

JUDICIAL COUNCIL OF CALIFORNIA

Audit Report

FISCAL COMPLIANCE AUDIT OF REVENUES, EXPENDITURES, AND FUND BALANCES

July 1, 2023, through June 30, 2024



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

October 2025



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CALIFORNIA STATE CONTROLLER

October 29, 2025

The Honorable Patricia Guerrero, Chief Justice
Judicial Council of California
455 Golden Gate Avenue
San Francisco, CA 94102

Dear Chief Justice Guerrero:

The State Controller's Office audited the Judicial Council of California (JCC) to determine whether the JCC complied with governing statutes, rules, regulations, and policies relating to the revenues, expenditures, and fund balances for any funds under the JCC's administration and control that we determined were material and significant. The audit period was July 1, 2023, through June 30, 2024.

We found that the JCC complied with governing statutes, rules, regulations, and policies for revenues, expenditures, and fund balances.

This report is for your information and use.

If you have any questions regarding this report, please contact Joel James, Chief, Financial Audits Bureau, by telephone at 916-323-1573 or email at jjames@sco.ca.gov. Thank you.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

KAT/ac

Chief Justice Patricia Guerrero

October 29, 2025

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Audit Report

Summary

The State Controller’s Office (SCO) audited the Judicial Council of California (JCC) to determine whether the JCC complied with governing statutes, rules, regulations, and policies relating to the revenues, expenditures, and fund balances for any funds under the JCC’s administration and control that we determined were material and significant. The audit period was July 1, 2023, through June 30, 2024.

We found that the JCC complied with governing statutes, rules, regulations, and policies relating to revenues, expenditures, and fund balances.

Background

The JCC sets policies and priorities for California’s judicial branch of government, which includes superior courts in 58 counties, six state appellate courts, the Habeas Corpus Resource Center, and the California Supreme Court. Led by the Chief Justice of California and in accordance with the California Constitution, the JCC is responsible for ensuring the consistent, independent, impartial, and accessible administration of justice.

The JCC’s non-judicial staff, led by the JCC’s Administrative Director, provide accounting, auditing, budgeting, contracting, human resources, procurement, and information technology services. These non-judicial staff members are also responsible for facilitating court construction, issuing and renewing court interpreter licenses, providing training and education services to new judicial officers, and performing budgeting and administrative services for the courts.

Audit Authority

We conducted this audit at the request of the JCC, pursuant to Government Code (GC) section 77206(j), which requires the JCC to contract with the SCO to perform audits, and in accordance with Interagency Agreement Number 108231, dated November 8, 2024, between the SCO and the JCC, and with GC section 77206(i)(1), which requires the SCO to audit the JCC biennially, and to report the results of these audits to the California State Legislature, the JCC, and the Department of Finance no later than April 1 of each year.

In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

Objectives, Scope, and Methodology

Our audit objectives were to determine the JCC’s compliance with governing statutes, rules, regulations, and policies relating to revenues, expenditures, and fund balances for all material and significant funds under the administration, jurisdiction, or control of the JCC for the period of July 1, 2023, through June 30, 2024.

In furtherance of the objectives, we determined whether:

- Revenues and expenditures were accurately recorded, properly supported, and complied with applicable laws, regulations, and policies; and
- Fund balances were accurately recorded, contained sufficient documentation, and complied with applicable laws, regulations, and policies.

To accomplish our objectives, we performed the following procedures.

Audit Planning

To plan the audit, we performed general preliminary procedures, evaluated internal controls, and assessed the reliability of data significant to our audit objectives.

General preliminary procedures

- We reviewed the *Judicial Council Governance Policies*, the Budget Act, the Manual of State Funds, Government Codes, the Rules of the Court, and relevant internal policies and procedures to identify compliance requirements applicable to JCC staff for material and significant revenues, expenditures, and fund balances.
- We followed up on the status of prior audit findings in our previous audit report dated May 14, 2024, and of other audit reports with findings that are directly related to our audit objectives. Other audit reports with related findings include the California State Auditor's *Review of the Judicial Council of California's Contracting and Procurement Practices*, issued on January 9, 2024.

Internal control evaluation

- We reviewed current policies and procedures, organization charts, and the JCC's website.
- We interviewed key JCC employees to gain an understanding of the internal control environment.
- We determined which controls were significant to the audit objectives.
- We assessed whether key internal controls, such as reviews and approvals, reconciliations, and segregation of duties were properly designed, implemented, and operating effectively.
- We determined the effect of any identified internal control weaknesses on the audit objectives.

Data reliability assessment

- We identified the information systems used to process and account for revenues, expenditures, and fund balance transactions.

- We interviewed staff members; and reviewed policies and procedures regarding security, data entry, processing, and reporting to gain an understanding of the information technology systems and the data significant to the audit objectives.
- We compared recorded accounting data with originating source documentation to determine the completeness and accuracy of the data in the FISCAL financial system.
- We evaluated electronic access controls for the FISCAL financial system.
- We determined whether the system data was sufficiently reliable for conducting the audit.

Fieldwork Substantive Testing

Based on the results of our planning procedures and assessments, we designed substantive test procedures to address specific audit objectives.

Audit Objective 1

Determine whether revenue and expenditures are recorded accurately in the accounting records; properly supported by documentation; and consistent with governing statutes, rules, regulations, and the policies and procedures of the JCC and the State Administrative Manual. We performed the following procedures:

- We identified the total revenue and expenditure amounts recorded in each fund under the JCC's administration, jurisdiction, or control.
- We determined which funds were significant (i.e., funds with revenue and expenditure account totals in excess of 2% of aggregated total revenues and expenditures within the fund).
- We selected representative samples of transactions to test from the significant revenue and expenditure accounts. We selected non-statistical samples on a judgmental basis, and did not project the results of testing to the intended (total) population.
- We examined the sampled transactions to verify that revenue and expenditure amounts were accounted for in accordance with Government Code, were properly supported with adequate documentation, and were accurately reported in the accounting records.

Audit Objective 2

Determine whether fund balances are recorded on the Legal/Budgetary basis of accounting and maintained in accordance with fund accounting principles. We performed the following procedures:

- We judgmentally selected a sample of funds with fund balances over \$100 million, as of June 30, 2024, or with balances that fluctuated by more than 25 percent from the prior period.

- We recalculated the sampled fund balances to verify that amounts reported were accurate.
- We considered the results of revenue and expenditure testing to assess whether transactions were reported on the Legal/Budgetary basis of accounting and recorded in accordance with fund accounting principles.

We limited our audit to evaluating the compliance of revenues, expenditures, and fund balances for material and significant funds under the JCC’s administration, jurisdiction, or control. We did not audit the accounting records of the six state appellate courts, the Habeas Corpus Resource Center, and the California Supreme Court, as the review and approval authority for these transactions remains with those entities.

The following table summarizes reported and tested totals of all revenues, expenditures, and fund balances included in this audit:

Summary	Reported	Tested	Percentage
Revenues	\$ 1,875,644,908	\$ 528,000,220	28.15%
Expenditures:			
Non-payroll	\$ 4,555,789,067	\$ 233,957,416	5.14%
Payroll	812,775,630	439,661	0.05%
Expenditure totals	\$ 5,368,564,697	\$ 234,397,077	
Fund balances	\$ 131,775,525	\$ 84,975,389	64.48%

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Conclusion

We found that the JCC complied with governing statutes, rules, regulations, and policies for revenues, expenditures, and fund balances.

Follow-up on Prior Audit Findings

Our prior audit report on the JCC’s revenues, expenditures, and fund balances for the period of July 1, 2021, through June 30, 2022, issued on May 14, 2024, disclosed no findings. We determined that the reported findings from the California State Auditor’s report issued on January 9, 2024, have been fully corrected.

Views of Responsible Officials

We discussed our audit results with the JCC’s representatives during an exit conference conducted on June 27, 2025. At the exit conference, the JCC’s representatives agreed with the audit results.

Restricted Use

This report is solely for the information and use of the JCC and the SCO; it is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

Sacramento, California

October 29, 2025

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