



# Audit of the Superior Court of California, County of Colusa

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MARCH 2026



Judicial Council of California

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**Superior Court of California, County of Colusa**

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## **EXECUTIVE SUMMARY**

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 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.

### **Summary of Audit Results**

Our audit found that the Superior Court of California, County of Colusa (Court) demonstrated compliance with many of the Judicial Council's requirements evaluated during the audit. Table 1 on the next page presents a summary of the audit's results.

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 reporting new case filing counts and data to JBSIS, and in reporting year-end encumbrances. For example, our review found that the Court's records materially supported the new case filing counts and data it submitted to JBSIS. In addition, we found that the encumbrances reported at fiscal year-end were properly supported.

However, our audit did identify three reportable audit findings where we believe the Court should consider taking corrective action to improve its operations and more fully comply with the Judicial Council's policies. These three findings are identified in Table 1 under the column "Reportable Findings" and include reference numbers indicating where the reader can view in further detail the specific findings and the Court's perspective.

One particular area of focus for the Court as it considers opportunities for improvement should include ensuring that its procurement process consistently begins with an approved purchase requisition form. Specifically, the Court does not consistently document or require purchase requisitions to demonstrate that an authorized approver reviewed and approved the purchase request before commencing the solicitation and procurement process. When the Court does not consistently document its purchase requests and authorizations, it risks the appearance that it is making purchases that may not be appropriate or allowed and not in its best interests. The Court agreed with our finding and recommendation and indicated that moving forward, will ensure proper documentation is available.

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

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	Yes	✓		
2	Voided Transactions	Yes	✓		
3	Manual Receipts	Yes	✓		
4	Mail Payments	Yes	✓		
5	Internet Payments	Yes	✓		
6	Change Fund	Yes	✓		
7	End-Of-Day Balancing and Closeout	Yes	✓		
8	Bank Deposits	Yes	✓		
9	Other Internal Controls	Yes	✓		
<b>Procurement and Contracts</b>					
10	Procurement Initiation	Yes	1	2025-10-01	Agrees
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	1	2025-18-01	Partially Agrees
19	Special Rules - In-Court Service Providers	Yes	✓		
20	Special Rules - Court Interpreters	Yes	✓		
21	Other Items of Expense	Yes	✓		
22	Jury Expenses	Yes	✓		
23	Travel Expense Claims	Yes	✓		
24	Business-Related Meals	Yes	1	2025-24-01	Agrees
25	Allowable Costs	Yes	✓		
26	Other Internal Controls	Yes	✓		
<b>Fund Balance</b>					
27	Year-End Encumbrances	Yes	✓		
28	Use of "Held on Behalf" Funds	Yes	✓		
<b>JBSIS Case Filing Data</b>					
29	Validity of JBSIS Data	Yes	✓		

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.

**Summary Perspective of Court Officials**

Audit Services initiated its audit of the Court on February 5, 2025, and completed its fieldwork in July 2025. Audit Services shared the draft findings with the Court starting on June 3, 2025, and received the Court's final official responses on September 22, 2025. The Court generally agreed with the findings, and its specific responses are included in the body of the report after each finding.

**Report Distribution**

The Judicial Council's *Advisory Committee on Audits and Financial Accountability for the Judicial Branch* reviewed this report on March 12, 2026, and approved it for public release.

**Audit Staff**

This audit was completed by the following staff under the general supervision of Michelle O'Connor, Audit Supervisor, CPA, CGFM, CFE:

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## BACKGROUND ON THE COURT'S OPERATIONS

The Superior Court of California, County of Colusa (Court) operates one court facility in the city of Colusa. 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 Colusa Superior Court and Average of all Superior Courts

Statistic	Colusa Superior Court	Average of All Superior Courts				
		Cluster 1 Courts	Cluster 2 Courts	Cluster 3 Courts	Cluster 4 Courts	All 58 Courts
<b>Financial Highlights (Fiscal Year 2024-25)</b>						
Total Revenue	\$ 3,044,730	\$ 3,260,301	\$ 15,139,585	\$ 58,843,696	\$ 294,069,270	\$ 60,336,165
Total Expenditures	\$ 3,256,238	\$ 3,392,072	\$ 15,338,135	\$ 59,487,412	\$ 301,294,837	\$ 61,586,467
Staff Salaries & Benefits As a % of Total Expenditures	\$ 1,962,052 60.3%	\$ 2,236,498 65.9%	\$ 11,410,944 74.4%	\$ 43,963,602 73.9%	\$ 232,652,777 77.2%	\$ 46,850,643 76.1%
<b>Judicial Officers and Staff (2025 Court Statistics Report)</b>						
Judges	2	2	8	30	144	30
Commissioners/Referees	-	-	1	4	21	4
Non-Judicial Staff (approx.)	14	17	86	298	1,380	294
Total	16	19	95	332	1,545	328
<b>New Case Filings (Fiscal Year 2024-25)</b>						
<b>Appeal Filings</b>	15	10	85	154	225	101
<b>Civil Filings</b>						
Civil	339	416	3,033	14,110	87,904	16,545
Family Law	166	253	1,507	5,236	25,019	5,261
Juvenile Delinquency	9	39	175	772	2,086	537
Juvenile Dependency	7	25	166	460	3,228	618
Mental Health	29	21	243	1,465	9,727	1,768
Probate	32	59	319	1,217	5,398	1,154
Small Claims	24	34	270	1,073	7,138	1,336
<b>Criminal Filings</b>						
Felonies	192	190	1,178	3,963	14,728	3,416
Misdemeanors / Infractions	6,268	4,367	21,538	67,371	263,930	60,803
<b>Total</b>	<b>7,081</b>	<b>5,414</b>	<b>28,514</b>	<b>95,821</b>	<b>419,383</b>	<b>91,539</b>

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 December 18, 2025, 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. Colusa Superior Court is a cluster 1 court.

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

## **CASH HANDLING**

### **The Court Followed Required Cash Handling Procedures**

#### ***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.

#### ***Results***

Overall, the Court demonstrated compliance in many of the areas we evaluated during the audit. Specifically, the Court demonstrated sound management practices in the areas of its daily opening process, void transactions, and internet payments.

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## **PROCUREMENT AND CONTRACTS**

### **The Court Complies with Most Applicable Requirements for Procuring Goods and Services, But Should Ensure it Consistently Uses Purchase Requisitions**

#### ***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.

#### ***Results***

The Court demonstrated compliance in various procurement areas we evaluated during our audit, such as entering into non-competitive and leveraged procurement agreements. Nevertheless, we identified one audit finding that we believe requires the Court's corrective action. The finding pertained to the following specific area of procurement:

<b>Finding Reference</b>	<b>Subject</b>
2025-10-01	Procurement Initiation

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**FINDING REFERENCE: 2025-10-01***PROCUREMENT INITIATION***CRITERIA**

JUDICIAL BRANCH CONTRACTING MANUAL, CHAPTER 2, 2.1 FORMULATING THE PROCUREMENT APPROACH, C:

The Buyer's first step in the planning and scheduling of a procurement effort is the initial review of a purchase request. Reviewing the request in terms of the following information will assist the Buyer in determining any impact to the procurement planning and scheduling activities.

1. Internal review and approvals: Consider the following:

- Have the proper approval signatures been obtained to conduct the procurement in conformance with the Judicial Branch Entity's Local Contracting Manual?
- Is the request in compliance with applicable equipment standards?
- Is there documentation in sufficient detail to support and justify conducting the procurement?
- Are there any program schedule requirements, special delivery instructions, time constraints, etc.?

**CONDITION**

The Court does not consistently document or require purchase requisitions to demonstrate that an authorized approver reviewed and approved the purchase request before commencing the solicitation and procurement process. For 10 of the 18 procurement transactions reviewed for which we expected to see a purchase request, the Court did not document or require a purchase request and management approval of the request prior to commencing the procurement. Specifically, for the 10 procurement transactions, which ranged between \$1,400 and \$115,000 and were related to IT services, software licensing, job advertisements, telecommunications, shredding services, equipment leases, and office remodeling services, the Court did not have a purchase request on file. According to court management, for 8 of the 10 procurement transactions, they believed the contract and/or the approved invoice or claim functioned as the purchase request. For the other 2 procurement transactions, the Court stated the CEO directly procured the goods or services and is authorized to do so based on the Presiding Judge's delegation of duties. Nonetheless, the use of a purchase request form that describes the requested items, documents the approval to purchase, and that is stored in the procurement file would help the Court better demonstrate that authorized court management considered and approved purchase requests before commencement of the procurement process. When the Court does not consistently document its purchase requests and authorizations, it risks the appearance that it is making purchases that may not be appropriate or not allowed and not in its best interests.

**RECOMMENDATION**

To ensure it can demonstrate that its purchases are appropriately justified, funded, and approved, the Court should take more formal steps to ensure it consistently obtains and documents in its

procurement files the approved purchase requests prior to its staff starting the purchasing activity.

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

The Court agrees it lacks the proper documentation needed to justify and support procurements. The Court's practice has been to have verbal conversations/meetings regarding the court's procurement needs, budget impact, planning, etc. Follow-up meeting notes/emails are not done. Moving forward, the Court will ensure proper documentation is available.

**Response provided on September 18, 2025, by:** Cynthia Otero, Chief Financial Officer

**Date of Corrective Action:** September 18, 2025

**Responsible Person(s):** Colusa Administration

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## **PAYMENT PROCESSING**

### **The Court Generally Complied with Payment Processing Requirements, But Could Be More Consistent with Authority Levels and Allowability of Business Meals**

#### ***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.

In addition, trial court judges and employees may be required to travel as part of their official duties, and may occasionally conduct official court business during a meal period. Courts may reimburse their judges and employees for their reasonable and necessary travel expenses, within certain maximum limits, incurred while traveling on court business. Courts may also reimburse their judges and employees, or pay vendors, for the actual cost of providing business-related meals when certain rules and limits are met.

#### ***Results***

The Court demonstrated compliance in various payment processing areas we evaluated during our audit. The Court demonstrated sound management practices in the areas of special rules – court interpreters, other items of expense, and allowable costs. Nevertheless, we identified two audit findings in the payment processing area that we believe requires the Court’s corrective action. These findings pertain to the following specific areas of payment processing:

<b>Finding Reference</b>	<b>Subject</b>
2025-18-01	Payment Approval and Authority Levels
2025-24-01	Business-Related Meals – Approval and Allowability

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**FINDING REFERENCE: 2025-18-01***PAYMENT APPROVAL AND AUTHORITY LEVELS***CRITERIA**

FIN MANUAL, FIN 1.03, 6.3.3 CONTROL ACTIVITIES:

6. Appropriate Segregation of Duties

- b. Work must be assigned to court employees in such fashion that no one person is in a position to initiate and conceal errors and/or irregularities in the normal course of his or her duties. The following duties must not be assigned to only one individual:
  - iii. Performing the purchasing function (choosing the vendor, deciding on the price, issuing the purchase order), performing accounts payable, authorizing vendor payment, or processing accounts payable, and maintaining the vendor master file (establishing new vendors and updating vendor information).

**CONDITION**

For 13 of the 40 expenditure samples reviewed, the Court could not demonstrate it properly approved the invoices. Specifically, for 12 of the sample expenditures reviewed in amounts between \$912 and over \$91,000—for mediation services, legal library subscriptions, IT services, office remodeling, telecommunications, shredding services, copier leases, and software subscriptions—the Court was unable to provide procurement documentation, such as contracts, agreements, purchase orders, or other written authorizations, to indicate who procured the goods or services. As a result, Audit Services was unable to determine whether the individual who approved the invoice for payment was different from the individual who procured the goods or services. According to court management, either there was no procurement or purchase request documentation, or the Presiding Judge gave the Court Executive Officer (CEO) authority to approve contracts. Additionally, court management stated that although the CEO may have signed the contracts and approved the invoices or claims, the Court Financial Officer (CFO) issued the payment.

For another expenditure sample, related to postage, the CEO both procured the service and approved the related invoice for payment. According to court management, although the court credit card was assigned to the CEO, the CFO processed the issuance of the payment. Nonetheless, a strong system of internal control calls for maintaining procurement documentation and segregating assigned duties in such a fashion that no one person is in a position to initiate and conceal errors and/or irregularities in the normal course of his or her duties. This includes segregating duties so that the individuals who initiate and approve purchases do not also authorize vendor payments for those same purchases. As a result, the Court is at increased risk of disbursing funds that it may later find to be excessive or inappropriate.

**RECOMMENDATION**

To ensure that all invoices are properly paid, the Court should take steps to implement controls that provide for the segregation of duties between procurement and authorizing vendor payment

functions. The Court should also ensure it maintains purchase requisitions, purchase orders, agreements, or contracts in the procurement file so that accounts payable staff can verify that the court official who approved the invoice for payment is not also the same court official who procured the goods or services.

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

The Court finds it difficult to agree with this finding. In a small court, the administrative team is limited to a small number of individuals – in this case there is one supervisor, one manager, one CFO, and one CEO. The Court believes there is sufficient separation of duties to prevent concealment of errors. While the CEO is delegated the authority to approve contracts, the CFO prepares all purchase requisitions. Although the CEO signed the contract and approved the issuance of payment, the payment cannot be remitted without the Court Account Clerk first parking the invoice in SAP, and then the CFO posting/releasing the document. Payment cannot be issued without three people being involved, minimizing the ability to conceal errors. The Court does agree it needs to improve on maintaining better documentation at the procurement level.

**Response provided on September 18, 2025, by:** Cynthia Otero, Chief Financial Officer

**Date of Corrective Action:** September 18, 2025

**Responsible Person(s):** Colusa Administration

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### **FINDING REFERENCE: 2025-24-01**

*BUSINESS-RELATED MEALS – APPROVAL AND ALLOWABILITY*

#### **CRITERIA**

FIN MANUAL, FIN 8.05, 6.2 GENERAL REQUIREMENTS FOR COURT PAYMENT OF BUSINESS MEAL EXPENSES:

1. Trial court judges and employees are normally responsible for their own meals during the workday at their primary place of employment. With proper advance approval, business meal expenditures connected to trial court business are permissible and the court may reimburse or pay those expenses up to the applicable maximum rates specified in the Business Meal Rates section of this policy. All business meal expenditures must be supported by receipts reflecting the actual costs incurred and a completed, approved business-related meal expense form (sample provided in 7.0, Associated Documents) or a memo or email authorizing the expenditure in advance. In compliance with Internal Revenue Service regulations, the business-related meal expense form, memo, or email must include the following information:
  - a. Date of the business meal.
  - b. Scheduled start and end time of the meeting.
  - c. Statement explaining the business purpose of the meeting.
  - d. Category and duration of the business meal (e.g., “Breakfast 8:00–8:30 (30 min.)”).
  - e. Location/place of the business meal.

- f. Copy of the formal agenda, if applicable.
  - g. List of expected attendees and their titles and affiliations.
2. Business meal expenses not approved in advance by the presiding judge or his or her written delegate will be considered a personal expense, and the court will not be reimbursed or paid them.

#### FIN MANUAL, FIN 8.05, 6.8 UNALLOWABLE BUSINESS MEAL EXPENSES:

1. The trial court may pay or reimburse the costs of a group meal that is intended to recognize an individual for his or her work-related accomplishments on behalf of the court or in connection with a purpose that is part of the court's mission. However, the court may not pay or reimburse the costs of a group meal that is intended to be part of a retirement event for a judge or court employee. The latter are considered personal expenses.

#### **CONDITION**

For all three business-related meals reviewed, the Court did not obtain advance approval from the Presiding Judge (PJ), or an authorized written delegate, before the meal event. Instead, according to the Court, the meal expenses were verbally approved by the CEO. When the Court does not approve business meal expenses in advance, the Court is at risk of these meals being considered personal expenses that it may not reimburse nor pay.

Additionally, the Court did not document and provide a list of all the expected attendees, titles, and affiliations to support the number of attendees and their business purpose. Without the number, title, and affiliation of the attendees, the Court is not positioned to demonstrate that it incurred business-related meal expenses that were within the per person meal expense limits and only for those who had legitimate business with the Court.

Finally, for all three samples reviewed, the Court incurred business-related meal expenses that are not allowed by the FIN Manual. Specifically, for one sample reviewed, the Court paid for afternoon snacks in the amount of \$577 relating to a retirement event for a judge. However, the FIN Manual states that the Court may not pay or reimburse the costs of a group meal that is intended to be part of a retirement event for a judge or court employee. In addition, for the other two samples—\$538 for a Christmas luncheon and \$147 for an Employee Appreciation Day lunch—the Court paid for group meals were not intended to recognize an individual for his or her work-related accomplishments on behalf of the Court or in connection with a purpose that is part of the Court's mission. This is due, in part, to the Court's lack of written local policies and procedures for the preauthorization and processing of business meals expenses. According to the Court, it was not aware these expenses would be classified under business meals, and therefore it did not ensure the FIN Manual requirements for business meals were met.

#### **RECOMMENDATION**

To ensure it complies with the business-related meal expense policy, and to ensure its business-related meal expenses are an appropriate and necessary use of public funds, the Court should:

- Require approval from the Presiding Judge or an authorized written designee prior to incurring a business-related meal expense.
- Ensure that its procedures for using the business-related meal expense form require requestors to submit a list of expected attendees, along with their titles and affiliations, with its business-related meal expense forms.
- Ensure that it does not incur costs for unallowable meal expenses, such as for retirement events or events that are not intended to recognize an individual for his or her work-related accomplishments on behalf of the Court.

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

The Court agrees. Moving forward, the Court will create a policy for all Business-Related Meal expenses to ensure the proper authorizations are obtained prior to incurring any costs, proper procedure is being followed, and unallowable costs are not incurred.

**Response provided on June 17, 2025, by:** Cynthia Otero, Chief Financial Officer

**Date of Corrective Action:** June 17, 2025

**Responsible Person(s):** Cynthia Otero, Chief Financial Officer

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## **FUND BALANCE**

### **The Court Appropriately Supported Its Year-End Encumbrances**

#### ***Background***

State law allows trial courts to retain unexpended fund balance reserves in an amount that does not exceed a defined percentage of a court's prior fiscal year operating budget. Operating budget is defined as the court's total expenditures from all funds (excluding fiduciary funds) that are expended for operating the court. Certain types of funds received by the court and restricted for certain purposes—as specifically designated in statute, and including year-end encumbrances—are exempt from this requirement. The intent of the legislation was to prevent trial courts from accumulating significant fund balances instead of spending the funds on court operations. Audit Services reviews year-end encumbrances to ensure courts do not inflate their calculated fund balance caps by overstating total year-end encumbrance amounts for the current fiscal year, avoiding any required reductions in their budget allocation.

In addition, should a court need to retain funds that exceed its 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.

#### ***Results***

Our review found that the Court complied with the requirements for reporting year-end encumbrances. Specifically, the Court supported the encumbrances it reported on its final FY 2023-24 calculation form with valid contracts for goods or services not received by June 30, 2024.

Finally, we found the Court had excess funds held on its behalf at the end of FY 2022-23 and FY 2023-24. Our review found that the Court complied with the requirements to spend its held funds for the purposes previously approved by the Judicial Council.

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## **JBSIS CASE FILING DATA**

### **The Court Reported Accurate New 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.

#### ***Results***

Our review found that the Court maintained documentation to support the JBSIS case filings data it submitted to the Research, Analytics and Data Office for fiscal year 2023-24.

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## APPENDIX – AUDIT SCOPE AND METHODOLOGY

Audit Services initiated an audit of the Superior Court of California, County of Colusa (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, such as such as those contained within the Trial Court Financial Policies and Procedures Manual (FIN Manual) and the Judicial Branch Contracting Manual (JBCM). 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) 2023-24, but certain compliance areas noted below required that we review earlier periods or current practices. Table A-1 lists the specific audit objectives and the methods we used to address them.

Table A-1 – 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>	We obtained information from the Court regarding the types and average volume of collections at each of its payment collection locations. For selected locations, we observed the Court’s practice for safeguarding and accounting for cash and other forms of payments from the public. For example, we reviewed and observed the Court’s practice for appropriately segregating incompatible duties, assigning cash drawers to cashiers at the beginning of the day, reviewing and approving void transactions, safeguarding and accounting for manual receipts, opening and processing mail payments, controlling access to change funds, overseeing the end-of-day balancing and closeout process, and preparing and accounting for the daily bank deposits.

3	<p>Determine whether the Court demonstrated appropriate control over its non-personal services spending activities. Specifically, our review included the following:</p> <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>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, receiving the goods, and paying for the goods or services.</p> <p>We 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 2023-24 payments pertaining to various purchase orders, contracts, or in-court services, five travel expense claims, and three business-related meal expenses, and determined whether:</p> <ul style="list-style-type: none"> <li>• The Court followed the 3-point match process to ensure goods and services were received and accepted, and the invoice agreed with the contract terms.</li> <li>• Appropriate court staff authorized payment.</li> <li>• The payment reasonably represented an allowable “court operations” cost per Rule of Court, Rule 10.810.</li> <li>• The payments for in-court service providers, travel expense claims, and business meals adhered to applicable Judicial Council policies.</li> </ul>
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4	<p>Determine whether the Court properly classified its year-end encumbrances 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 Year-End Encumbrance Calculation Worksheet for the most recently completed fiscal year at the time of our testing (FY 2023-24) and traced and verified year-end encumbrances to supporting records and the Phoenix accounting system.</p> <p>We obtained any Judicial Council-approved requests by the Court to hold excess prior year fund balances. To the extent that the Court had and spent any of these held funds, we verified that such spending was limited for the purposes previously approved by the Judicial Council.</p>
5	<p>Determine whether the Court accurately reports case filings data to the Judicial Council through the Judicial Branch Statistics Information System (JBSIS).</p>	<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 2023-24), 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 type, to validate that the Court accurately reported its case filings count data.</li> <li>• We selected 10 cases from six case types, for a total of 60 reported cases, and reviewed the relevant case file records to verify that the Court correctly applied the JBSIS definitions for reporting each case filing.</li> </ul>

### Assessment of Data Reliability

We obtained financial transaction data from the statewide accounting system used by the superior courts for the limited purpose of selecting transactions to test. We reconciled the data 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 financial transaction data was sufficiently reliable for the limited purpose of selecting transactions for testing.