12:15 p.m. - 1:15 p.m.
Conference Call

Advisory Body Members Present: Hon. David Rosenberg, Hon. Salvatore T. Sirna, Mr. Neal Taniguchi, Mr. Michael Powell, Ms. Kate Bieker, Mr. Charles Johnson;

Advisory Body Members Absent: Mr. Phil Jelichich (non-voting advisory member)

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), Ms. Kim Turner (Court Executive Officer, Mendocino Superior Court)

OPEN MEETING

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 July 21, 2022, meeting. Mr. Taniguchi seconded the motion. There was no further discussion of the minutes. Motion to approve passed by unanimous voice vote of the committee members present.

Discussion of public comment received for the committee.

Committee members discussed the request to audit court trust accounts, to make sure money is recorded in those trust accounts and reconciled with court management system (CMS). Mr. Parks inquired whether committee would like to add this into audit plan, or if the committee members will need more information to decide. He also added that some courts have very detailed trust account information in CMS, while other courts keep the information in a different format not easily accessible by the JCC.

Mr. Taniguchi shared that auditing different trust accounts presents various challenges. For instance, traffic trust funds are hard to audit, due to constant incoming and outgoing payments. Probate trust accounts can be held opened for years. Some probate funds can be held separately in county and court accounts, making it difficult to reconcile. There are many other various types of trust funds, including civil trust funds, criminal (bail), trust accounts for sale of properties under redevelopment agencies, interpleader trust funds.

Judge Rosenberg suggested to check if implementing an audit of trust funds is within the purview of this advisory committee. Judge Rosenberg asked Mr. Parks to consult with court executive officers and prepare a memo on this. In addition, incorporating this additional component into an audit plan may increase a workload for audit staff. Mr. Parks confirmed he will consult with CEOs to see how trust funds are being accounted and what challenges an audit of these accounts may present. Mr. Parks then will prepare a memo to present to the committee, which will provide more detailed options on adding audit of trust funds into an annual audit plan.

Judge Sirna added it is a good plan. Ms. Bieker suggested to contact Ms. Fae Li as she will be a great resource.

DISCUSSION AND ACTION ITEMS

Info Item 1

Report from Audit Services

Audit Services is finishing audits of Monterey and Marin Superior Courts. Audits of Los Angeles, Yuba, San Luis Obispo, San Joaquin superior courts are currently in progress. Fresno, Humboldt, San Bernardino, San Luis Obispo audits by the State Controller's Office have been finalized and will be presented during this meeting. Calaveras audit by SCO should be available the next meeting. SCO will audit Alameda, Contra Costa, Butte, Kings and Lake Superior Courts. SCO will start audit of Judicial Council in December. SCO will also finalize audit of JCC revenues, expenditures, and fund balance around that timeframe. State Auditor's office will issue biannual reviews of trial courts' contracting practices and procurement activities across the state around December 2022 – January 2023.

Action Item 1

External Audit Report – State Auditor's Office (Action Required)

Members reviewed State Auditor's recent audit of the Batterer's Intervention Program and its implementation by the trial courts, probation, and other stakeholders. In many cases, enrollees are not completing the program, and courts re-enroll the same offenders multiple times. State Auditor's office identified only 71 out of 756 instances where measures were imposed on those violators who did not successfully comply with the terms of their probation. Towards the end of the audit, State Auditor's office reached out to receive Judicial Branch's perspective on this issue. State Auditor would like JCC to provide guidance and training to courts to impose more consistent practices. JCC's executive office are highly aware of this report, as well as other internal committees. Mr. Parks asked committee members to share their ideas on what steps should be taken by staff going forward.

Judge Sirna commended auditors on bringing these important findings and providing an excellent analysis. This report will be a critical piece to review for criminal bench officers. Mr. Taniguchi shared that only five counties were audited, and some counties may be managing the program differently. It will be hard to generalize all 58 counties. For instance, in San Mateo, when an offender is required to go through conditional probation, if they don't show proof of completion, a probation violation affidavit is filed with the court. Even though it is not clear what steps probation department is taking after the notice is filed.

Ms. Bieker shared that Contra Costa was among the five audited courts. All five audited courts have similar issues with paperwork not being filed, judges not having probation reports on file, repeat offenders coming back, the program not sending reports regarding offenders who didn't show up. Even though audited courts were handling steps differently, the results are the same: the program itself is not always at the level it should be. All pieces of the program need to be looked at starting from the basics, in order to create a good program. We need to review who is managing the providers of the program, identify the right tools and techniques to make sure people

are held accountable, develop the right forms, decide what information should be entered into CMS to inform judges about repeat offenders, review how judges and clerk officers handle the information.

Mr. Parks shared that State Auditors will continue to follow-up with JCC to see what steps have been taken to correct issues identified during this audit. He suggested that information about completion or failure to complete the program should be entered into CMS, so the judges can access this information.

Judge Rosenberg added that Trial Court Presiding Judges Advisory Committee and Court Executives Advisory Committee (CEAC) should be alerted about results of this audit. JCC can create guidelines and recommendations, but this issue needs to be resolved at the trial court' level. Legislation requires offenders to attend the program week after week, where they can't miss a meeting. This requirement creates some challenges for participants.

Mr. Taniguchi, as a designated liaison with CEAC advisory committee, volunteered to work with Mr. Parks to write a recommendation to CEAC to alert about this audit and the action needed to address the audit findings.

Action: Mr. Taniguchi moved to approve audit report of the Batterer's Intervention Program on Judicial Council's website (seconded by Mr. Powell). 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 Fresno Superior Court's revenues, expenditures, and fund balance for fiscal year 2020-21 concluded that the court complied with governing statutes and regulations. There were some findings related to prior year revenue adjustments, overtime pay error, improper timesheet approval, but overall it was a clean audit. Mr. Parks recommended to approve posting of this report on Judicial Council's website.

Action: Ms. Bieker moved to approve posting of the audit report (seconded by Mr. Johnson). 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 Humboldt Superior Court's revenues, expenditures, and fund balance for fiscal year 2020-21 concluded that the court generally complied with governing statutes and regulations. Some minor instances of non-compliances include minor unadjusted revenues, overtime pay error, improper timesheet approval, lack of signed contracts for court interpreters. In one instance, Court did not remove someone from Phoenix system after the employee was no longer with the court. These were the main findings. Mr. Parks recommended to approve posting of this report on Judicial Council's website.

Action: Judge Sirna moved to approve posting of this audit report on Judicial Council's website (seconded by Mr. Powell). 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 San Bernardino Superior Court’s revenues, expenditures, and fund balance for fiscal year 2020-21 concluded that the court complied with governing statutes and regulations. One finding included unadjusted revenues of around \$20,000. Mr. Parks recommended to approve posting of this report on Judicial Council’s website.

Action: Mr. Johnson moved to approve posting of this audit report on Judicial Council’s website (seconded by Ms. Bieker). 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 San Luis Obispo Superior Court’s revenues, expenditures, and fund balance for fiscal year 2020-21 concluded that the court overall complied with governing statutes and regulations. Auditors identified unadjusted revenues in the amount of \$64,000. Auditors identified some missing vendor agreements, and this was corrected during the audit. Another issue was associated with courts reporting 4th quarter financial statements to the Judicial Council on court’s website. SCO found some variances on what’s posted on court’s website vs. what’s entered in general ledger account in Phoenix. The cause is timing differences, since the 4th quarter report can be submitted before the year end is closed. Some reasons for mismatch have to do with when these adjustments get made. Trial courts need to be provided guidance on when the adjustments get made, to make updates to information posted on courts website, to avoid mismatch with what’s posted in Phoenix.

Judge Rosenberg asked to issue audit advisory on 4th quarter adjustment guidance. Ms. Bieker asked to include some guidance on adjusted revenue. Mr. Parks replied that he can include reference to previously issued audit advisory.

Neal Taniguchi suggested that JCC needs to provide courts a training on this, since it looks like courts are making systematic error in every instance. Mr. Parks suggested that representatives from Branch Accounting and Procurement could be invited to the next meeting, to explain on how to guide courts in this area. Judge Rosenberg agreed it is a good suggestion and it should be done for the next meeting.

Action: Mr. Taniguchi moved to approve posting of this audit report on Judicial Council’s website (seconded by Ms. Bieker). Mr. Powell abstained from voting. The motion passed by unanimous voice vote of the committee members present.

A D J O U R N M E N T

There being no further open meeting business, the meeting was adjourned to closed session at 1:45 p.m.

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

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 Tuolumne Superior Court, per Rule of Court 10.63(c)(1).

Action: Committee members unanimously approved audit of Tuolumne Superior Court for public posting on Judicial Council's website.

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 El Dorado Superior Court, per Rule of Court 10.63(c)(1).

Action: Committee members unanimously approved audit of El Dorado Superior Court for public posting on Judicial Council's website.

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 Mendocino Superior Court, per Rule of Court 10.63(c)(1).

Action: Committee members unanimously approved audit of Mendocino Superior Court for public posting on Judicial Council's website.

Adjourned closed session at 2:00 pm.

Approved by the advisory body on July 11, 2023.