



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

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

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

Advisory Body Members Absent: Mr. Phil Jelcich (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. Ann Greth (CEO, Alpine Superior Court), Ms. Dawn Harmon (CEO, Amador Superior Court), Ms. Esperanza Esparza (CEO, Del Norte Superior Court), Ms. Lesley Plunkett (HR Manager, Del Norte Superior Court), Ms. Pamela Foster (CEO, Inyo Superior Court), Lindsay Eropkin (Court Operations Manager, Inyo Superior Court), Walter Eissmann (Finance Director, Santa Clara Superior Court), Ms. Melissa Fowler-Bradley (CEO, Shasta Superior Court), Mr. Andrew Lund (Chief Financial Officer, Shasta Superior Court), Ms. Lisa Jenkins (Court Services Manager, Shasta Superior Court), Ms. Stephanie Hansel (CEO, Sutter Superior Court), Mr. Joe Azevedo (Court Fiscal Officer, Sutter 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. New Committee Members introduced themselves.

Approval of Minutes

Ms. Bieker moved to approve the minutes of the July 15, 2021, meeting. Judge Wick 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 provided information on audit progress and staffing. Audit Services currently employs six auditors who are assigned full time to perform court audits. Audit Services has four vacant positions and is in the process of filling one of these positions. Auditors are currently working on four court audits: Nevada, Orange, Stanislaus, and Santa Barbara.

The office's approach was to review courts' cash handling controls, with courts' permission. Due to COVID-19 health protocols and safety concerns, courts were given an option to opt out of on-site cash handling audits. A few courts opted out of on-site cash handling reviews.

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. One audit report will be reviewed at today's meeting. Traditionally one of the challenges identified during these audits has been failing to adjust prior-year accruals which didn't materialize in the subsequent year. Audit Services issued an audit advisory in July of 2021 to clarify this issue for the courts.

The State Controller's Office (SCO) has also completed an audit of the Judicial Council's revenues, expenditures, and fund balance.

Finally, the California State Auditor's Office (CSA) recently completed an audit of the Judicial Council's procurement practices, which is also included in this meeting's materials.

Info Item 2

General Discussion by Audit Committee Members

Mr. Taniguchi inquired if current budget allows Audit Services to fill all four vacant positions. Mr. Parks shared that Audit Services will possibly fill another vacant position, in addition to the one that is currently in recruitment. However, based on the current budget, it is unlikely that all vacant positions will be filled.

Action Item 1

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

SCO's recent audit of Yuba Superior Court's revenues, expenditures, and fund balance for fiscal year 2019-20 concluded that the court complied with governing statutes and regulations. The only finding relates to using proper adjustments for prior year accruals when those accruals don't materialize. The issue was addressed by audit advisory issued by Audit Services office.

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

Action Item 2

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

State Controller audits Judicial Council's revenues, expenditures, and fund balance every other year. This report is for fiscal year 2019-20. The SCO concluded the Council complied with state statutes and regulations over financial reporting and compliance. However, they did identify three issues. The first finding dealt with errors in fund

balance reporting at the end of fiscal year. The second finding noted incorrect usage of general ledger accounts when recording expenditures pertaining to the equal access fund. The last finding had to deal with HR and accounting staff working together to reconcile previously written off employee accounts receivable. Judicial Council agreed with all three findings.

Action: Mr. Taniguchi moved to approve posting of the audit report (seconded by Ms. Bieker). The motion passed by unanimous voice vote of the committee members present.

Action Item 3

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

Section 19210 of the Public Contract Code requires the State Auditor to biennially evaluate the Judicial Council’s compliance with the Judicial Branch Contract Law. State Auditor acknowledged that Judicial Council addressed all prior recommendations regarding vendor payment processes. The report also noted that Judicial Council demonstrated accountability and transparency by providing timely and reliable information on Fiscal public transparency websites, which allows JC share with public items/services bought and the price paid.

Action: Judge Wick moved to approve posting of this audit report on Judicial Council’s website (seconded by Mr. Johnson). 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 12:55 p.m.

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

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 Alpine 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 5

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

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

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

Action: Mr. Johnson moved to approve this report for posting (seconded by Judge Wick). 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 Clara 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.

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

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

Item 9

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

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

Item 10

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

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

Adjourned closed session at 1:15pm.