



JUDICIAL COUNCIL OF CALIFORNIA

ADVISORY COMMITTEE ON AUDITS AND
FINANCIAL ACCOUNTABILITY FOR THE
JUDICIAL BRANCH

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MINUTES OF OPEN MEETING WITH CLOSED SESSION

March 28, 2019

12:15 p.m. - 12:45 p.m.

Conference Call

Advisory Body Members Present: Hon. David Rosenberg, Hon. Peter Siggins, Hon. Susan Matcham, Mr. Kevin Lane, Mr. Kevin Harrigan, Ms. Tania Ugrin-Capobianco, Mr. Phil Jelichich (non-voting advisory member)

Advisory Body Members Absent: Hon. Mary Ann O'Malley, Ms. Sherri Carter

Others Present: Mr. Grant Parks, Mr. Robert Cabral, Ms. Linda Romero-Soles, (CEO – Merced Superior Court), Ms. Keri Brasil (CFO – Merced Superior Court)

OPEN MEETING

Call to Order and Roll Call

The chair called the meeting to order at 12:15 p.m., and took roll call. Judge Rosenberg thanked members of this Committee and Audit Services staff.

Approval of Minutes

Judge Matcham moved to approve the minutes of February 8 meeting and March 5, 2019 action by email. Mr. Harrigan 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.

DISCUSSION AND ACTION ITEMS

Info Item 1

Report from Audit Services

Mr. Parks informed that Auditors spent February and March auditing the 4th DCA and the San Benito Superior Court. Currently Audit Services' staff are working on a review of the Court Innovations Grant project at Riverside Superior Court (e.g. kiosk project). Mr. Parks also announced, at the Chair's direction, that the committee would be going to a standard quarterly meeting schedule, with additional special meetings on an as needed basis. The State Controller's Office (SCO) is finalizing its work on auditing the revenues, expenditures, and fund balances under the

Judicial Council's control. Finally, at the audit committee's direction, Audit Services issued audit advisory on court procurement practices.

Info Item 2.

General Discussion by Members of the Committee

Mr. Parks informed the audit committee that clerks of the Courts of Appeal are asking for additional assistance on completing their efforts to review the FIN Manual for applicability to an Appellate Court Manual. Mr. Parks stated he will pass on this request to the Judicial Council's Branch Accounting and Procurement staff.

Action Item 1

Budget Change Proposal (BCP) - Concept (Action Required)

Under the Judicial Council's rules, whenever a budget change proposal goes forward for inclusion in the annual budget act, it needs to first be approved by the applicable advisory committee. Mr. Parks presented a BCP Concept for fiscal year 2020-21, seeking additional funding to support the SCO's ongoing audits of the trial courts pursuant to Government Code, Section 77206(h). The audits evaluate whether the trial courts complied with the State's fiscal rules for the revenues, expenditures, and fund balances under their control. Existing law requires each court to pay the costs of these audits themselves. Rather than having each court pay, the BCP concept seeks additional spending authority through the budget act to both fund these audits and to allow Judicial Council to make payment to SCO on the courts' behalf. This way, the trial courts financial position will not be adversely affected while also facilitating greater fiscal accountability and compliance with state law.

Action: Ms. Ugrin-Capobianco moved to approve the recommended BCP concept (seconded by Judge Matcham). The motion passed by unanimous voice vote of the committee members present.

Action Item 2

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

This audit of the Sonoma Court is the final of six pilot audits performed by the SCO under Government Code, Section 77206(h). Overall, the SCO concluded that the Court had complied with the State's rules but reported a few findings in areas of cash handling and procurement. The SCO auditors also raised issues pertaining to unclaimed trust amounts and the public noticing requirements before such funds can become the property of the Court.

Action: Mr. Harrigan moved to approve this report for posting (seconded by Ms. Ugrin-Capobianco). 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 12:30 p.m.

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

Item 3

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 of the 4th District of the Courts of Appeal, per Rule of Court 10.63(c)(1).

Action: Ms. Ugrin-Capobianco moved to approve this report for posting (seconded by Mr. Harrigan). The motion passed by unanimous voice vote of the committee members present (Mr. Lane from 4th DCA abstained).

Item 4

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 Merced Superior Court's administration of Court Innovations Grant Program, per Rule of Court 10.63(c)(1).

Action: Ms. Ugrin-Capobianco moved to approve this report for posting (seconded by Judge Matcham). The motion passed by unanimous voice vote of the committee members present.

Adjourned closed session at 12:45 p.m.

Approved by the advisory body on June 28, 2019.