



## Judicial Council of California . Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

[www.courts.ca.gov](http://www.courts.ca.gov)

---

# REPORT TO THE JUDICIAL COUNCIL

For business meeting on April 26, 2013

---

Title	Agenda Item Type
Judicial Branch Administration: Audit Report for Judicial Council Acceptance	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	April 26, 2013
Recommended by	Date of Report
Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch	April 17, 2013
Hon. Richard D. Huffman, Chair	Contact
	John A. Judnick, 415-865-7450 <a href="mailto:john.judnick@jud.ca.gov">john.judnick@jud.ca.gov</a>

Administrative Office of the Courts  
John A. Judnick, Senior Manager  
Internal Audit Services  
Fiscal Services Office

---

### Executive Summary

The Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch (A&E) and the Administrative Office of the Courts (AOC) recommend that the Judicial Council accept the audit report that pertains to Alameda Superior Court. This acceptance complies with the policy approved by the Judicial Council on August 27, 2010, which specifies Judicial Council acceptance of audit reports as the last step to finalization of the reports before their placement on the California Courts public website to facilitate public access. Acceptance and publication of these reports will enhance accountability and provide the courts with information to minimize financial, compliance, and operational risk.

## **Recommendation**

The Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch and the Administrative Office of the Courts recommend that the Judicial Council, effective April 26, 2013, accept the following “pending” audit report:

1. Audit report dated March 2013 entitled: *Audit of the Superior Court of California, County of Alameda*.

This acceptance will result in the removal of the “pending” watermark, and the audit report will then be placed on the California Courts public website.

## **Previous Council Action**

The Judicial Council at its August 27, 2010, business meeting approved the following two recommendations, which established a new process for review and acceptance of audit reports:

1. Audit reports will be submitted through the Executive and Planning Committee to the Judicial Council. Audit reports will not be considered “final audit reports” until formally accepted by the council.
2. All final audit reports will be placed on the California Courts public website to facilitate public access. This procedure will apply to all audit reports accepted by the Judicial Council after approval of this recommendation.

## **Rationale for Recommendation**

Council acceptance of audit reports submitted by A&E through the Executive and Planning Committee is consistent with the council’s policy for such matters (described under “Previous Council Action”) and with its responsibility under Government Code section 77009(h), which states that “[t]he Judicial Council or its representatives may perform audits, reviews, and investigations of superior court operations and records wherever they may be located.”

## **A&E Committee comments**

The A&E Committee’s discussion recognized that Alameda Superior Court had numerous issues many of which are typical of issues identified in the audit reports of large courts and might normally be recommended for consent agenda. The A&E Committee felt that the audit report should be a discussion agenda item with the discussion at the Judicial Council focused only on Internal Audit Services’ evaluation of, and the issues concerning, the Court’s development of its new traffic system that was primarily initiated in 2007 – 2008.

The discussion will be less a criticism of the Court but a “lessons learned” for other courts concerning the technical industry and State requirements necessary to comply with an information technology project. The A&E Committee believes that many courts are unaware of these specialized requirements and compliance in this area is necessary in the current environment. This would include documents, monitoring, and reporting requirements that are

mandatory regardless of the size of the project. One example of this is the requirement of including all costs (external contracted costs and internal costs that would include staff time and estimating justice partner costs) when determining total project costs. This issue affects reporting, or noticing, the California Technology Agency under Government Code section 68511.9 for all administrative and infrastructure information technology projects of the Judicial Council or the courts with total costs estimated at more than five million dollars (\$5,000,000).

## **Comments, Alternatives Considered, and Policy Implications**

### **Comments and policy implications**

The process established for finalizing an audit report, a process that has been thoroughly discussed with judicial branch leadership, involves extensive reviews and discussions with the entity being audited. It also allows, at any point in the process, for the entity (trial courts generally) to request an additional review of the draft audit report by the Chief of Staff before the audit report is placed in a pending status and presented to A&E for review and discussion. At that point, additional comments from A&E could result in further discussions with the entity being audited before the committee recommends submission of the report to the council for acceptance.

A&E in its review of audit reports generally has comments and questions that, in some cases, require additional analysis or discussion with the trial courts whose audit reports are presented to it. Internal Audit Services will ensure that any analysis, comments and questions are addressed with the results provided to A&E.

Additionally, the Judicial Council, in December 2009, adopted rule 10.500 of the California Rules of Court, effective January 1, 2010, which provides for public access to nondeliberative or nonadjudicative court records. Final audit reports are among the judicial administrative records that are subject to public access unless an exemption from disclosure is applicable. The exemptions under rule 10.500(f) include records whose disclosure would compromise the security of a judicial branch entity or the safety of judicial branch personnel. As a result, confidential or sensitive information that would compromise the security of the court or the safety of judicial branch personnel is omitted from audit reports. In accordance with auditing standards, disclosure of the omissions is included in the applicable reports.

### **Alternatives**

No alternatives were considered because the recommendation is consistent with approved council policy and with the provisions of Government Code section 77009(h).

## **Implementation Requirements, Costs, and Operational Impacts**

The proposed recommendation imposes no specific implementation requirements or costs, other than the requirement to disclose the attached audit reports through online publication.

## **Relevant Strategic Plan Goals and Operational Plan Objectives**

The recommendation contained in this report pertains to the activities of IAS and the role it plays in the judicial branch as an independent appraisal entity. IAS's role as an evaluator is important for both the strategic plan and the operational plan of the judicial branch. Specifically, IAS plays an important role as evaluator under Goal II, Independence and Accountability—in particular Goal II.B.4—by helping to “[e]stablish fiscal and operational accountability standards for the judicial branch to ensure the achievement of and adherence to these standards.” Additionally, IAS has an important role in fulfilling several of the objectives of the operational plan related to Goal II because its work pertains to the requirement that the branch “maintain the highest standards of accountability for its use of public resources and adherence to its statutory and constitutional mandates.” Part of the role and responsibility of IAS also relates to Objective II.B.4 because the audit reports it produces help to “[m]easure and regularly report branch performance.”

## **Attachments**

There are no attachments to this report. The following audit report will be placed on the California Courts public website ( <http://www.courts.ca.gov/12050.htm> ) after the Judicial Council has accepted it:

1. Audit report dated March 2013 entitled: *Audit of the Superior Court of California, County of Alameda.*