



**Audit of the  
Superior Court of California,  
County of Santa Clara**

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FEBRUARY 2022



JUDICIAL COUNCIL  
OF CALIFORNIA

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AUDIT SERVICES

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**Superior Court of California, County of Santa Clara**

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## EXECUTIVE SUMMARY

### Introduction

Government Code, sections 77206(g) and 77009(h) provide the Judicial Council of California (Judicial Council) with the authority to inspect and review superior court records and to perform audits, reviews, and investigations of superior court operations. The Judicial Council's Office of Audit Services (Audit Services) periodically conducts performance audits of the superior courts in order to verify their compliance with the Judicial Council's policies and with state law. These audits, as well as similar audits of the appellate courts, are primarily focused on assisting the courts identify which of their practices, if any, can be improved upon to better promote sound business practices and to demonstrate accountability for their spending of the public's funds.

State law authorizes the Judicial Council to establish each superior court's annual budget and to adopt rules for court administration, practice, and procedure. Most of the criteria used by Audit Services stems from the policies promulgated by the Judicial Council, such as those contained within the *Trial Court Financial Policies and Procedures Manual* (FIN Manual) and the *Judicial Branch Contracting Manual* (JBCM). These policies establish both mandatory requirements that all superior courts must follow, as well as suggestive guidance. California's courts drastically vary in terms of their caseloads, budget, and staffing levels, thus requiring the Judicial Council to adopt rules that at times provide the courts with flexibility given their varying resources and constraints. State law also requires the superior courts to operate under a decentralized system of management, and the Judicial Council's policies establish the boundaries within which courts exercise their discretion when managing their day-to-day operations.

Audit Services' annual audit plan for the Judicial Branch establishes the scope of each audit and provides a tentative schedule for the courts being audited during the fiscal year. The audit plan explains those scope areas deemed to be of higher risk based on Audit Services' professional judgment and recognizes that other state audit agencies may, at times, perform reviews that may overlap with Audit Services work. In those instances, Audit Services may curtail its planned procedures as noted in the scope and methodology section of this report.

### Summary of Audit Results

Our audit found that the Superior Court of California, County of Santa Clara (Court) demonstrated compliance with many of the Judicial Council's requirements evaluated during the audit, and should be commended for its receptiveness to suggestions for further improvement. Table 1 below presents a summary of the audit's results, including references to any audit findings discussed in the body of the report, and a summary of the Court's agreement or disagreement with the noted findings. Other matters such as isolated or minor non-compliance—which in our professional judgement do not rise to the level of a reportable finding—were communicated separately to the Court's management in written form.

Table 1 Audit Results – At A Glance – California Superior Court, County of Santa Clara

Areas and Sub-Areas Subject to Review		Tested	Reportable Audit Findings		
			# of Findings	Finding Reference(s)	Court's View
<b>Cash Handling</b>					
1	Daily Opening Process	N/A	-		
2	Voided Transactions	N/A	-		
3	Manual Receipts	N/A	-		
4	Mail Payments	N/A	-		
5	Internet Payments	N/A	-		
6	Change Fund	N/A	-		
7	End-Of-Day Balancing and Closeout	N/A	-		
8	Bank Deposits	N/A	-		
9	Other Internal Controls	N/A	-		
<b>Procurement and Contracts</b>					
10	Procurement Initiation	Yes	✓		
11	Authorization & Authority Levels	Yes	✓		
12	Competitive Procurements	Yes	✓		
13	Non-Competitive Procurements	Yes	✓		
14	Leveraged Purchase Agreements	Yes	✓		
15	Contract Terms	Yes	✓		
16	Other Internal Controls	Yes	✓		
<b>Payment Processing</b>					
17	3-Point Match Process	Yes	✓		
18	Payment Approval & Authority Levels	Yes	✓		
19	Special Rules - In-Court Service Providers	Yes	✓		
20	Special Rules - Court Interpreters	N/A	-		
21	Other Items of Expense	Yes	✓		
22	Jury Expenses	Yes	✓		
23	Allowable Costs	Yes	✓		
24	Other Internal Controls	Yes	✓		
<b>Fine &amp; Fee Distributions</b>					
25	CMS-Calculated Distributions	Yes	✓		
26	Manually-Calculated Distributions	N/A	-		
<b>3% Fund Balance Cap</b>					
27	Calculation of the 3% Cap	Yes	✓		
28	Use of "Held on Behalf" Funds	N/A	-		
<b>JBSIS Case Filing Data</b>					
29	Validity of JBSIS Data	Yes	1	2021-29-01	Agrees
<b>Grant Award Compliance</b>					
30	AB 1058 Program	Yes	✓		
<b>Other Areas</b>					
31	[None]	N/A	-		

Source: Auditor generated table based on testing results and court management's perspective.

Note: Areas subjected to testing are generally based on requirements in the Trial Court Financial Policies and Procedures Manual, the Judicial Branch Contracting Manual, or California Rules of Court, but may also include other Judicial Council policies and directives. Areas not tested are based on audit determinations—such as area was not applicable, recently reviewed by others, or no transactions were selected to review—which are described more fully in the Audit Scope and Methodology section of the report. Applicable criteria are cited in each audit finding (as referenced above) in the body of our report. The Judicial Council's audit staff determine the scope of each audit based on their professional judgment and the needs of the Judicial Council, while also providing courts with an opportunity to highlight additional areas for potential review depending on available audit resources.

The Court demonstrated consistent adherence with many of the different compliance requirements evaluated during the audit, as shown in Table 1. In particular, the Court demonstrated good compliance in the areas of procurement and in meeting AB 1058 grant requirements. For example, our review of the Court's procurement practices found that it demonstrated good management practices in the areas of authorization and authority levels, leveraged purchase agreements, and other internal controls. In addition, the Court properly supports its timekeeping and other expenses that it charges to the AB 1058 grant program.

However, our audit did identify one reportable audit finding where we believe the Court should consider taking corrective action to improve its operations and more fully comply with the Judicial Council's policies. This finding is identified in Table 1 under the column "Reportable Audit Findings" and includes a reference number to assist the reader in locating and viewing in further detail the specific finding and the Court's perspective.

One particular area of focus for the Court as it considers opportunities for improvement should include strengthening its controls over its reporting of new case filing counts to the Judicial Branch Statistical Information System (JBSIS). Specifically, the Court was unable to provide documentation that matched the filings totals recorded in JBSIS for multiple case types. As a result, the Court cannot fully support that the case filings counts it reported to JBSIS are materially correct. The Court indicated that it agreed that it had been unable to supply the reports noted in the finding, and that moving forward it will make sure the processes are in place to be able to provide such information.

### **Summary Perspective of Court Officials**

Audit Services initiated its audit of the Court on January 19, 2021, and completed its fieldwork in September 2021. Audit Services shared the draft audit finding with the Court on October 22, 2021, and received the Court's final official response on November 22, 2021. The Court agreed with the finding and its specific response is included in the body of the report after the finding.

## BACKGROUND ON THE COURT'S OPERATIONS

The Superior Court of California, County of Santa Clara (Court) operates nine court facilities in the cities of San Jose, Santa Clara, Palo Alto, and Morgan Hill. The Court operates under the authority and direction of the Presiding Judge, who is responsible for ensuring the effective management and administration of the Court, consistent with any rules, policies, strategic plan, and the funding provided by the Judicial Council.

California's 58 superior courts each have differing workloads, staffing levels, and financial resources. They operate under a decentralized system of governance and are each responsible for their own local court operations and business decisions. The Presiding Judge has the authority to: develop a local budget and allocate the funding provided by the Judicial Council; approve procurements and contracts; and authorize the Court's expenditures. The information in Table 2 is intended to provide the reader with context and perspective on the Court's relative size and workload compared to averages of all 58 superior courts.

Table 2 – Statistical Data for Santa Clara Superior Court and Average of all Superior Courts

Statistic	Santa Clara Superior Court	Average of All Superior Courts					All 58 Courts
		Cluster 1 Courts	Cluster 2 Courts	Cluster 3 Courts	Cluster 4 Courts		
<b>Financial Highlights (Fiscal Year 2020-21)</b>							
Total Revenue	\$ 97,943,851	\$ 2,801,621	\$ 11,732,226	\$ 47,147,065	\$ 222,407,059	\$ 46,418,993	
Total Expenditures	\$ 97,916,593	\$ 2,685,427	\$ 11,793,650	\$ 47,226,007	\$ 224,959,605	\$ 46,782,011	
Staff Salaries & Benefits	\$ 79,593,410	\$ 1,783,894	\$ 9,042,960	\$ 36,756,739	\$ 188,576,818	\$ 38,140,615	
As a % of Total Expenditures	81.3%	66.4%	76.7%	77.8%	83.8%	81.5%	
<b>Judicial Officers and Staff (2021 Court Statistics Report)</b>							
Judges	77	2	8	30	142	30	
Commissioners/Referees	5	-	1	4	21	4	
Non-Judicial Staff (approx.)	656	16	86	310	1,419	302	
Total	738	18	95	344	1,582	336	
<b>New Case Filings (Fiscal Year 2019-20)</b>							
<b>Appeal Filings</b>	110	6	79	173	213	100	
<b>Civil Filings</b>							
Civil	18,015	271	2,007	9,365	57,502	10,862	
Family Law	8,659	249	1,580	5,326	24,611	5,252	
Juvenile Delinquency	1,125	39	185	840	2,020	547	
Juvenile Dependency	769	37	198	554	4,268	798	
Mental Health	2,916	10	172	1,124	8,357	1,472	
Probate	2,007	47	254	900	3,725	824	
Small Claims	4,141	44	336	1,835	11,700	2,164	
<b>Criminal Filings</b>							
Felonies	6,889	224	1,141	3,715	13,068	3,126	
Misdemeanors / Infractions	124,455	4,096	19,330	70,480	309,401	66,865	
<b>Total</b>	169,086	5,023	25,282	94,312	434,865	92,010	

Source: Financial and case filings data maintained by the Judicial Council. The date ranges differ for the above information due to the different sources of data. The financial data is from the Judicial Council's Phoenix financial system, the judicial officer and staff counts are from the most recent Court Statistics Report, and the case filing counts are from the Judicial Branch Statistical Information System data as of September 9, 2021, and may not agree with other reports as this data is continuously updated.

Note: The Judicial Council generally groups superior courts into four clusters and uses these clusters, for example, when analyzing workload and allocating funding to courts. According to past Judicial Council documents, the cluster 1 courts are those superior courts with between 1.1 and 4 judicial position equivalents (JPEs), cluster 2 courts are those with between 4.1 and 20 JPEs, cluster 3 courts are those with between 20.1 and 59.9 JPEs, and cluster 4 courts are those with 60 or more JPEs. Santa Clara Superior Court is a cluster 4 court.

## AUDIT SCOPE AND METHODOLOGY

Audit Services initiated an audit of the Superior Court of California, County of Santa Clara (Court) in order to determine whether it complied with certain key provisions of statute and the policies and procedures adopted by the Judicial Council of California. Our audit was limited to evaluating compliance with those requirements that, in our professional judgment, were necessary to answer the audit's objectives. The period covered by this audit was generally limited to fiscal year (FY) 2019-20, but certain compliance areas noted below required that we review earlier periods or current practices. Table 3 lists the specific audit objectives and the methods we used to address them.

Table 3 – Audit Objectives and the Methods Used to Address Them

	<b>Audit Objective</b>	<b>Method</b>
1	Through inquiry, auditor observation, and review of local court policies and procedures, identify areas of high risk to evaluate the Court's compliance.	Audit Services developed an annual audit plan generally identifying areas of high risk at the superior courts. At the Court, we made inquiries and reviewed any local procedures to further understand its unique processes in each compliance area.
2	<p>Determine whether the Court implemented adequate internal controls over its handling of cash receipts and other payments. Such a review will include, at a minimum, the following:</p> <ul style="list-style-type: none"> <li>▪ Determine whether the Court complied with the mandatory requirements in the FIN manual for internal controls over cash (payment) handling.</li> <li>▪ Assess the quality of the Court's internal controls to minimize the potential for theft, such as controls over the use of manual receipts and voided transactions.</li> </ul>	The Audits and Financial Accountability Committee approved the fiscal year 2020-21 Audit Plan during the July 14, 2020 meeting. Per the approved Audit Plan, Audit Services proposed temporarily suspending cash handling audit work due to COVID-19. Our audit procedures rely extensively on in-person observations of key controls, and budget reductions and travel restrictions arising from COVID-19 limited our ability to complete this work. Therefore, Audit Services did not review cash handling internal controls and processes for the Court during the course of this audit.
3	Determine whether the Court demonstrated appropriate control over its non-personal services spending activities. Specifically, our review included the following:	We reviewed the Court's assignment of purchasing and payment roles to assess whether it appropriately segregated staff roles for approving purchases, procuring the goods or services,



<ul style="list-style-type: none"> <li>▪ Determine whether the Court’s procurement transactions complied with the applicable requirements in the Judicial Branch Contracting Manual or the Trial Court Financial Policies and Procedures Manual.</li>   <li>▪ Determine whether the Court’s payment transactions—including but not limited to vendor payments and claim payments—were reasonable and in compliance with the Trial Court Financial Policies and Procedures Manual and applicable Judicial Council policies and rules.</li> </ul>	<p>receiving the goods, and paying for the goods or services.</p> <p>We also judgmentally selected a sample of 25 procurement transactions and assessed whether each transaction:</p> <ul style="list-style-type: none"> <li>• Was properly authorized and approved by authorized court management.</li> <li>• Adhered to competitive bidding requirements, when applicable.</li> <li>• Had contracts, when applicable, that contained certain terms required to protect the Court’s interests.</li> </ul> <p>We selected a sample of 40 FY 2019-20 payments pertaining to various purchase orders, contracts, or in-court services, and determined whether:</p> <ul style="list-style-type: none"> <li>• The Court followed the 3-point match process as described in the FIN Manual to ensure goods and services are received and accepted, and in accordance with contract terms prior to payment.</li> <li>• Appropriate court staff authorized payment based on the Court’s payment controls and authorization matrix.</li> <li>• The payment reasonably represented an allowable “court operations” cost per Rule of Court, Rule 10.810.</li> <li>• The payments to in-court service providers adhered to applicable Judicial Council policies.</li> </ul> <p>(Note: We did not review court interpreter claims as the Audit Committee suggested we suspend reviewing these types of claims to allow courts time to develop procedures to address previously reported systemic audit findings related to court interpreter service claims.)</p>
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4	Determine whether the Court properly calculates fine and fee distributions for certain selected case types.	During the planning phase for the audit, the Court informed us that the State Controller's Office (SCO) recently completed a revenue audit of the Court's fine and fee distributions and found one Court-related error. Therefore, we limited our review to verifying that the Court took appropriate corrective action to resolve the error noted by the SCO. The Court also informed us that it is in the process of adjusting its CMS programming to guarantee an accurate distribution of funds.
5	<p>Determine whether the Court properly calculates its three percent fund balance cap for the most recent completed fiscal year.</p> <p>Determine whether the Court spent any funds the Judicial Council approved the Court to hold from prior year excess fund balance funds only for the purposes approved by the Judicial Council.</p>	<p>We obtained the Court's final <i>3% Fund Balance Cap Calculation Form</i> for the most recently completed fiscal year at the time of our testing (FY 2019-20), and performed the following:</p> <ul style="list-style-type: none"> <li>• Verified significant calculations and balance amounts.</li> <li>• Traced and verified significant inputs on the form (such as year-end encumbrances) to supporting records and the Phoenix accounting system.</li> </ul> <p>The Court has not requested to hold any funds on its behalf in either the current or the previous fiscal years. As a result, no further review was deemed necessary.</p>
6	Determine whether the Court accurately reports case filings data to the Judicial Council through the Judicial Branch Statistics Information System (JBSIS).	<p>We obtained an understanding of the Court's process for reporting case filings data to the Judicial Council through JBSIS. For the most recent fiscal year for which the Judicial Council froze and used JBSIS data for funding allocations (FY 2018-19), we performed the following:</p> <ul style="list-style-type: none"> <li>• Obtained the relevant case filings data the Court reported to JBSIS and reconciled the reported new case filings counts to its underlying records of cases that support each reported case filing count, by case</li> </ul>

		<p>type, to validate that the Court accurately reported its case filings count data.</p> <ul style="list-style-type: none"> <li>• We planned to select 10 cases from six case types, for a total of 60 reported cases, and review the relevant case file records to verify that the Court correctly applied the JBSIS definitions for reporting each case filing. However, because the Court could not provide a detailed list of cases supporting the case filing counts it reported to JBSIS for the Mental Health case type, we selected and reviewed a total of 50 cases from five of the six case types.</li> </ul>
7	<p>Determine whether the Court spent AB 1058 grant awards from the Judicial Council in compliance with the grant award requirements.</p>	<p>We reviewed each component of the AB 1058 program for FY 2019-20, and identified the applicable grant award requirements, such as allowable activities and costs, period of availability, matching requirements, and reporting requirements. We then selected a sample of grant award expenditures and determined whether the Court had sufficient records to support the expenditures charged to the grant. For example, for personal service costs charged to the grant award, we reviewed the payroll records and employee timesheets to verify the costs and time charged to the grant. We interviewed selected employees to determine how they track and report the time they charged to the grant award. We also reviewed other operating costs and expenditures charged to the grant award to determine whether the costs were supported, allowable, and allocable to the grant award.</p>

**Assessment of Data Reliability**

The U.S. Government Accountability Office (GAO) requires us to assess the sufficiency and appropriateness of computer-processed information that we use to support our findings, conclusions, or recommendations. In performing this audit, we obtained and reviewed financial transaction data from the Phoenix financial system—the statewide accounting system used by the superior courts—for the limited purpose of selecting transactions to test the Court’s compliance with its procurement and related payment activities. Prior to making our selections, we

independently queried the Phoenix financial system to isolate distinct types of non-personal service expenditure transactions relevant to our testing—such as by general ledger code—and reconciled the resulting extract with the Court’s total expenditures as noted on its trial balance report for the same period. Our analysis noted no material differences leading us to conclude that use of the Phoenix financial transaction data was sufficiently reliable for the limited purpose of selecting transactions for testing.

### **Report Distribution**

The Judicial Council’s *Advisory Committee on Audits and Financial Accountability for the Judicial Branch* reviewed this report on February 1, 2022, and approved it for public release.

California Rules of Court, Rule 10.500 provides for the public access to non-deliberative or non-adjudicative court records. Final audit reports are among the judicial administrative records that are subject to public access unless an exemption from disclosure is applicable. The exemptions under rule 10.500 (f) include records whose disclosure would compromise the security of a judicial branch entity or the safety of judicial branch personnel. As a result, any information meeting the nondisclosure requirements of rule 10.500(f) have been omitted from this audit report.

### **Audit Staff**

This audit was completed by the following staff under the general supervision of Dawn Tomita, Audit Manager:

Joe Meyer, Senior Auditor (auditor in charge), CPA, CIA

Sandra Gan, Senior Auditor, CPA

Lorraine De Leon, Auditor

Veronica Perez Lee, Auditor, CFE

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**SCHEDULE OF AUDIT FINDINGS AND PLANNED CORRECTIVE ACTION**

## CASH HANDLING

### **Background**

Trial courts must collect and process customer payments in a manner that protects the integrity of the court and its employees, and promotes public confidence. Thus, trial courts should institute a system of internal control procedures that assure the safe and secure collection, and accurate accounting of all payments. A court's handling of collections is inherently a high-risk activity given the potential incentives for court employees to act inappropriately when mandatory internal controls per the Trial Court Financial Policies and Procedures Manual (FIN Manual) are compromised or not in operation.

At the Audit Committee's July 2020 meeting, the committee suspended performance of our audit procedures related to Court "cash handling" requirements. Our audit procedures rely extensively on in-person observations of key controls, and budget reductions and travel restrictions arising from COVID-19 limited our ability to perform this work.

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## PROCUREMENT AND CONTRACTS

### The Court Complied with Applicable Requirements for Procuring Goods and Services

#### Background

Trial courts are expected to procure goods and services in a manner that promotes competition and ensures best value. To achieve this expectation, the Judicial Branch Contracting Manual (JBCM) and the Trial Court Financial Policies and Procedures Manual provide uniform guidelines for trial courts to use in procuring necessary goods and services and in documenting their procurement practices. Trial courts must demonstrate that their procurement of goods and services are conducted economically and expeditiously, under fair and open competition, and in accordance with sound procurement practice. Typically, a purchase requisition is used to initiate all procurement actions and to document approval of the procurement by an authorized individual. The requestor identifies the goods or services, verifies that budgeted funds are available for the purchase, completes the requisition form, and forwards it to the court manager authorized to approve purchase requests. The court manager is responsible for verifying the necessity and appropriateness of the requested items, that the correct account codes are specified and assuring that funds are available before approving and forwarding the requisition form to the staff responsible for procuring goods and services. Depending on the type, cost, and frequency of the goods or services to be procured, court staff responsible for procuring goods and services may need to perform varying degrees of procurement research to generate an appropriate level of competition and obtain the best value. Court procurement staff may need to also prepare and enter the agreed-upon terms and conditions into purchase orders, service agreements, or contracts to document the terms and conditions of the procurement transaction, and maintain a procurement file that fully documents the procurement transaction.

Our review found that the Court complied with applicable requirements for procuring goods and services. Specifically, the Court demonstrated compliance in various areas we evaluated during our audit, including demonstrating sound management practices in the areas of authorization and authority levels, leveraged purchase agreements, and other internal controls.

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## **PAYMENT PROCESSING**

### **The Court Complied with Applicable Payment Processing Requirements**

#### **Background**

Trial courts must institute procedures and internal controls to ensure they pay for appropriate goods and services in an economical and responsible manner, ensuring that they receive acceptable goods and services prior to payment. Thus, the FIN Manual provides courts with various policies on payment processing and provides uniform guidelines for processing vendor invoices and in-court service provider claims. All invoices and claims received from trial court vendors, suppliers, consultants, and other contractors are routed to the trial court accounts payable department for processing. The accounts payable staff must process the invoices in a timely fashion and in accordance with the terms and conditions of the respective agreements. Staff must match all invoices to the proper supporting procurement and receipt documentation, and must ensure approval for payment is authorized by court management acting within the scope of their authority.

Our review found that the Court complied with applicable requirements in the payment processing areas we evaluated during our audit. Specifically, the Court demonstrated sound management practices in the areas of its three-point match, jury expenses, and other internal controls.

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## **FINE AND FEE DISTRIBUTIONS**

### **The Court Expects to Correct Its Fine and Fee Distribution Finding**

#### **Background**

Trial courts must accurately calculate and distribute the monies they collect so that State and local funds receive the amounts State law designates for each. State statutes and local ordinances govern the distribution of the fines, penalties, fees, and other assessments that courts collect. In addition, courts rely on the State Controller's Office *Trial Court Revenue Distribution Guidelines* and the Judicial Council *Uniform Bail and Penalty Schedules* to calculate and distribute these court collections to the appropriate State and local funds. Courts may use either an automated system, manual process, or a combination of both to perform the often-complex calculations and distributions required by law.

During the initial audit planning process, the Court informed us that the State Controller's Office (SCO) recently completed a revenue audit of the Court in July 2020. Our review of the SCO's audit report noted one minor finding related to the Court, which was communicated separately to the Court. The Court informed both the SCO and us that it is in the process of adjusting its CMS programming to guarantee an accurate distribution of funds.

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## THREE PERCENT FUND BALANCE CAP

### The Court Appropriately Supported Its Three Percent Fund Balance Cap Calculations

#### Background

State law allows trial courts to retain unexpended fund balance reserves in an amount that does not exceed three percent of its prior fiscal year operating budget. To assist in ensuring compliance with this requirement, the Judicial Council requires courts to prepare and submit a final *3% Fund Balance Cap Calculation Form* (calculation form) approximately six months after the end of the fiscal year, which calculates the amount of fund balance that a court may carry over into the next fiscal year. Courts self-report the inputs on the calculation form, such as year-end expenditures, expenditure accruals, and encumbrances.

In addition, should a court need to retain funds that exceed its three percent fund balance cap, the Judicial Council adopted a process whereby courts that meet certain specified guidelines may request approval from the Judicial Council to hold excess funds “on behalf of the court.” The request specifies how the funds will be used and requires the court to explain why such spending could not occur through its annual operating budget. If the Judicial Council approves the court’s request, the Judicial Council may impose additional terms and conditions that courts must accept, including separately tracking the expenditures associated with these funds held on behalf of the court. As a part of the Judicial Council-approved process for approving funds held on behalf of a court, Audit Service is charged with reviewing funds held on behalf of the courts as a part of its normal court audit cycle to confirm that the courts used the funds for their approved stated purpose.

Our review found that the Court complied with the requirements for its 3% fund balance cap calculations. Specifically, we reviewed the inputs on its final FY 2019-20 calculation form and found that the Court used expenditure amounts that agreed to its accounting records. In addition, the Court supported the encumbrances it reported on its final FY 2019-20 calculation form with valid contracts for goods and services not received by June 30, 2020.

Finally, we did not review its use of any excess funds because the Court has not requested the Judicial Council to hold any such funds on its behalf.

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## JBSIS CASE FILING DATA

### The Court Should Ensure It Reports Accurate Case Filing Counts and Data to JBSIS

#### Background

The Judicial Branch Statistical Information System (JBSIS) is a reporting system that defines and electronically collects summary information from court case management systems for each major case processing area of the court. JBSIS directly supports the technology goals of the Judicial Council's strategic plan, providing information for judicial branch policy and budgetary decisions, management reports for court administrators, and the Judicial Council's legislative mandate to report on the business of the courts. Authorization for JBSIS is found in California Rules of Court, rule 10.400: "Consistent with article VI, section 6 of the California Constitution and Government Code section 68505, JBSIS is established by the Judicial Council to provide accurate, consistent, and timely information for the judicial branch, the Legislature, and other state agencies that require information from the courts to fulfill their mandates. Each trial court must collect and report to the Judicial Council information according to its capability and level of automation as prescribed by the JBSIS Manual adopted by the Judicial Council..." The Court Executives Advisory Committee is responsible for oversight of this program.

Our review found that the Court generally maintained documentation to support the JBSIS case filings data it submitted to the Office of Court Research. Nevertheless, our review identified one JBSIS-related audit finding that we believe requires the Court's continuous monitoring. This finding pertained to the following specific area of the JBS case filings data:

Finding Reference	Subject
2021-29-01	JBSIS Data Quality – Case Filing Counts and Data

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#### FINDING REFERENCE: 2019-29-01

#### *JBSIS DATA QUALITY – CASE FILING COUNTS AND DATA*

#### CRITERIA

#### CALIFORNIA RULES OF COURT, RULE 10.400, JUDICIAL BRANCH STATISTICAL INFORMATION SYSTEM:

Consistent with article VI, section 6 of the California Constitution and Government Code section 68505, the Judicial Branch Statistical Information System (JBSIS) is established by the Judicial Council to provide accurate, consistent, and timely information for the judicial branch...Each trial court must collect and report to the Judicial Council information according to its capability and level of automation as prescribed by the *JBSIS Manual* adopted by the Judicial Council.

## JUDICIAL BRANCH STATISTICAL INFORMATION SYSTEM MANUAL – VERSION 3.0, APPENDIX H—DATA QUALITY ASSURANCE;

### Error Quantification and Acceptable Error Rates

The error rate is determined by the difference of the reported value and the correct value, divided by the reported value. The magnitude of the error relative to the number of filings in a given period affected determines how courts should remedy the error. The JBSIS subcommittee determined that a 2% error rate met the criteria of being rigorous enough to ensure high data quality without posing an undue burden for courts.

The committee determined that an error rate of 2% or more in any one data element for a specific case type or cumulative across case types for one data element—limited at this time to filings, dispositions, trials, and time to disposition, when reported—should be established as the threshold above which courts must submit amended data correcting the report and that amended reports to resolve the error must be submitted within 60 days of error discovery.

### **CONDITION**

To better ensure courts can identify and research potential JBSIS reporting errors, effective July 2018, the JBSIS Manual includes data quality standards that encourage courts to have methods of both routine and non-routine reviews of their data. Examples of these review methods include courts performing random reviews of selected case files to ensure the data reported to JBSIS is consistent with the judicial branch's agreed-upon case type definitions. However, implementing such an approach requires courts to know which cases they have reported to JBSIS and when. Without this information, neither the courts nor external parties are well-positioned to evaluate the accuracy of the reported case filings data or determine which of the many monthly JBSIS reports require amendment if errors are found.

### Reconciliation Between JBSIS Case Filing Counts and Court-Based Records

JBSIS data contains aggregated counts of new case filings, which should be supported by case-specific records at the trial court level. Columns A through D from Table 1 compare the Court's aggregated JBSIS data for fiscal year 2018-19 against its own corroborating CMS data. In short, columns A through D illustrate whether the Court can support its JBSIS filings data for fiscal year 2018-19 based on the summary CMS data provided at the time of our fieldwork.

Table 1 - Comparison of JBSIS Case Filings Data to Underlying Court Records for FY 2018-19

JBSIS Report / Case Category	JBSIS versus Court Records				WAFM Case Weight (^)
	A	B	(A-B) C	(C/A) D	
	Filings in JBSIS(*)	Court Records(#)	Net Difference	Error Rate	
05a Unlawful Detainer	2,898	2,898	-	0.00%	
05a Civil – Limited	10,300	10,300	-	0.00%	
05a EDD	-	-	-	0.00%	
05b Civil – Unlimited	6,933	6,933	-	0.00%	
05b Civil – Complex	26	26	-	0.00%	
05b Asbestos	-	-	-	0.00%	
06a Family Law – Marital	4,634	4,634	-	0.00%	
06a Family Law – Child Support	1,453	1,453	-	0.00%	
06a Family Law – Domestic Violence	2,008	2,008	-	0.00%	
06a Family Law – Parentage	892	892	-	0.00%	
06a Family Law – Other	616	616	-	0.00%	
07c Felony	7,087	8,164	(1,077)	-15.20%	813
08a Juvenile Delinquency	1,109	1,109	-	0.00%	
09a Juvenile Dependency	686	632	54	7.87%	1,211
10a Mental Health	2,569	-	2,569	100.00%	324
11a Misdemeanor – Traffic	18,838	-	18,838	100.00%	103
11a Misdemeanor – Non-Traffic	9,928	-	9,928	100.00%	478
11a Infractions	131,831	-	131,831	100.00%	22
12a Conservator / Guardianship	660	648	12	1.82%	
12a Estates / Trusts	1,714	1,767	(53)	-3.09%	1,831
13a Small Claims	4,757	4,757	-	0.00%	
<b>Overall Total</b>	<b>208,939</b>	<b>46,837</b>	<b>162,102</b>	<b>77.58%</b>	

Source: Judicial Branch Statistical Information System (JBSIS) and the Court's CMS records.

**Notes:**

Reported case filings for fiscal year 2018-19, by JBSIS report and case category, as accessed by Audit

\* Services in January and March 2021.

# Court CMS data provided by the Court to substantiate the aggregate filings data reported to JBSIS.

Applicable case weight (shown as minutes per filing), which is eventually applied to filings to

^ determine WAFM budget allocations.

As shown in the table, the Court was unable to provide specific case listings (column B) that matched the filings totals recorded in JBSIS (column A) for certain case types. Specifically, we noted:

- Mental Health (10a) - The Court was unable to provide a list of cases corresponding to the 2,569 filings it reported. Therefore, we could not review specific cases corresponding to these filings to ensure they were reported accurately.
- Misdemeanor & Infractions (11a) - The Court was unable to provide a listing of cases corresponding to its reported totals in JBSIS, providing instead a detailed case listing for only one month of the year. We were unable to verify the accuracy of this data, so we did not include the counts for this one month in column B of Table 1 above.
- Juvenile Dependency filings (09a) - The Court could not provide case-level detail for the month of August 2018. The Court reported 54 new filings for this month but was unable to provide us with a listing of specific cases supporting the filings for this month.
- Felony case filings (07c) - The Court was able to provide a detailed listing of cases, but these totals exceeded the amounts previously reported to JBSIS. The amount of variance

between JBSIS totals and the Court's own records was over 15% for this case type, which exceeds the council's data quality standard of 2%, thus requiring the Court to amend its data.

- Estate/trust filings (12a) - The variance between JBSIS totals and the Court's data pertains to its report for August 2018. The Court's case-specific listing of filings count did not agree with JBSIS totals for that month.

The Court's ability to respond to our inquiries on its JBSIS data was limited since key court personnel were unavailable at the time of our fieldwork and other court employees lacked the expertise to respond to our questions or extract the data necessary for our analysis.

#### Review of Case Files for JBSIS Data Quality

We selected 50 case file records—10 cases each from the Civil – Unlimited (05b), Family Law – Child Support (06a), Family Law – Domestic Violence (06a), Felony (07c), and Juvenile Dependency (09a) case types—where the Court had reported the case filing to JBSIS for fiscal year 2018-19. The purpose of our review was to ensure the Court's reporting of the filing was consistent with the Judicial Council's reporting rules. Our analysis found the Court complied with JBSIS reporting standards and accurately reported the filing for 47 of the 50 case records we reviewed. However, the Court was unable to provide the underlying case files for two Juvenile Dependency cases and one Civil – Unlimited case, which prevented us from completing our review.

#### **RECOMMENDATION**

To ensure it is doing all it reasonably can to ensure accurate and complete JBSIS reporting, the Court should do the following:

- Generate and retain from its CMS systems, or require staff to compile and retain, reports that support its case filing counts that are both contemporaneous and consistent with its monthly JBSIS reporting.
- Periodically review listings of reported case filings, such as monthly or quarterly, to identify individual cases that it may have improperly counted, or that it may have inadvertently not included in its count.
- Ensure staff follow the Judicial Council standards on acceptable error rates when reporting case filing counts data to JBSIS and submit amended reports to JBSIS when it finds count differences that exceed this standard.
- Retain pertinent case file records to support that it appropriately reported case filings to JBSIS, as well as the classification of its case filings.

#### **COURT'S VIEW AND CORRECTIVE ACTION PLAN**

We agree that the Court has been unable to supply the reports noted in this finding during this audit. Due to the COVID-19 pandemic the Court lost a significant percentage of its workforce due to the State funding cuts and with such loss in staff certain aspects of knowledge have been lost as well. On top of remaining resources being stretched it made it difficult to respond to all of

the audit requests. Moving forward the Court will make sure the requested processes are back in place to be able to provide the required information.

**Response provided on 11/19/2021 by:** Walter Eissmann, Director of Finance

**Date of Corrective Action:** TBD

**Responsible Person(s):** Alicia Vojnic, Deputy CEO; or as assigned.

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## **GRANT AWARD COMPLIANCE**

### **The Court Followed Appropriate Grant Accounting and Administrative Procedures**

#### **Background**

Grant fund awards may substantially benefit a trial court's ability to serve the public. At the same time, the acceptance of grant funds may also represent an area of risk to the court because the grant money received by the court is provided for specific purposes and under conditions that apply to its use. Noncompliance with the terms of significant grant awards may result in the Court losing access to this grant funding in future years, or may result in the Court repaying funds spent inappropriately.

Courts are responsible for separately accounting for its receipt and spending of grant funds in Phoenix by using the appropriate grant coding. Courts are also responsible for following applicable federal, state, or Judicial Council rules when administering grant funds. These rules may pertain to performance reporting, financial reporting, personnel time tracking, among other areas.

Our review of its grant administration practices found that the Court followed appropriate grant accounting and administrative procedures and demonstrated material compliance with the Child Support Services grant and the Family Law Facilitator grant (AB 1058 program components) terms and conditions.

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## OTHER AREAS

### **Background**

We did not identify any other significant areas during the initial audit planning process that, based on our professional judgement, warranted any additional audit work. Therefore, we did not review compliance with any other areas.

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