



Audit of the Superior Court of California, County of Lassen

JUNE 2026



Judicial Council of California

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Superior Court of California, County of Lassen

Table of Contents

EXECUTIVE SUMMARY 1

BACKGROUND ON THE COURT’S OPERATIONS 3

SCHEDULE OF AUDIT FINDINGS AND PLANNED CORRECTIVE ACTION 4

 CASH HANDLING..... 5

 PROCUREMENT AND CONTRACTS..... 11

 PAYMENT PROCESSING 18

 FUND BALANCE 29

 JBSIS CASE FILING DATA..... 30

APPENDIX – AUDIT SCOPE AND METHODOLOGY..... 33

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 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 Lassen (Court) demonstrated compliance with many of the Judicial Council's requirements evaluated during the audit. The Court demonstrated consistent adherence with many of the compliance areas evaluated during the audit. In particular, the Court demonstrated good compliance in the area of reporting year-end encumbrances. For example, our review found that the encumbrances reported at fiscal year-end were properly supported.

However, our audit did identify 11 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 findings are further detailed in the body of the report and include the Court's perspective.

One particular area of focus for the Court as it considers opportunities for improvement should include strengthening its controls over the required three-point-match verification process when paying invoices and claims. Specifically, the Court was unable to demonstrate that they matched and agreed the itemized invoice or claim to proof that the Court received and accepted the goods or services before processing the invoice or claim for payment. The FIN Manual requires a three-point match which consists of matching a vendor invoice to a purchase agreement and proof of receipt and acceptance of goods or services. Without the proof of receipts of goods or services, the Court risks paying for unauthorized goods or services or being overcharged without any basis for disputing such work or charges. The Court indicated it agreed with our finding and recommendation in this area and that it will work towards strengthening its three-point match system.

Summary Perspective of Court Officials

Audit Services initiated its audit of the Court on August 27, 2025, and completed its fieldwork in February 2026. Audit Services shared the draft findings with the Court starting on December 10, 2025, and received the Court's final official responses on May 4, 2026. 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 June 10, 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 Lassen (Court) operates one court facility in the city of Susanville. 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 Judicial Council generally groups superior courts into four clusters and uses these clusters, for example, when analyzing workload and allocating funding to courts. 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. Lassen Superior Court is a cluster 1 court.

SCHEDULE OF AUDIT FINDINGS AND PLANNED CORRECTIVE ACTION

CASH HANDLING

The Court Should Strengthen Its Controls Over Certain Payment Collection Processes

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 processing of voids and internet payments.

Nevertheless, we identified three audit findings that we believe require the Court's attention and corrective action. These findings pertained to the following specific areas of cash handling:

Finding #	Subject Area
1	Manual Receipts – Monitoring and Accounting for Use
2	Bank Deposits – Deposit Verification
3	Bank Deposits – Prompt Deposit

FINDING #1*MANUAL RECEIPTS – MONITORING AND ACCOUNTING FOR USE***CRITERIA**

FIN MANUAL, FIN 10.02, 6.3.9 MANUAL RECEIPTS:

6. Issuance of manual receipt book by court facility supervisor or his or her designee to cashiers:
 - a. The supervisor or his or her designee must maintain control and oversight of the manual receipt books. When the cashiering system and/or case management system is not available to process automated receipts, the supervisor or designee will retrieve and issue books of prenumbered receipts to cashiers. Manual receipt books should only be used when the cashiering system and/or case management system is down.
 - b. The supervisor or his or her designee issuing the prenumbered manual receipt books must monitor and maintain an accounting of the receipt books, including:
 - i. The receipt books issued;
 - ii. To whom the receipt book was issued;
 - iii. The date issued;
 - iv. The name of the person returning the book;
 - v. The date the books were returned (should be the end of the same day); and
 - vi. The receipt numbers used within each book.

CONDITION

The Court's Fiscal office controls and issues its three manual receipt books to cashiers when the CMS is unavailable. However, it does not maintain a complete manual receipts log to monitor and maintain a complete accounting of the receipt books issued in accordance with the FIN Manual requirements. Specifically, the Court uses a receipt transfer form to identify the date a book was issued, to whom the book was issued to, and the person returning the book. The transfer form, however, does not identify the receipt book issued, the date the receipt book was returned, nor the receipt number(s) used within each receipt book. According to the Court, it does not know why it does not have a process to track its manual receipts books as required by the FIN manual. Nonetheless, the FIN Manual requires court management to maintain control and oversight of the manual receipt books and monitor and maintain an accounting of each book issued, to whom the book was issued, the date issued, the person returning the book, the date returned, and the receipt numbers used. When courts do not monitor and maintain a complete accounting of their manual receipt books, they are at increased risk that staff may use manual receipts inappropriately and possibly without clear accountability of who used the manual receipts.

RECOMMENDATION

The Court should ensure it maintains a detailed log to monitor and account for its receipts books and receipts numbers used in accordance with the FIN Manual requirements.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding. The court has updated its policy and procedures to create a manual receipt log to be used in addition to the transfer form. Manual receipt books have been numbered 1-3 and will be issued in numerical order as needed. The Manual Receipt Log will note what receipt book is issued, to whom, the date issued, the name of the person returning the book, the date the book is returned, the receipt numbers used within each book while issued out, and the name of the person(s) returning the book to the safe.

Response provided on 12/12/2025 by: Samantha Ngotel, Administrative Services Manager

Date of Corrective Action: 12/12/2025

Responsible Person(s): Samantha Ngotel, Administrative Services Manager

FINDING #2***BANK DEPOSITS – DEPOSIT VERIFICATION*****CRITERIA**

FIN MANUAL, FIN 13.01, 6.4 DEPOSITS:

3. Deposits consisting of coin and paper currency in excess of \$100 will be prepared as follows:
 - b. The coin and paper currency portion of any bank deposit must be counted by one person and verified and initialized by a second person (preferably a supervisor or lead) prior to tendering the deposit to an armored car service, a court employee for deposit to a bank night deposit drop safe, or a bank teller within the lobby of the bank.
 - c. Paper currency and coin (unrolled) will be placed in the deposit bag and sealed in the presence of two court employees who will sign a court copy of the deposit slip indicating they have verified the coin and paper currency amount contained in the deposit bag.

CONDITION

The Court does not require either the person who prepares the deposit or the person who verifies the deposit to sign or initial the bank deposit slips for cash amounts in excess of \$100 before tendering the deposit to the bank. Instead, both the deposit preparer and the verifier sign only the cash balance report to document their verifications of collections against the CMS. The Court stated it does not know why it does not require either the deposit slip preparer or the verifier to sign or initial the deposit slip. Nonetheless, the FIN Manual requires courts to have one person prepare deposits and a second person, preferably a supervisor or lead, verify deposits, and for both employees to sign a court copy of the deposit slip indicating they have verified the coin and paper currency amount contained in the deposit bag. As a result, any potential deposit shortage would be without clear accountability of when or who may have been responsible for the discrepancy.

RECOMMENDATION

To safeguard its receipts and reduce the risk of lost or stolen collections, the Court should ensure deposit slips are consistently prepared and signed by the employees responsible for preparing and verifying bank deposits of cash and currency.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding. The court applied for JCC approval to enact an alternative procedure to address this departure from FIN manual requirements and received approval to do so on March 12, 2026.

Response provided on 12/12/2025 by: Samantha Ngotel, Administrative Services Manager

Date of Corrective Action: 03/12/2026

Responsible Person(s): Samantha Ngotel, Administrative Services Manager; Diva Conoboy, Fiscal Analyst

FINDING #3*BANK DEPOSITS – PROMPT DEPOSIT***CRITERIA**

FIN MANUAL, FIN 13.01, 6.4 DEPOSITS:

1. Courts are required to deposit receipts in a timely and economical manner. Courts must adhere to the following guidelines in determining when to deposit receipts into an appropriate court-approved bank account.
 - a. All court locations that have safes, vaults, or other comparable storage that is adequate to safeguard cash may accumulate collections until they amount to \$1,000 in coin/paper currency or \$10,000 in any combination of coin/paper currency, checks, money orders, and warrants (excluding state warrants and state checks), whichever occurs first.
 - c. Accumulated coin/paper currency, checks, money orders, and warrants of any amount will not remain undeposited for more than 10 working days. A court may deposit more often than once a day at its discretion and when it is economical or practical to do so because of the amount of its receipts.

FIN MANUAL, FIN 1.01, 6.4 TRIAL COURT OPERATING STANDARDS:

3. A presiding judge or his/her designee who wants to establish an alternative procedure will submit a signed and dated Request for Alternative Procedure (RAP) Form (copy provided in 7.0, Associated Documents) to:

Judicial Council of California
Director of Branch Accounting and Procurement
Attn.: Trial Court Alternative Financial Policies and Procedures
2850 Gateway Oaks Drive, Suite 300
Sacramento, CA 95833-4348
E-mail: TCFin@jud.ca.gov

A written response to the submission of alternative procedures will be returned to the submitting court within 60 business days of receipt of the document. When a Request for Alternative Procedure has been received by Judicial Council of California Staff, an acknowledgement of receipt will be returned to the submitting court. The 60 business-day response time will begin once the court receives that acknowledgement of receipt. Absent a response from Judicial Council of California Staff within 60 business-days, the alternative procedure will be in effect, subject to further review and consideration by Judicial Council of California Staff.

Undocumented procedures or those not approved by Judicial Council of California Staff will not be considered valid for audit purposes. Once approved, alternative procedures must be documented by the trial court, incorporated into the local trial court manual, and distributed to court personnel. Any alternative procedure that is different from what is included in the Trial Court Financial Policies and Procedures Manual, or the county's policy document must first be approved by Judicial Council of California Staff.

CONDITION

The Court does not promptly deposit its cash collections in the bank. Specifically, the Court deposits its accumulated cash three times per week at a local bank. At the end of the month, the deposited cash is exchanged for a bank check which is then electronically deposited into the Court's regular bank account. As a result, the accumulated cash held without deposit consistently exceeds \$1,000. For example, our review of the Court's deposits for the month of September 2025 found cash deposit amounts ranging between \$1,036 and \$1,480 on four separate occasions that were not deposited the next business day. According to the Court, the regular bank where it makes its deposits does not have a branch in Lassen County; therefore, the Court exchanges the cash portion of the deposit for a bank check at a local bank once a month. Nonetheless, the FIN Manual requires courts to deposit collections when they exceed \$1,000 in cash or \$10,000 in any combination of coin/paper currency, checks, money orders, and warrants (excluding state warrants and state checks), whichever comes first. By not making deposits when required, the Court leaves itself at increased risk for loss or theft of significant amounts of cash and other collections.

RECOMMENDATION

To minimize the potential risk of the loss or theft of large amounts of cash, the Court should promptly deposit cash collections into the bank when they reach \$1,000, or when any combination of cash and checks reaches \$10,000. If the Court believes it is not economically and practically feasible to do so, it should request approval from the Judicial Council for an alternative procedure that mitigates the potential risk created by not following the FIN Manual requirement for promptly depositing coin/paper currency collections of \$1,000 or more, or when any combination of cash and checks reaches \$10,000 or more.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding. The court applied for approval to enact an alternative procedure to address this departure from FIN manual requirements and received approval to do so on March 12, 2026.

Response provided on 12/12/2025 by: Samantha Ngotel, Administrative Services Manager

Date of Corrective Action: 03/12/2026

Responsible Person(s): Samantha Ngotel, Administrative Services Manager; Diva Conoboy, Fiscal Analyst

PROCUREMENT AND CONTRACTS

The Court Should Ensure Its Procurement Practices Align with JBCM Requirements

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

Our review found that the Court complied with some of 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, and leveraged procurement agreements. Nevertheless, we identified three audit findings that we believe require the Court's attention and corrective action. These findings pertained to the following specific areas of procurement:

Finding #	Subject Area
4	Procurement Initiation
5	Non-Competitive Procurements – Sole Source
6	Contract Terms

FINDING #4*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 six 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. The six procurement transactions we reviewed ranged between \$637 and \$71,460 and related to dependency counsel, self-help attorney services, software licensing, mediator services, office equipment maintenance, and shredding services. According to the Court, it has not been its practice to create purchase request forms for recurring services or expenses. 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 courts do not consistently document their purchase requests and authorizations, they risk the appearance that they are making purchases that may not be appropriate or not allowed and not in their 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 with this finding. Before commencement of the procurement the court will obtain the signature/initial of an authorized member of court leadership directly on the document or upon the NCB Documentation and Approval form to reflect appropriate and timely approval was given to proceed with the procurement.

Response provided on 04/28/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: 10/03/2025

Responsible Person(s): Megan Reed, Court Executive Officer; Samantha Ngotel, Administrative Services Manager

FINDING #5*NON-COMPETITIVE PROCUREMENTS – SOLE SOURCE***CRITERIA**

JUDICIAL BRANCH CONTRACTING MANUAL, CHAPTER 5, 5.9 SOLE SOURCE:

JBEs may purchase non-IT goods, non-IT services, and IT goods and services of any value without conducting a competitive procurement if (i) the vendor is the only source of the goods and/or services that meet the JBE's need, or (ii) a grant application submittal deadline does not permit the time needed for a competitive procurement of services.

A sole source request must be provided to the sole source approver.

The sole source request should include the following information:

- Description of the non-IT goods, non-IT services, or IT goods and services to be procured;
- Explanation of why the non-IT goods, non-IT services, or IT goods and services cannot be procured competitively;
- The effort made to solicit competitive Bids, if any;
- Documentation that the pricing offered is fair and reasonable; and
- Special factors affecting the cost or other aspect of the procurement, if any.

CONDITION

For two procurement transactions, the Court was unable to justify its use of non-competitive procurement for goods that exceeded the \$10,000 JBCM non-competitive bid threshold. Specifically, the Court contracted for audio and video services totaling \$42,000 and for a three-year security software subscription totaling \$13,492. Although both procurements exceeded the JBCM's \$10,000 threshold for non-competitive procurements, and the Court indicated these procurements were performed via sole source, the Court was unable to provide documentation for the sole source request and approval. According to the Court, it was under the impression that a proprietary statement issued by the vendor for the audio and video services qualified as justification and approval for the sole source. Furthermore, for the security software subscription, the Court stated it did not conduct a competitive procurement process at the direction of the former CEO because the Court had been using the vendor for years and wished to continue with the same vendor in order to maintain continuity in the protection of its IT systems. Nonetheless, according to the JBCM, a sole source request must be provided to the sole source approver and should document the description of the goods or services, an explanation of why the goods and services cannot be competitively bid, any efforts to solicit competitive bids, documentation that pricing offered is fair and reasonable, and any other special factors affecting the cost or other aspects of the procurement. When courts do not reasonably justify a reason for not following the JBCM competitive bidding requirements when procuring goods or services, they risk both not obtaining the best value procurements and creating the appearance of not fairly awarding their procurement contracts.

RECOMMENDATION

To ensure it can explain why certain goods or services were not procured competitively, the Court should take steps to ensure it documents its justification for not competitively bidding goods or services before continuing with the procurement process.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding. The court will comply with the requirements for sole source procurement requests outlined in the JBCM, and make all efforts to appropriately document actions taken through the course of the procurement process. Approved sole source requests will be documented using an NCB approval form with a copy of said approval retained in the procurement file.

Response provided on 04/28/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: 05/01/2026

Responsible Person(s): Samantha Ngotel, Administrative Services Manager

FINDING #6*CONTRACT TERMS***CRITERIA**

JUDICIAL BRANCH CONTRACTING MANUAL, CHAPTER 8, 8.3 (A) CONTENT OF CONTRACTS:

JBEs must include legally required terms in their contracts and should include other terms that the JBE determines are necessary to protect the JBE and mitigate the risks associated with the contract.

Sample language for terms and certifications required to be included in JBE contracts is available from the Judicial Council, together with templates for complete contracts.

Use of these sample provisions and templates is optional. Each JBE may modify the provisions or templates or use its own forms. JBEs may also use a Vendor-provided form contract provided the final contract includes appropriate terms and meets applicable legal requirements.

- **Contract elements:**
Each contract must identify the contracting parties. Contracts typically consist of three major elements:
 - Statement of Work (SOW), including the schedule of performance;
 - Pricing and payment; and
 - Other terms and conditions.
- Each of these elements must be clearly defined so that the JBE's needs are met, and the contractor and the JBE understand their performance obligations.
- Each major element is described below, including typical subject matters that are frequently grouped together in contract sections regarding the specific element. However, contract provisions are not required to be in any specific location in the contract. For example, a topic listed below as part of a typical.

1. Statement of Work (SOW)

The SOW describes the goods to be purchased and/or the services to be performed. The JBE must include a detailed description of the goods to be delivered or the services to be performed, together with any deliverables required and conditions of performance, if applicable. The contract must specify (as applicable): (i) when goods are to be delivered, (ii) when services are to be performed (start date and end date), (iii) when deliverables

2. Pricing and Payment

The price the JBE will pay for goods and services under a contract must be clearly stated. The contract should clearly specify the basis for compensation and the terms of payment, such as: lump sum (one-time payment), firm fixed price, unit price, labor rate, or other specific basis.

3. Terms and Conditions

The contract must include specified rights and obligations of either party that are not included in the SOW or the pricing and payment section, including additional provisions that apply to performance under the contract, as applicable.

CONDITION

For seven of the 25 procurement transactions reviewed, the Court did not execute written contracts or agreements stipulating the agreed-upon services, effective dates, and pricing. Specifically, with amounts ranging between \$637 and \$139,063, the Court contracted for court reporter services, court interpreter services, juvenile dependency counsel services, psychological evaluation services, and office equipment maintenance services. According to the Court, it does not have contracts with service providers such as court reporters and court interpreters due to the difficulty of retaining such contracts because of the Court's rural location. Furthermore, while the Court provided its local rule and contract rate sheet referencing the hourly rates for juvenile dependency counsel services, the contract rate sheet does not qualify as a contract between the Court and the dependency counsel vendor. Finally, for one procurement transaction reviewed, the Court explained that it had an existing service agreement for shredding services with a vendor the Court has been doing business with for over a decade, before current court staff began employment with the Court; however, the agreement did not contain the signature of a court employee authorized to execute contracts on behalf of the Court. Without written POs, agreements, or authorizations that specify the expected scope of work, term, pay, and executed by authorized court employees, the Court risks paying for unauthorized goods or services or being overcharged without any basis for disputing such work or charges.

RECOMMENDATION

To protect its best interests, the Court should institute a practice of executing written contracts and agreements, signed by an authorized employee, prior to receiving goods and/or services. Further, it should ensure these contracts and agreements include clear and complete terms that are in its best interest. Specifically, prior to executing contracts or agreements, it should establish and include in its contracts and agreements clear descriptions of the goods or services expected from the vendor and the associated pricing so that both the vendor and Court know what is expected and what it will pay. This will help to ensure it continues to receive best value goods and services.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding and will work to obtain written contracts with the vendors and in-court service providers that meet the requirements of the JBCM.

Response provided on 05/4/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: 07/01/2026

Responsible Person(s): Megan Reed, Court Executive Officer

PAYMENT PROCESSING

The Court Should Strengthen Its Verification of Invoices and Claims Prior to Payment

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 for court interpreters and other items of expense. Nevertheless, we identified four audit findings that we believe require the Court's attention and corrective action. These findings pertained to the following specific areas of cash handling:

Finding #	Subject Area
7	Three-Point Match
8	Payment Approval and Authority Levels
9	Special Rules – In-Court Service Providers
10	Travel Expense Claims – Approval and Support

FINDING #7*THREE-POINT MATCH***CRITERIA**

FIN MANUAL, FIN 8.01, 6.3.2 DOCUMENT MATCHING:

1. At the scheduled time and depending on the court's invoice payment cycle, an accounts payable employee will match the vendor invoices to all appropriate supporting documentation. The court will adopt the "three-point match" procedure to process vendor invoices.
2. A three-point match procedure consists of matching a vendor invoice to a purchase agreement and to proof of receipt and acceptance of goods or services. For example:
 - a. All details of the invoice, including a description of the goods and services ordered, quantities involved, unit prices billed, and other applicable charges, must be matched to the details and terms and conditions of the court's purchase agreements or contracts.
 - b. All invoice details, including a description of the goods or services ordered and quantities invoiced must be matched to the details of packing slips, shipping orders, receiving reports, or other forms of acknowledgement of delivery of products or completion of work by an authorized court employee.
3. Vendor invoices shall not be processed for payment without completing the three-point match procedure. If one element is missing (e.g., if there is no evidence of receipt of goods or services), the accounts payable employee should contact the responsible court employee to obtain the appropriate documents or secure a signature of approval.

CONDITION

For five of the 40 payment transactions reviewed, the Court could not demonstrate completing the entire three-point match verification process when paying invoices and claims. Specifically, for three invoices totaling \$1,608 for the purchase of office supplies, the Court was unable to provide either the delivery receipts or the packing slips to support the receipt of the items ordered. In addition, for two invoices totaling \$675 for membership dues reimbursed to the former CEO, the Court did not receive documentation from the former CEO to establish proof of membership for the dues paid. However, the FIN Manual requires a three-point match which consists of matching a vendor invoice to a purchase agreement and to proof of receipt and acceptance of goods or services. Without the proof of receipts of goods or services, the Court risks paying for unauthorized goods or services or being overcharged without any basis for disputing such work or charges.

RECOMMENDATION

To ensure that it can demonstrate it pays the proper amounts for the goods and services it receives, the Court should take steps to strengthen its process for approving vendor payments. Specifically, the Court should ensure that it fully documents the receipt of goods and services prior to payment approval and processing.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding. Despite best efforts by financial staff, the court was unable to obtain proof of purchase, receipts, and membership from the former CEO on numerous occasions, however staff was instructed by former CEO to proceed with payment. Financial staff will obtain/retain all appropriate documentation and receipts to reflect three-point match verification for all transactions. In any instance where this objective cannot be achieved, a memorandum will be supplied in lieu of missing documentation and acknowledged by the CEO/PJ before payment is issued.

Response provided on 04/28/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: 05/23/2025

Responsible Person(s): Samantha Ngotel, Administrative Services Manager; Diva Conoboy, Fiscal Analyst

FINDING #8*PAYMENT APPROVAL AND AUTHORITY LEVELS***CRITERIA**

FIN MANUAL, FIN 8.01, 6.4 PAYMENT APPROVAL:

1. Designated court officials with payment approval authority must review all invoices for:
 - a. Appropriateness of the transactions.
 - b. Accuracy of the records submitted.
 - c. Reasonableness of the expenditures.
2. Designated court officials must act within the scope of their authority when approving invoices for payment. If the dollar amount or nature of a purchase exceeds an individual's authority, the next level of authority must be consulted and appropriate approval secured before releasing the invoice for payment.
5. Invoices that have been properly processed and approved according to the applicable criteria must be forwarded to the trial court accounts payable department or accounts payable provider for payment.

CONDITION

For 12 of the 40 expenditure transactions we reviewed, the Court did not properly approve the invoices for payment. Specifically, for nine of the expenditure transactions reviewed—related to membership dues, computers, an annual software subscription, office supplies, court reporter services, self-help attorney services, and per diem for travel—which together totaled \$23,918, the Court was unable to demonstrate that the invoices were reviewed and approved by the previous CEO or another employee authorized to approve the invoices. According to the Court, these expenditures were sometimes paid outside of the Court's regular weekly or bi-weekly payment process, and/or the former CEO gave verbal approval after reviewing the bi-weekly accounts payable report. Also, for two other expenditure transactions related to juror mileage totaling \$291, the Court did not review and approve the expenditures before having the payments processed. According to the Court, the jury payroll is not part of the regular payment process. Instead, the jury commissioner completes the payment file and sends it to the Administrative Services Manager, who then forwards it to JCC for payment, in effect approving payment. Nonetheless, the FIN Manual requires courts to have authorized staff review and approve invoices and claims for payment because not all court staff may have the expertise and knowledge needed to properly assess the appropriateness of the payment transaction, accuracy of the records submitted, and reasonableness of the expenditure. As a result, the Court is at increased risk of disbursing funds that it may later find to be excessive or inappropriate. Additionally, when the Court does not document invoice payment approvals, the Court is at an increased risk for unauthorized and inappropriate payments.

RECOMMENDATION

To ensure all invoices are properly paid, the Court should take steps to implement controls that provide for the proper review and approval before processing the invoices for payment. This

includes requiring designated court employees to review all invoices for appropriateness of the transactions, accuracy of the records submitted, and reasonableness of the expenditures. If the dollar amount or nature of a purchase exceeds an individual's authority, the next level of authority must be consulted and appropriate approval secured before processing the invoice for payment. The Court should also consider providing refresher training to accounts payable staff regarding the necessary approvals that must be obtained prior to processing invoices for payment.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding regarding approval of invoices and established a procedure to obtain and document proper approvals in June of 2025. Additionally, the court will implement procedures to properly verify jury expenses for accuracy prior to issuing payment as a result of this finding.

Response provided on 05/04/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: 06/01/2026

Responsible Person(s): Megan Reed, Court Executive Officer; Samantha Ngotel, Administrative Services Manager; Diva Conoboy, Fiscal Analyst

FINDING #9*SPECIAL RULES – IN-COURT SERVICE PROVIDERS***CRITERIA**

FIN MANUAL, FIN 8.02, 6.3 COMPLETE CLAIM DOCUMENTATION:

1. The documentation required to pay a claim consists of a court-approved claim form that includes at least the following information:
 - a. The name and address of the person or business submitting the claim.
 - b. The tax identification number of the person or business submitting the claim. (If the tax identification number is on file with the court, it need not appear on every claim form.)
 - c. The signature of the person making the claim or the person authorized to sign for the business making the claim.
 - d. The case number and name.
 - e. The amount of compensation claimed.

FIN MANUAL, FIN 8.02, 6.8 RECONCILIATION OF CLAIMS:

After the accounts payable department has received and recorded a claim, it must be reconciled to the court authorization for the services provided and the service provider's invoice. The claim should be reviewed against the court authorization to verify the appointment, rates, and any hour or dollar limits that may apply. The invoice should be reviewed against the court authorization for the rates and hours charged, and other costs incurred. The correctness of unit price extensions and totals should also be reviewed. Previous claims for the same matter should also be reviewed to assure that limits are not exceeded.

CONDITION

For seven of the ten in-court service provider claims reviewed, the Court processed and paid the claims even though the claimants did not include all the information required for the Court to fully verify the accuracy and validity of the claims. Specifically, for five of the seven claims, the Court's accounts payable staff processed claims for two reporters totaling \$6,574, one family law facilitator claim for \$2,940, one mediator claim for \$1,980, and a \$250 psychiatric evaluator claim for payment without requiring the claimants to include on their claim forms the case names and/or case numbers for which they provided services. In addition, six of the seven claim forms did not include the claimants' signatures, and three of the seven claim forms did not include the claimant's physical address. According to the Court, the claim forms did not include the FIN Manual required information because they were considered invoices and not claims, and it historically has not required signatures on invoices. Also, the Court stated it will instruct its service providers to include their physical address in their claim forms going forward. Including the claimants' addresses, case names, and/or numbers, and signatures on in-court service provider claims are required by the FIN Manual, and when courts do not require claimants to include all required information, courts risk paying invalid or inappropriate claims.

RECOMMENDATION

To ensure court accounts payable staff responsible for processing in-court service provider claims have the information they need to reconcile and verify the accuracy of these claims prior to payment approval and processing, the Court should require all in-court service providers to use a claim form that includes at least the following information:

- The name and address of the person or business submitting the claim.
- The tax identification number of the person or business submitting the claim. (If the tax identification number is on file with the court, it need not appear on every claim form.).
- The signature of the person making the claim or authorized to sign for the business making the claim.
- The case number and name.
- The amount of compensation claimed.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding and will create and distribute a mandatory claim form to be submitted with invoices by all in-court service providers containing the above noted information.

Response provided on 04/28/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: 07/01/2026

Responsible Person(s): Samantha Ngotel, Administrative Services Manager; Diva Conoboy, Fiscal Analyst

FINDING #10*TRAVEL EXPENSE CLAIMS – APPROVAL AND SUPPORT***CRITERIA**

FIN MANUAL, FIN 8.03, 6.3 TRAVEL PROCEDURES:

1. It is necessary to document business travel expenses with receipts showing the actual amounts spent on lodging, transportation, and other miscellaneous items. In limited circumstances, a receipt not on preprinted bill head may be acceptable. Receipts not on preprinted bill head must be signed by the vendor or person furnishing the goods or services. Every receipt must be properly itemized. Receipts are required to claim reimbursement for:
 - a. Airfare for ticketless travel. The airfare itinerary is a valid receipt.
 - h. Conferences and training classes. In addition to the receipt, a proof of attendance or certification of completion must be submitted with the claim. Agenda materials distributed at the conference will suffice as proof of attendance.

In cases where receipts cannot be obtained or have been lost, a written explanation to that effect and the reason provided must be noted on the Travel Expense Claim. Lodging, airfare, and car rental receipts cannot be certified as lost or waived and must not be reimbursed without the submission of a valid receipt.

FIN MANUAL, FIN 8.03, 6.3.2 PERSONAL VEHICLE MILEAGE:

1. When the use of a personal vehicle is approved for trial court business, a Travel Expense Claim (TEC) form must be completed for reimbursement. The TEC must contain a description of the trip including the date of travel, destination, and total miles driven for business purposes. Requests for mileage reimbursement should include a PDF from Google Maps, MapQuest, or other navigation website showing total miles to destination as supporting documentation for miles claimed.
2. Trial court judges and employees submitting claims for reimbursement for personal vehicle use should note the following:
 - b. When travel commences from home, and the traveler is authorized to use his or her personal vehicle to travel to a business destination other than the traveler's designated headquarters, reimbursed mileage will be calculated from the traveler's designated headquarters or home, whichever results in the lesser distance, to the business destination. Likewise, upon return, mileage reimbursement will be calculated to headquarters or home, whichever results in the lesser distance. If the calculation for both home and headquarters is equal, no mileage reimbursement will be allowed.

FIN MANUAL, FIN 8.03, 6.4.3 UNALLOWABLE EXPENSES:

1. Expenses incurred for the sole benefit of a trial court judge or employee must not be allowed as reimbursable travel expenses. Examples of unallowable expenses include any type of insurance, travel loan finance charges, personal credit card fees or dues, newspapers, magazines, and other like charges.

FIN MANUAL, FIN 8.03, 7.0 ASSOCIATED DOCUMENTS:

Travel Expense Claim (TEC) Form General TEC Instructions

All TECs must be completed in ink (other than black), unless electronically printed. Completion of the upper portion of the form in its entirety is required. Submit only the signed original with supporting documentation within 30 days of travel. Receipts should be arranged in chronological order. "Headquarters" is defined as the traveler's primary place of assigned employment.

16. SIGNATURE AND DATE OF APPROVING OFFICER—Mandatory. Each employee must have a legitimate and reasonable need to travel before the appropriate approval level gives his or her approval. It is inappropriate for an employee to travel without this approval. The most reasonable mode of transportation and/or lodging must be acquired when traveling. It is the approving officers' responsibility to ascertain the accuracy, necessity, and reasonableness of the expenses for which reimbursement is claimed. Print and sign the form and forward the required number of copies to the approving authority.

CONDITION

Our review found that the Court did not consistently follow applicable Judicial Branch travel expense reimbursement policies and procedures. Specifically, for five of the 10 travel expense reimbursement claim (TEC) samples reviewed, the Court did not require the traveler to submit a completed TEC form. For one TEC form reviewed, the Court did not require an approval signature, and for a second TEC form the claimant did not provide their residential address. The three other TEC payments did not have completed and approved TEC forms. Two of these TEC payments included mileage reimbursement; however, without a completed TEC form, it could not be determined whether the mileage claimed was the lesser of the distance between the designated headquarters or the claimant's residence and the business destination. According to the Court, the former CEO took over the task of reviewing and approving the TEC forms and directed staff to process payments without TEC forms. Also, the Court indicated the missing residential address on the one TEC form was an oversight.

In addition, for two TEC samples reviewed, the airfare claimed and reimbursed to the claimant was not fully supported by the receipts. Specifically, for one TEC, the Court directly paid for the claimant's \$319 airfare; however, the claimant also included airfare expenses totaling \$329 on their TEC form for reimbursement. Per Court management, this was an oversight and the TEC erroneously included the \$319 airfare and an additional \$10 representing the airfare cost for a different claimant. For another TEC form reviewed, the claimant provided an airfare receipt for \$362; however, the claimant was reimbursed \$392 for airfare, resulting in an overpayment of \$30. According to the Court, this discrepancy was in error. As a result, the Court reimbursed the claimants for a total of \$359 more than it should have.

Furthermore, we found that the Court did not consistently follow FIN Manual requirements related to trips for conferences and training. Specifically, the FIN Manual requires that for conferences and training classes, the receipt as well as proof of attendance or certification of completion must be submitted with the TEC. For seven TEC samples reviewed in which the

claimants attended training or conferences, the receipt and proof of attendance or certification of completion was not included. In particular, for three TEC samples, the claimants attended New Judge Orientation training and AB 1058 Child Support training; however, none of the three TEC forms had proof of attendance attached. The remaining four TECs, which were all submitted by the former CEO, also did not include enrollment receipts or proof of attendance for any of the trainings or conferences for which reimbursement was claimed. The Court stated it was unaware of this FIN Manual requirement. Nonetheless, when the courts do not require employees to submit TEC forms that include all necessary key information and required documentation, reviewers and accounts payable staff may not have the information they need to properly verify that TECs include only appropriate expenses before approving and processing the TECs for payment.

Finally, for three TEC samples reviewed, the TEC reimbursements included unallowable expenses. Specifically, one claimant was reimbursed for two business expenses totaling \$148; however, no supporting documentation or explanation was provided to substantiate the nature of the claimed expenses, and the Court was unable to provide clarification. According to the Court, the former CEO provided the accounting staff with the TEC form and some supporting documentation and instructed staff to process the payment despite the missing information. For a second claimant, the Court paid for the claimant's airfare totaling \$250 using the Court's credit card; however, the amount included a \$50 fee to board the plane early, which is not an allowable expense. Additionally, we found that the Court overpaid a third claimant \$213 for lodging to attend AB 1058 training. Specifically, the Court directly paid for the claimant's lodging of \$213; however, the Court had also issued an advance payment for lodging of \$213 to the claimant. Per the Court, it was an oversight on the Court's part that it paid the claimant's hotel costs as an advance since the hotel had been paid directly by the Court.

RECOMMENDATION

To ensure it complies with the required Judicial Branch travel expense reimbursement policies and procedures, and to ensure its travel expenses are an appropriate and necessary use of public funds, the Court should do the following:

- Require employees and officials who travel on court business to provide completed TEC forms that include the information and documentation necessary—such as the residence address, and the signature and date of the approving officer—for reviewers to properly assess and approve allowable travel expenses.
- Require employees who travel for training courses or conferences to include the FIN Manual required documentation with the TEC forms, such as the receipts and proofs of attendance or certifications of completion.
- Provide instruction to managers, supervisors, and accounts payable staff, in addition to employees who travel on Court business, regarding the information and documentation necessary to review and approve allowable travel expenses, including instructions on FIN Manual travel expense reimbursement requirements and maximum reimbursement limits.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court agrees with this finding and will revise travel policies in relation to completion and submission of TEC forms with proof of attendance to meet the standards of the TCFIN and travel guidelines. Further instruction regarding travel related expenses will be provided to necessary court staff.

Response provided on 04/28/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: 07/01/2026

Responsible Person(s): Samantha Ngotel, Administrative Services Manager; Diva Conoboy, Fiscal Analyst

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 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.

JBSIS CASE FILING DATA

The Court Should Ensure It Reports Accurate 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. 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 JBSIS case filings data:

Finding #	Subject Area
11	JBSIS Data Quality – Case Filing Counts and Data

FINDING #11*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

Although the Court reported a materially accurate total count of 6,399 new case filings in fiscal year 2023-24, the counts of individual case types did not always materially agree to the number of filings supported by case type reports. Audit Services reviewed the underlying court records supporting its reported case counts for fiscal year 2023-24 and found variances greater than 2% for two RAS case categories: 11a Misdemeanor – Traffic with a 95.7% variance, and 11a Infractions with a 5.6% variance.

Additionally, although the Court compiled summary documents of the total new case filing counts it reported to JBSIS for all case types and all months of fiscal year 2023-24, we could not complete our audit procedures because the Court could not provide detailed lists of specific cases to support some of the monthly case filing counts it reported to JBSIS. Having this detail is necessary in order to select and review case files to evaluate whether the Court consistently followed the JBSIS Manual case type definitions. Specifically, we requested from the Court

detailed listings of the case numbers supporting the monthly case filing counts it reported for the six case types we selected for review in fiscal year 2023-24. However, the Court could not provide such detailed listings for all six case types requested: 05b Civil Unlimited, 06a Family Law – Child Support, 06a Family Law – Domestic Violence, 09a Juvenile Dependency, 07c Felony, and 10a Mental Health.

According to the Court, it transitioned to a new CMS system in 2022 and the new CMS vendor designed the CMS case filing reports. However, the Court stated that due to technical limitations in its new CMS system, it cannot generate the detailed case filing reports with the associated case numbers to support the filing counts in JBSIS for the fiscal year requested. The Court will continue to work with its CMS vendor to develop a report that will provide case specific information for JBSIS reporting. The Court also stated that it trusts the data in JBSIS but not the CMS case filing reports. Furthermore, the Court stated that since its CMS case filing reports and the JBSIS features were developed at different times by different programmers and for different purposes, it is unlikely that the information would be an exact match. The Court is still working on correcting the converted data to the new CMS and creating procedures for staff to follow. As a result, without reviewing these documents, Audit Services was unable to evaluate the Court's adherence to the JBSIS manual's policies and procedures for reporting case filings.

RECOMMENDATION

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

- Resubmit updated case filings data to JBSIS for fiscal year 2023-24 via an amended report once it has confidence in the data in its CMS case filing reports.
- Work with its CMS vendor to address the CMS technical limitations and develop a report that will provide case specific information for JBSIS reporting.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The court tentatively agrees with the recommendation, however with continued unwillingness/inability to improve or address JBSIS reporting errors from the CMS vendor, and without proper funding for a new case management system, the court is unable to enact sufficient corrective action for this finding. The court has applied for JCC funding to replace the case management system and is awaiting project approval. Additionally, the court will continue to engage the vendor to mitigate these issues as it has done throughout the course of our relationship with the vendor to date.

Response provided on 05/01/2026 by: Megan Reed, Court Executive Officer

Date of Corrective Action: Undetermined based on vendor cooperation and/or funding allocation.

Responsible Person(s): Megan Reed, Court Executive Officer; Lee Ann Workman, Court Services Analyst

APPENDIX – AUDIT SCOPE AND METHODOLOGY

Audit Services initiated an audit of the Superior Court of California, County of Lassen (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) 2024-25, 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

	Audit Objective	Method
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"> ▪ Determine whether the Court complied with the mandatory requirements in the FIN manual for internal controls over cash (payment) handling. ▪ 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. 	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: 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.

<p>3</p>	<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"> ▪ 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. ▪ 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. 	<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"> • Was properly authorized and approved by authorized court management. • Adhered to competitive bidding requirements, when applicable. • Had contracts, when applicable, that contained certain terms required to protect the Court’s interests. <p>We selected a sample of 40 FY 2024-25 payments pertaining to various purchase orders, contracts, in-court services, and 10 travel expense claims and determined whether:</p> <ul style="list-style-type: none"> • 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. • Appropriate court staff authorized payment. • The payment reasonably represented an allowable “court operations” cost per Rule of Court, Rule 10.810. • The payments for in-court service providers, travel expense claims, and business meals adhered to applicable Judicial Council policies. <p>The Court did not have business-related meal expenditures for the period under review. As a result, no further review was deemed necessary.</p>
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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>The Court has not requested to hold any funds on its behalf in either the current or the previous fiscal year. As a result, no further review was deemed necessary.</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"> • 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. • The Court was unable to provide the listing of new case filings for FY 2023-24. Therefore, we were unable to select a sampling of 60 cases to verify that the Court correctly applied the JBSIS manual definitions for reporting each case filing.

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.