



Audit of the Superior Court of California, County of Napa

REPORT OF INTERNAL AUDIT SERVICES

MARCH 2011



ADMINISTRATIVE OFFICE
OF THE COURTS

FINANCE DIVISION
INTERNAL AUDIT SERVICES

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Superior Court of California, County of Napa

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MANAGEMENT SUMMARY

Introduction

The Trial Court Funding Act of 1997 (Act) eliminated the requirement for county audits of the courts effective January 1, 1998. Since that time, there have been significant changes to the operations and internal control structure of the Superior Courts of California. These changes have impacted the internal control structure of the courts, yet no independent reviews of their operations were generally conducted until Internal Audit Services (IAS) initiated audits in 2002.

The audit of the Superior Court of California, County of Napa (Court) was initiated by IAS of the Administrative Office of the Courts (AOC) in October 2010. Depending on the size of the court, the audit process typically involves two or three cycles, or audits, encompassing the following primary areas:

- Court administration
- Cash controls
- Court revenue and expenditure
- General operations

During the current audit, we covered all four of the above areas. The audit process involves the review of compliance with statute, California Rules of Court, the *Trial Court Financial Policies and Procedures Manual* (FIN Manual), and other relevant policies. IAS conducted its first audit (a financial system readiness limited review) of the Court in FY 2005–2006.

Compliance with the Financial Integrity and State Manager's Accountability Act known as FISMA is also an integral part of the audit process. The primary thrust of a FISMA review is to evaluate the Court's internal control structure and processes. We believe that it represents good public policy and we conduct internal audits incorporating FISMA concepts and guidelines relating to internal control. These guidelines include:

- A plan of organization that provides segregation of duties appropriate for proper safeguarding of assets;
- A plan that limits access to assets to authorized personnel;
- A system of authorization, record keeping, and monitoring that adequately provides effective internal control;
- An established system of practices to be followed in the performance of duties and functions; and
- Personnel of a quality commensurate with their responsibilities.

Audits performed by IAS are specifically designed to identify instances of non-compliance with the policies, the FIN Manual and FISMA. We did note instances of non-compliance during this audit and one issue that is highlighted in the **Audit Issues Overview** below. However, we would be remiss in not commenting upon the significant compliance with policy, the FIN

Manual, and FISMA. While this is the first ‘comprehensive’ audit of the Court, our audit of the Court reinforced our opinion concerning the Court’s maintenance of a sound internal control environment, their strong management of the Court’s financial resources and fiscal reporting during these difficult budgetary times. This can be directly attributable to the Court’s management team and is reflected in the type and number of issues in this report that are generally of a low risk nature. In addition, the courts Fiscal Division benefits from experienced leadership with fairly consistent oversight and practices.

Again, we believe that in the performance of our internal audit, we have provided the Court with a review that also accomplishes what FISMA requires. It is important to note, though, there are areas and issues of noncompliance reported and the Court should actively monitor their correction.

Audit Issues Overview

Overall, our review covered approximately twenty areas and in almost half of them there were no issues to report to management. Also, in the areas reviewed there were very few issues of significance. IAS has not tested the implementation of all of the Court’s corrective measures to verify their correction but will perform follow-up activities on those items still uncorrected at the date of the issuance of this report. There were also some items that were not significant enough to include in the report and that we verbally discussed with court management.

While the audit identified several reportable issues, there was only one area significant enough to be highlighted in this management summary. This area is summarized below.

Revenue and Distribution Calculation and Compliance

State statutes and local ordinances govern the distribution of the fees, fines, penalties, and other assessments that courts collect. Courts rely on the *Manual of Accounting and Audit Guidelines for Trial Courts – Appendix C* issued by the State Controller’s Office (SCO Appendix C) and the *Uniform Bail and Penalty Schedule (UBS)* issued by the Judicial Council to calculate and distribute these court collections to the appropriate State and local funds. Courts use either an automated system, manual process, or a combination of both to perform the often complex calculations and distributions required by law.

The Court uses Sustain Justice Edition (Sustain) as its case management system for all case types. This system is capable of both base-up and top-down distribution methodologies and automatically performs all necessary distribution calculations without the need for manual intervention or month-end adjustments.

IAS selected a sample of cases to review that the Court collected between January 1, 2009 and June 30, 2010. The review focused on high-volume cases such as speeding and red light and on cases with violations involving complex or special distributions such as driving under the influence (DUI) and traffic school dispositions. In summary, the review identified issues in the following areas with a detailed discussion contained in section 6 of this report. **(6.1)**

- Distribution of traffic school dispositions pursuant to VC §42007.

- Calculation of the 30 percent allocations on red light cases.
- Application of the GC §68090.8 – 2 percent state automation (2 percent) distribution on cases.
- One DUI test case distribution evidenced an incorrect proration which the court indicated was an anomaly as the Court reviewed other distributions which it stated were correct.
- Calculation of the 30 percent allocation on railroad cases.
- Assessment and distribution of the Domestic Violence (DV) fee pursuant to the PC §1203.097(a)(5) on select test cases.

The Court agreed with the findings and as appropriate is also seeking further confirmation from the State Controller's Office. With respect to the DV fees, the Court is looking to enhance its CMS (Sustain) to automatically incorporate all appropriate fees, including DV fees, into the Open Item in Sustain

STATISTICS

The Superior Court of California, County of Napa (Court), operates three courthouses in the city of Napa, two of which collect fine and fees. The Court's administrative offices are located in the Court's historical courthouse. The Court has six judges and two commissioners who handled approximately 30,821 case filings in FY 2008–2009. Further, the Court employed 87 staff to fulfill its administrative and operational activities, with total court expenditures of more than \$12.144 million for the fiscal year ended 2009–2010.

The charts that follow contain general Court statistical information.

Personnel:	Napa
Authorized Judgeships as of June 30, 2010 Source: Court – Provided	6
Authorized Subordinate Judicial Officers as of June 30, 2010 Source: Court – Provided	2
Authorized Full Time Equivalent (FTE) Employees as of June 30, 2010 Source: Court – Provided	91
Actual FTE Employees as of June 30, 2010 Source: Court – Provided	87

Other Statistics:	
County Population (Estimated as of January 1, 2011) Source: California Department of Finance	137,639
Number of Temporary Employees as of June 30, 2010 Source: Court-provided	0
Total Salaries for Temporary Employees for FY 2009-2010 Source: Court-provided	\$0
FY 2009-2010 Daily Average Revenues Collected: Source: Court-provided	\$43,844

Other Statistics (continued):	
Number of Case Filings in FY 2008—2009:	
Criminal Filings:	
▪ Felonies	1,134
▪ Non-Traffic Misdemeanors	1,334
▪ Non-Traffic Infractions	769
▪ Traffic Misdemeanors	3,223
▪ Traffic Infractions	18,361
Civil Filings:	
▪ Civil Unlimited	768
▪ Family Law (Marital)	607
▪ Family Law Petitions	1,158
▪ Probate	229
▪ Limited Civil	1,970
▪ Small Claims	492
Juvenile Filings:	
▪ Juvenile Delinquency –Original	354
▪ Juvenile Delinquency –Subsequent	127
▪ Juvenile Dependency –Original	92
▪ Juvenile Dependency –Subsequent	1
Source: Judicial Council of California's 2010 Court Statistics Report	

FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has identified accountability as the paramount objective of financial reporting. The GASB has further identified two essential components of accountability, fiscal and operational. **Fiscal accountability** is defined as:

The responsibility of governments to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public moneys in the short term (usually one budgetary cycle or one year).

The *Strategic Plan for California's Judicial Branch 2006-2012* entitled *Justice in Focus* established, consistent with the mission statement of the Judicial Council, a guiding principle that states that "Accountability is a duty of public service" and the principle has a specific statement that "The Judicial Council continually monitors and evaluates the use of public funds." As the plan states, "All public institutions, including the judicial branch, are increasingly challenged to evaluate and be accountable for their performance, and to ensure that public funds are used responsibly and effectively." For the courts, this means developing meaningful and useful measures of performance, collecting and analyzing data on those measures, reporting the results to the public on a regular basis, and implementing changes to maximize efficiency and effectiveness. Goal II of the plan is independence and accountability with an overall policy stated as:

Exercise the constitutional and statutory authority of the judiciary to plan for and manage its funding, personnel, resources, and records and to practice independent rule making.

Two of the detailed policies are:

1. Establish fiscal and operational accountability standards for the judicial branch to ensure the achievement of and adherence to these standards throughout the branch; and
2. Establish improved branch wide instruments for reporting to the public and other branches of government on the judicial branch's use of public resources.

Under the independence and accountability goal of *The Operational Plan for California's Judicial Branch, 2008 – 2011*, objective 4 is to "Measure and regularly report branch performance – including branch progress toward infrastructure improvements to achieve benefits for the public." The proposed desired outcome is "Practices to increase perceived accountability."

To assist in the fiscal accountability requirements of the branch, the statewide fiscal infrastructure project, Phoenix Financial System, was established and the Court implemented this on April 1, 2006. Fiscal data for the Court is processed through the shared services center in Sacramento using Phoenix Financial System. The fiscal data on the following three pages are from this system and present the comparative financial statements of the Trial

Court Operations Fund for the Court for the last two complete fiscal years. The three schedules are:

1. Balance Sheet (statement of position);
2. Statement of Revenues, Expenditures, and Changes in Fund Balances (statement of activities); and
3. Statement of Program Expenditures (could be considered “product line” statement).

Fiscal year 2008–2009 information is condensed into a total funds column (does not include individual fund detail). The financial statements specify that the total funds columns for each year are for “information purposes” as the consolidation of funds are not meaningful numbers. Additionally, the financial information is presented on a modified accrual basis of accounting, which recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash.

There are three basic fund classifications available for courts to use: Government, Proprietary and Fiduciary. The Court only utilizes the following two classifications and types:

- **Governmental**
 - **General** – Used as the chief operating fund to account for all financial resources except those required to be accounted for in a separate fund.
 - **Special Revenue** – Used to account for certain revenue sources “earmarked” for specific purposes (including grants received). Funds included here are:
 - **Non-grant**
 1. 2% Automation – 180004
 - **Grants**
 2. Family Law Facilitator Program – 1910581
 3. Child Support Commissioner Program – 1910591
 4. Substance Abuse Focus – 1910601
 5. Access to Visitation - 1910611
- **Fiduciary**
 - **Trust** – Used to account for funds held in a fiduciary capacity for a third party (non-governmental) generally under a formal trust agreement. Generally Accepted Accounting Principles (GAAP) indicates that fiduciary funds should be used “to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government’s own programs.”¹ Fiduciary funds include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The key distinction between trust funds and agency funds is that trust funds normally are subject to “a trust agreement that affects the degree of management involvement and the length of time that the resources are held.” Funds included here include deposits for criminal bail trust, civil interpleader, eminent domain, etc. The fund used here is:

¹ GASB Statement No. 34, paragraph 69.

- Trust – 320001.
- **Agency** - Used to account for resources received by one government unit on behalf of a secondary governmental or other unit. Agency funds, unlike trust funds, typically do not involve a formal trust agreement. Rather, agency funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Accordingly, all assets reported in an agency fund are offset by a liability to the party(ies) on whose behalf they are held. Finally, as a practical matter, a government may use an agency fund as an internal clearing account for amounts that have yet to be allocated to individual funds. This practice is perfectly appropriate for internal accounting purposes. However, for external financial reporting purposes, GAAP expressly limits the use of fiduciary funds, including agency funds, to assets held in a trustee or agency capacity for others. Because the resources of fiduciary funds, by definition, cannot be used to support the government's own programs, such funds are specifically excluded from the government-wide financial statements.² **They are reported, however, as part of the basic fund financial statements to ensure fiscal accountability.** Sometimes, a government will hold escheat resources on behalf of another government. In that case, the use of an agency fund, rather than a private-purpose trust fund, would be appropriate. Funds included here are:
 - Civil Filing Fees Fund – 450000

² GASB No. 34, paragraph 12.

Napa Superior Court
 Trial Court Operations Fund
 Balance Sheet
 (Unaudited)

For the month ended June 30								
Fiscal Year 2009/10								
	Governmental Funds				Proprietary Funds	Fiduciary Funds	Total Funds (Info. Purposes Only)	Total Funds (Info. Purposes Only)
	General	Special Revenue		Capital Project				
		Non-Grant	Grant					
ASSETS								
Operations	\$ 311,016	\$ 31,805	\$ 6,746	\$ -	\$ -	\$ 11,796	\$ 361,363	\$ 116,537
Payroll	-	-	-	-	-	-	-	-
Jury	-	-	-	-	-	-	-	-
Revolving	5,000	-	-	-	-	-	5,000	5,000
Other	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-
Civil Filing Fees	-	-	-	-	-	-	-	152,303
Trust	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-
Cash on Hand	2,950	-	-	-	-	-	2,950	2,850
Cash with County	1,586,863	-	-	-	-	1,262,197	2,849,060	3,197,551
Total Cash	\$ 1,905,829	\$ 31,805	\$ 6,746	\$ -	\$ -	\$ 1,273,993	\$ 3,218,373	\$ 3,474,241
Short Term Investment	575,443	101	-	-	-	166,364	741,907	624,975
Investment in Financial Institution	-	-	-	-	-	-	-	-
Total Investments	\$ 575,443	\$ 101	\$ -	\$ -	\$ -	\$ 166,364	\$ 741,907	\$ 624,975
Accrued Revenue	\$ 4,452	\$ 27	\$ -	\$ -	\$ -	\$ -	\$ 4,478	\$ 10,813
Accounts Receivable - General	19,160	-	56,078	-	-	-	75,238	51,307
Dishonored Checks	-	-	-	-	-	-	-	-
Due From Employee	-	-	-	-	-	-	-	-
Civil Jury Fees	-	-	-	-	-	-	-	-
Trust	-	-	-	-	-	-	-	-
Due From Other Funds	46,844	-	-	-	-	-	46,844	17,886
Due From Other Governments	29,463	-	-	-	-	-	29,463	51,905
Due From Other Courts	144	-	-	-	-	-	144	-
Due From State	145,860	-	4,720	-	-	-	150,580	203,811
Trust Due To/From	-	-	-	-	-	-	-	-
Distribution Due To/From	-	-	-	-	-	-	-	-
Civil Filing Fee Due To/From	-	-	-	-	-	-	-	-
General Due To/From	-	-	-	-	-	-	-	-
Total Receivables	\$ 245,923	\$ 27	\$ 60,799	\$ -	\$ -	\$ -	\$ 306,748	\$ 335,721
Prepaid Expenses - General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salary and Travel Advances	-	-	-	-	-	-	-	-
Counties	-	-	-	-	-	-	-	-
Total Prepaid Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Assets	-	-	-	-	-	-	-	-
Total Other Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 2,727,194	\$ 31,933	\$ 67,544	\$ -	\$ -	\$ 1,440,357	\$ 4,267,028	\$ 4,434,937
LIABILITIES AND FUND BALANCES								
Accrued Liabilities	\$ 84,651	\$ -	\$ 5,446	\$ -	\$ -	\$ -	\$ 90,097	\$ 69,188
Accounts Payable - General	3,930	-	70	-	-	4	4,004	6,455
Due to Other Funds	-	-	46,844	-	-	-	46,844	17,886
Due to Other Courts	-	-	-	-	-	-	-	-
Due to State	1,397	-	-	-	-	-	1,397	4,395
TC145 Liability	-	-	-	-	-	178,130	178,130	152,303
Due to Other Governments	146,207	-	184	-	-	-	146,391	141,512
AB145 Due to Other Government Agency	-	-	-	-	-	-	-	-
Due to Other Public Agencies	-	-	-	-	-	-	-	-
Sales and Use Tax	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	26	26	-
Miscellaneous Accts. Pay. and Accrued	-	-	-	-	-	-	-	-
Total Accounts Payable and Accrued Liab.	\$ 236,185	\$ -	\$ 52,544	\$ -	\$ -	\$ 178,160	\$ 466,889	\$ 391,738
Civil	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Criminal	-	-	-	-	-	-	-	-
Unreconciled - Civil and Criminal	-	-	-	-	-	-	-	-
Trust Held Outside of the AOC	-	-	-	-	-	1,262,197	1,262,197	827,492
Trust Interest Payable	-	-	-	-	-	-	-	-
Miscellaneous Trust	-	-	-	-	-	-	-	-
Total Trust Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,262,197	\$ 1,262,197	\$ 827,492
Accrued Payroll	\$ 309,202	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 324,202	\$ 402,540
Benefits Payable	-	-	-	-	-	-	-	-
Deferred Compensation Payable	-	-	-	-	-	-	-	-
Deductions Payable	-	-	-	-	-	-	-	-
Payroll Clearing	96,052	-	-	-	-	-	96,052	-
Total Payroll Liabilities	\$ 405,254	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 420,254	\$ 402,540
Revenue Collected in Advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liabilities For Deposits	3,503	-	-	-	-	-	3,503	2,469
Jury Fees - Non-Interest	-	-	-	-	-	-	-	-
Fees - Partial Payment & Overpayment	-	-	-	-	-	-	-	-
Uncleared Collections	-	-	-	-	-	-	-	-
Other Miscellaneous Liabilities	-	-	-	-	-	-	-	-
Total Other Liabilities	\$ 3,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,503	\$ 2,469
Total Liabilities	\$ 644,941	\$ -	\$ 67,544	\$ -	\$ -	\$ 1,440,357	\$ 2,152,842	\$ 1,624,239
Fund Balance - Restricted	\$ 428,000	\$ 31,933	\$ -	\$ -	\$ -	\$ -	\$ 459,933	\$ 674,396
Fund Balance - Unrestricted	-	-	-	-	-	-	-	-
Designated	1,654,253	-	-	-	-	-	1,654,253	2,136,302
Undesignated	-	-	-	-	-	-	-	-
C/Y Excess (Deficit) of Rev. Over Expenses	-	-	-	-	-	-	-	-
Total Fund Balance	\$ 2,082,253	\$ 31,933	\$ -	\$ -	\$ -	\$ -	\$ 2,114,186	\$ 2,810,698
Total Liabilities and Fund Balance	\$ 2,727,194	\$ 31,933	\$ 67,544	\$ -	\$ -	\$ 1,440,357	\$ 4,267,028	\$ 4,434,937

Napa Superior Court
 Trial Court Operations Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 (Unaudited)

	For the year ended June 30									
	Fiscal Year 2009/10							2008/09		
	Governmental Funds				Proprietary Funds	Fiduciary Funds	Total Funds (Info. Purposes Only)	Current Budget (Annual)	Total Funds (Info. Purposes Only)	Final Budget (Annual)
	General	Special Revenue		Capital Projects						
Non-Grant		Grant								
REVENUES										
State Financing Sources										
Trial Court Trust Fund	\$ 9,576,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,576,443	\$ 9,496,839	\$ 9,975,669	\$ 9,896,095
Trial Court Improvement Fund	39,513	-	-	-	-	-	39,513	25,000	33,004	40,022
Judicial Administration Efficiency & Mod Fund	-	-	-	-	-	-	-	-	-	-
Judges' Compensation (45.25)	45,000	-	-	-	-	-	45,000	45,000	45,000	45,000
Court Interpreter (45.45)	457,972	-	-	-	-	-	457,972	479,650	513,656	450,000
Civil Coordination Reimbursement (45.55)	-	-	-	-	-	-	-	-	-	-
MOU Reimbursements (45.10 and General)	286,066	-	-	-	-	-	286,066	281,473	331,082	350,588
Other Miscellaneous	-	-	-	-	-	-	-	-	40,190	40,190
	\$ 10,404,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,404,993	\$ 10,327,962	\$ 10,938,601	\$ 10,821,895
Grants										
AB 1058 Commissioner/Facilitator	\$ -	\$ -	\$ 314,393	\$ -	\$ -	\$ -	\$ 314,393	\$ 311,218	\$ 321,023	\$ 321,023
Other AOC Grants	-	-	41,727	-	-	-	41,727	29,788	53,613	42,000
Non-AOC Grants	5,044	-	-	-	-	-	5,044	5,000	11,500	4,500
	\$ 5,044	\$ -	\$ 356,120	\$ -	\$ -	\$ -	\$ 361,164	\$ 346,006	\$ 386,136	\$ 367,523
Other Financing Sources										
Interest Income	\$ 32,142	\$ 128	\$ -	\$ -	\$ -	\$ -	\$ 32,270	\$ 50,000	\$ 83,641	\$ 91,500
Investment Income	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Local Fees	345,255	-	-	-	-	-	345,255	290,600	282,050	263,000
Non-Fee Revenues	273,483	-	-	-	-	-	273,483	281,000	288,328	281,000
Enhanced Collections	-	-	-	-	-	-	-	-	-	-
Escheatment	-	-	-	-	-	-	-	-	-	-
Prior Year Revenue	-	-	-	-	-	-	-	-	183,543	-
County Program - Restricted	-	-	-	-	-	-	-	-	-	-
Reimbursement Other	30,067	-	-	-	-	-	30,067	9,000	11,111	17,000
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-	1,019	-
	\$ 680,948	\$ 128	\$ -	\$ -	\$ -	\$ -	\$ 681,076	\$ 630,600	\$ 849,693	\$ 652,500
Total Revenues	\$ 11,090,985	\$ 128	\$ 356,120	\$ -	\$ -	\$ -	\$ 11,447,233	\$ 11,304,568	\$ 12,174,430	\$ 11,841,918
EXPENDITURES										
Personal Services										
Salaries - Permanent	\$ 5,916,705	\$ -	\$ 292,068	\$ -	\$ -	\$ -	\$ 6,208,773	\$ 6,360,680	\$ 6,158,423	\$ 6,260,533
Temp Help	-	-	-	-	-	-	-	23,471	6,296	24,800
Overtime	721	-	-	-	-	-	721	-	11,487	-
Staff Benefits	2,325,779	-	188,002	-	-	-	2,513,781	2,600,685	2,515,719	2,447,635
	\$ 8,243,205	\$ -	\$ 480,070	\$ -	\$ -	\$ -	\$ 8,723,275	\$ 8,984,836	\$ 8,691,925	\$ 8,732,968
Operating Expenses and Equipment										
General Expense	\$ 127,520	\$ -	\$ 863	\$ -	\$ -	\$ -	\$ 128,382	\$ 164,951	\$ 214,072	\$ 291,941
Printing	28,442	-	-	-	-	-	28,442	32,057	60,788	72,216
Telecommunications	31,811	-	535	-	-	-	32,347	34,800	37,348	41,215
Postage	32,995	-	426	-	-	-	33,422	32,150	32,509	23,200
Insurance	3,998	-	-	-	-	-	3,998	5,500	5,352	5,500
In-State Travel	8,735	-	1,478	-	-	-	10,213	15,100	26,999	26,300
Out-of-State Travel	-	-	-	-	-	-	-	-	552	500
Training	4,123	-	420	-	-	-	4,543	9,500	12,199	16,375
Security Services	1,836,643	-	14,941	-	-	-	1,851,584	1,835,600	1,766,366	1,845,300
Facility Operations	149,691	-	2,910	-	-	-	152,601	144,671	153,477	181,900
Utilities	-	-	-	-	-	-	-	-	-	-
Contracted Services	880,371	-	48,234	-	-	-	928,605	1,080,940	1,070,202	1,085,865
Consulting and Professional Services	62,818	-	1,169	-	-	-	63,987	58,430	64,997	65,450
Information Technology	158,621	-	2,444	-	-	-	161,065	220,217	153,645	200,311
Major Equipment	-	-	-	-	-	-	-	-	-	-
Other Items of Expense	(502)	-	-	-	-	-	(502)	-	(75)	250
	\$ 3,325,266	\$ -	\$ 73,421	\$ -	\$ -	\$ -	\$ 3,398,688	\$ 3,633,916	\$ 3,598,431	\$ 3,856,323
Special Items of Expense										
Grand Jury	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jury Costs	22,918	-	-	-	-	-	22,918	18,000	26,926	30,000
Judgements, Settlements and Claims	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Internal Cost Recovery	(96,014)	-	96,014	-	-	-	-	-	-	-
Prior Year Expense Adjustment	(1,136)	-	-	-	-	-	(1,136)	-	53	-
	\$ (74,232)	\$ -	\$ 96,014	\$ -	\$ -	\$ -	\$ 21,782	\$ 18,000	\$ 26,979	\$ 30,000
Total Expenditures	\$ 11,494,240	\$ -	\$ 649,505	\$ -	\$ -	\$ -	\$ 12,143,745	\$ 12,636,752	\$ 12,317,336	\$ 12,619,291
Excess (Deficit) of Revenues Over Expenditures	\$ (403,255)	\$ 128	\$ (293,385)	\$ -	\$ -	\$ -	\$ (696,512)	\$ (1,332,184)	\$ (142,906)	\$ (777,373)
Operating Transfers In (Out)	293,385	-	(293,385)	-	-	-	-	-	-	(1,207,436)
Fund Balance (Deficit)										
Beginning Balance (Deficit)	2,778,894	31,805	-	-	-	-	2,810,698	2,810,698	2,953,604	2,953,604
Ending Balance (Deficit)	\$ 2,082,253	\$ 31,933	\$ -	\$ -	\$ -	\$ -	\$ 2,114,186	\$ 1,478,514	\$ 2,810,698	\$ 3,383,667

SOURCE: Phoenix Financial System and 4th Quarter Financial Statements

**Trial Court Operations Fund
 Statement of Program Expenditures
 (Unaudited)**

	For the year ended June 30								
	Fiscal Year 2009/10						2008/09		
	Personal Services	Operating Expenses and Equipment	Special Items of Expense	Internal Cost Recovery	Prior Year Expense Adjustment	Total Actual Expense	Current Budget (Annual)	Total Actual Expense	Final Budget (Annual)
PROGRAM EXPENDITURES:									
Judges & Courtroom Support	\$ 3,366,416	\$ 238,559	\$ -	\$ (14,513)	\$ -	\$ 3,590,462	\$ 3,442,166	\$ 3,684,720	\$ 3,265,120
Traffic & Other Infractions	309,538	38,491	-	-	-	348,029	541,418	330,649	554,264
Other Criminal Cases	827,388	20,574	-	-	-	847,963	999,178	919,436	1,025,380
Civil	474,657	9,562	-	(11,792)	-	472,427	735,515	455,402	712,515
Family & Children Services	1,209,313	112,871	-	27,515	-	1,349,699	1,264,356	1,273,915	1,396,340
Probate, Guardianship & Mental Health Services	34,906	31,347	-	-	-	66,252	45,993	66,181	25,000
Juvenile Dependency Services	118,069	183,192	-	-	-	301,261	241,674	358,708	293,843
Juvenile Delinquency Services	48,678	619	-	-	-	49,297	35,397	42,606	35,827
Other Court Operations	64,332	2,887	-	-	-	67,219	124,216	91,079	121,663
Court Interpreters	318,482	173,957	-	(1,209)	-	491,230	485,954	506,445	533,021
Jury Services	108,467	33,712	22,918	-	-	165,097	186,556	178,155	193,716
Security	-	1,861,375	-	-	-	1,861,375	1,835,600	1,779,998	1,846,675
Trial Court Operations Program	\$ 6,880,246	\$ 2,707,146	\$ 22,918	\$ -	\$ -	\$ 9,610,311	\$ 9,938,023	\$ 9,687,294	\$ 10,003,364
Enhanced Collections	\$ 71,624	\$ 3,813	\$ -	\$ -	\$ -	\$ 75,436	\$ -	\$ 116,612	\$ 500
Other Non-Court Operations	15,242	71	-	-	-	15,313	-	10,489	-
Non-Court Operations Program	\$ 86,866	\$ 3,883	\$ -	\$ -	\$ -	\$ 90,749	\$ -	\$ 127,101	\$ 500
Executive Office	\$ 616,874	\$ 36,233	\$ -	\$ -	\$ -	\$ 653,107	\$ 704,646	\$ 591,026	\$ 518,278
Fiscal Services	299,159	99,238	-	-	-	398,396	398,700	398,204	387,268
Human Resources	256,698	41,419	-	-	-	298,116	298,224	334,084	352,549
Business & Facilities Services	-	171,420	-	-	-	171,420	176,583	208,217	317,258
Information Technology	583,432	339,349	-	-	(1,136)	921,645	1,126,576	971,874	1,040,074
Court Administration Program	\$ 1,756,163	\$ 687,658	\$ -	\$ -	\$ (1,136)	\$ 2,442,685	\$ 2,698,729	\$ 2,503,405	\$ 2,615,427
Expenditures Not Distributed or Posted to a Prior Year Adjustments not posted to a Program	-	-	-	-	-	-	-	(516) 52	-
Total	\$ 8,723,275	\$ 3,398,688	\$ 22,918	\$ -	\$ (1,136)	\$ 12,143,745	\$ 12,636,752	\$ 12,317,336	\$ 12,619,291

PURPOSE AND SCOPE

The purpose of this review was to determine the extent to which the Superior Court of California, County of Napa (Court) has:

- Complied with the *Trial Court Financial Policies and Procedures Manual* and the Court's own documented policies and procedures.
- Complied with various statutes and Rules of Court.
- Designed and implemented an internal control structure that can be relied upon to ensure the reliability and integrity of information; has ensured compliance with policies, procedures, laws and regulations; has provided for the safeguarding of assets; and has provided for the economical and efficient use of resources.

The scope of audit work included reviews of the Court's major functional areas, including: cash, procurement and contracting, accounts payable, payroll, financial reporting and accounting practices, case management, information technology, domestic violence, and court security. Coverage in depth of each area is based on initial scope coverage decisions.

TIMING AND REVIEWS WITH MANAGEMENT

The entrance letter was issued to the Court on August 6, 2010.
The entrance meeting was held with the Court on August 10, 2010.
Audit fieldwork commenced on October 4, 2010.
Fieldwork was completed in March, 2011.

Preliminary results were discussed with court management during the course of the review.

A review of the audit results was held on August 15, 2011 with:

- Hon. Diane M. Price, Presiding Judge
- Hon. Rodney G. Stone, Assistant Presiding Judge
- Mr. Rick Feldstein, Court Executive Officer
- Ms. Lisa Skinner, Chief Financial Officer

IAS received the Court's final responses to the IAS recommendations in August 2011. IAS incorporated the Court's final responses in the audit report and subsequently provided the Court with a draft version of the audit report for its review and comment on August 12, 2011. On August 15, 2011, the Court provided its final comments and suggestions concerning its review of the audit report and did not consider another review of the report necessary before IAS issued the final audit report.

ISSUES AND MANAGEMENT RESPONSES

1. Court Administration

Background

Trial courts are subject to rules and policies established by the Judicial Council to promote efficiency and uniformity within a system of trial court management. Within the boundaries established by the Judicial Council, each trial court has the authority and is responsible for managing its own operations. All employees are expected to fulfill at least the minimum requirements of their positions and to conduct themselves with honesty, integrity and professionalism. All employees shall also operate within the specific levels of authority that may be established by the trial court for their positions.

California Rules of Court (CRC) and the *Trial Court Financial Policy and Procedures Manual* (FIN Manual) established under Government Code section (GC) 77009(i) and proceduralized under CRC 10.707, specify guidelines and requirements concerning court governance.

The table below presents expenditures from the Court's general ledger accounts that are considered to be associated with court administrative decisions. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Revenues				
833010 PROGRAM 45.25-JUDGES SALA	(45,000.00)	(45,000.00)	0	0
** 833000-PROGRAM 45.25 - REIMBURSEM	(45,000.00)	(45,000.00)	0	0
Expenditures				
906303 SALARIES - COMMISSIONERS	290,895.16	306,236.37	(15,341)	(5)
906311 SALARIES - SUPERIOR COURT	45,226.08	45,399.36	(173)	(0)
906350 FURLOUGH SAVINGS - COMMIS	(11,270.33)		(11,270)	n/a
906351 FURLOUGH CLOSURE - COMMIS	11,270.33		11,270	n/a
* 906300 - SALARIES - JUDICIAL OFFI	336,121.24	351,635.73	(15,514)	(4)
920599 DUES AND MEMBERSHIP	1,920.00	2,940.00	(1,020)	(35)
* 920500 - DUES AND MEMBERSHIPS	1,920.00	2,940.00	(1,020)	(35)
933101 TRAINING	3,423.28	11,348.53	(7,925)	(70)
933102 TUITION REIMBURSEMENT (NO	1,120.00	850.45	270	32
* 933100 - TRAINING	4,543.28	12,198.98	(7,656)	(63)
952001 JUDICIAL OFFICER ROBES	215.33		215	n/a
* 952000 - UNIFORM ALLOWANCE	215.33	0.00	215	n/a

We assessed the Court's compliance related to trial court management, including duties of the presiding judge (PJ), duties of the court executive officer (CEO), and management of human resources, with CRC and FIN Manual requirements through a series of questionnaires and tests. Primary tests included an evaluation of:

- Expense restrictions contained in *Operating Guidelines and Directives for Budget Management in the Judicial Branch* (operating guidelines). Requirements include restrictions on the payment of professional association dues for individuals making over \$100,000 a year.
- Compliance with CRC relating to causes taken under submission.
- Notification requirements regarding lawsuits.
- Approval requirements regarding training.
- Controls over judicial officer facsimile stamps. (Tested during cash work, see Section 5.0.)

Additionally, we obtained an understanding of the Court's organizational structure and reviewed the cash handling and fiscal responsibilities of Court personnel to ensure that duties are sufficiently segregated.

There were no issues considered significant enough to bring to management's attention in this report. There were two minor issues noted in the Appendix A.

2. Fiscal Management and Budgets

Background

Trial courts must employ sound business, financial, and accounting practices to conduct their fiscal operations. To operate within the limitations of the funding approved and appropriated in the State Budget Act, courts should establish budgetary controls to monitor its budget on an ongoing basis to assure that actual expenditures do not exceed budgeted amounts. As personnel services costs account for approximately 3/4 of many trial courts budgets, courts must establish a position management system that includes, at a minimum, a current and updated position roster, a process for abolishing vacant positions, and a process and procedures for requesting, evaluating, and approving new and reclassified positions.

The Court contracts with the County and uses PeopleSoft for payroll processing services. For each biweekly pay period, the Court uploads timesheet information into the PeopleSoft database. Once the payroll is processed, PeopleSoft generates a ledger posting report that is used to reconcile the court's weekly payroll Excel spreadsheet.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
900301 SALARIES - PERMANENT	5,819,863.14	5,783,102.66	36,760	1
900320 LUMP SUM PAYOUTS	52,788.37	23,684.63	29,104	123
900350 FURLOUGH & SALARY REDUCTI	(248,985.89)		(248,986)	n/a
900351 FURLOUGH CLOSURE (NON-JUD	248,985.89		248,986	n/a
* 900300 - SALARIES - PERMANENT	5,872,651.51	5,806,787.29	65,864	1
903301 TEMPORARY EMPLOYEES - ON		6,296.40	(6,296)	(100)
* 903300 - TEMP HELP	0.00	6,296.40	(6,296)	(100)
906303 SALARIES - COMMISSIONERS	290,895.16	306,236.37	(15,341)	(5)
906311 SALARIES - SUPERIOR COURT	45,226.08	45,399.36	(173)	(0)
906350 FURLOUGH SAVINGS - COMMIS	(11,270.33)		(11,270)	n/a
906351 FURLOUGH CLOSURE - COMMIS	11,270.33		11,270	n/a
* 906300 - SALARIES - JUDICIAL OFFI	336,121.24	351,635.73	(15,514)	(4)
908301 OVERTIME	720.89	11,486.61	(10,766)	(94)
* 908300 - OVERTIME	720.89	11,486.61	(10,766)	(94)
** SALARIES TOTAL	6,209,493.64	6,176,206.03	33,288	1
910302 MEDICARE TAX	83,696.74	82,899.65	797	1
* 910300 - TAX	83,696.74	82,899.65	797	1

ACCOUNT	TOTAL FUNDS AS OF JUNE 30			
	2010	2009	\$ Inc. (Dec.)	% Change
Expenditures (continued)				
910401 DENTAL INSURANCE	146,803.32	134,605.18	12,198	9
910502 FLEXIBLE BENEFITS	1,014,449.21	976,808.13	37,641	4
910503 RETIREE BENEFIT	13,242.16	56,673.98	(43,432)	(77)
* 910400 - HEALTH INSURANCE	1,174,494.69	1,168,087.29	6,407	1
910601 RETIREMENT (NON-JUDICIAL)	1,000,162.19	1,002,910.74	(2,749)	(0)
912301 RETIREMENT (SUBORDINATE A)	50,457.44	52,982.12	(2,525)	(5)
* 910600 - RETIREMENT	1,050,619.63	1,055,892.86	(5,273)	(0)
912501 STATUTORY WORKERS COMPENS	103,776.00	109,895.00	(6,119)	(6)
* 912500 - WORKERS' COMPENSATION	103,776.00	109,895.00	(6,119)	(6)
913301 UNEMPLOYMENT INSURANCE	2,794.80	1,956.00	839	43
913501 LIFE INSURANCE	10,030.77	13,729.15	(3,698)	(27)
* 912700 - OTHER INSURANCE	12,825.57	15,685.15	(2,860)	(18)
913701 OTHER JUDGES BENEFITS	61,890.98	68,790.25	(6,899)	(10)
* 913700 - SUPERIOR COURT JUDGES BE	61,890.98	68,790.25	(6,899)	(10)
913803 PAY ALLOWANCES	17,146.50	5,667.00	11,480	203
913899 OTHER BENEFITS	9,331.20	8,802.00	529	6
* 913800 - OTHER BENEFITS	26,477.70	14,469.00	12,009	83
** STAFF BENEFITS TOTAL	2,513,781.31	2,515,719.20	(1,938)	(0)
*** PERSONAL SERVICES TOTAL	8,723,274.95	8,691,925.23	31,350	0
Liabilities				
374001 PAYROLL CLEARING ACCOUNT	(96,051.64)		96,052	n/a
375001 ACCRUED PAYROLL	(324,202.10)	(402,539.72)	(78,338)	(19)

We assessed the Court's budgetary controls by obtaining an understanding of how the Court's annual budget is approved and monitored, reviewing its approved budget, and comparing budgeted and actual amounts. In regards to personnel services costs, we compared budgeted and actual expenditures, and performed a comparative analysis of prior year personal services expenditures to identify and determine the causes of significant variances.

We also evaluated the Court's payroll controls through interviews with Court employees and reviews of payroll reports and reconciliation documents. We validated payroll expenditures for selected employees and traced to supporting documents, including timesheets, payroll registers and other PeopleSoft files, withholding documents, and benefits administration files to determine whether timesheets were appropriately approved and payroll was correctly calculated. Furthermore, we reviewed the Court's Personnel Manual and bargaining agreements at a high level to determine whether differential pay, leave accruals, and various benefits were issued in accordance with these agreements.

There were no issues in this area considered significant enough to bring to management's attention in this report. Additionally, there were no minor issues noted in the Appendix A.

3. Fund Accounting

Background

According to the FIN Manual, Procedure No. FIN 3.01, trial courts shall establish and maintain separate funds to segregate their financial resources and allow for the detailed accounting and accurate reporting of the courts' financial operations. Section 6.1.1 of this procedure defines a "fund" as a complete set of accounting records designed to segregate various financial resources and maintain separate accountability for resources designated for specific uses, so as to ensure that public monies are only spent for approved and legitimate purposes. A set of governmental, fiduciary, and proprietary funds have been set up in the Phoenix Financial System to serve this purpose. Furthermore, the Judicial Council has approved a policy to ensure that courts are able to identify resources to meet statutory and contractual obligations, maintain a minimum level of operating and emergency funds, and to provide uniform standards for fund balance reporting.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Fund Balances				
552001 FUND BALANCE-RESTRICTED	(674,395.61)	(634,312.27)	40,083	6
553001 FUND BALANCE - UNRESTRICT	(2,136,302.60)	(2,319,291.68)	(182,989)	(8)
554001 FUND BALANCE - UNRESTRICT		(0.14)	(0)	(100)
*** Fund Balances	(2,810,698.21)	(2,953,604.09)	(142,906)	(5)
Expenditures				
999910 PRIOR YEAR ADJUSTMENTS -	(1,135.66)	53.37	(1,189)	n/a
* 999900 -PRIOR YEAR EXPENSE ADJUST	(1,135.66)	53.37	(1,189)	n/a
Revenues				
812110 TCTF-PROGRAM 45.10-OPERAT	(8,980,881.00)	(9,428,564.00)	(447,683)	(5)
812140 TCTF-PROGRAM 45.10-SMALL	(2,530.00)	(2,607.66)	(78)	(3)
812144 TCTF-PROGRAM 45.10-CLERKS	(800.00)	(1,700.00)	(900)	(53)
812145 TCTF-PROGRAM 45.10-EXTRA		(675.00)	(675)	(100)
812146 TCTF-PROGRAM 45.10-COPY P	(24,204.00)	(22,252.00)	1,952	9
812147 TCTF-PROGRAM 45.10-COMPAR		(2.00)	(2)	(100)
812148 TCTF-PROGRAM 45.10-MANUAL	(179.00)	(810.00)	(631)	(78)
812149 TCTF-PROGRAM 45.10-REIMBU	(1,255.00)	(1,045.40)	210	20
812150 TCTF-PROGRAM 45.10-ESTATE	(30.00)		30	n/a
812151 TCTF-10-CUSTODY/VISITATIO	(3,928.00)	(3,349.98)	578	17
812152 TCTF-PROGRAM 45.10-RETURN	(903.00)	(1,461.23)	(558)	(38)
812153 TCTF-PROGRAM 45.10-GUARDI	(500.00)		500	n/a
812154 TCTF-PROGRAM 45.10-INFO P	(80.00)	(20.00)	60	300
812155 TCTF-PROGRAM 45.10-ASSESS	(3,500.00)		3,500	n/a
812158 TCTF-10-CUSTODY/VISITATIO	(2,406.00)	(2,449.32)	(43)	(2)
812159 TCTF-10-CIVIL ASSESSMENT	(551,030.60)	(506,597.03)	44,434	9
812160 TCTF-10-MICROGRAPHICS	(4,216.00)	(4,100.44)	116	3
812166 TCTF-PROGRAM 45.10-ADMIN		(35.00)	(35)	(100)
** 812100-TCTF - PGM 10 OPERATIONS	(9,576,442.60)	(9,975,669.06)	(399,226)	(4)
816110 OTHER STATE RECEIPTS		(40,190.00)	(40,190)	(100)
** 816000-OTHER STATE RECEIPTS	0.00	(40,190.00)	(40,190)	(100)

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Revenues				
821123 LOCAL FEE 3	(17,825.53)	(13,470.98)	4,355	32
821125 LOCAL FEE 5	(22,299.19)	(21,842.33)	457	2
821126 LOCAL FEE 6	(129.58)	(46.66)	83	178
821128 LOCAL FEE 8	(6.00)	(16.00)	(10)	(63)
821131 LOCAL FEE 11	(322.44)	(310.89)	12	4
821132 LOCAL FEE 12	(26.01)	(147.75)	(122)	(82)
821133 LOCAL FEE 13	(63,578.33)	(10,314.50)	53,264	516
821135 LOCAL FEE 15	(9,096.84)	(10,397.39)	(1,301)	(13)
821137 LOCAL FEE 17	(75.67)	(73.63)	2	3
821138 LOCAL FEE 18		(1,999.47)	(1,999)	(100)
821181 PC1205d INSTALLMENT FEE	(154,834.55)	(144,279.31)	10,555	7
821190 VC11205m TRAFFIC SCHOOL	(28,965.84)	(25,985.89)	2,980	11
821191 VC40508.6 DMV HISTORY/PRI	(26,173.11)	(26,706.04)	(533)	(2)
821192 VC40611 PROOF OF CORRECTI	(21,922.35)	(26,459.25)	(4,537)	(17)
** 821000-LOCAL FEES REVENUE	(345,255.44)	(282,050.09)	63,205	22
822103 NON-FEE REV 3	(97,209.12)	(105,955.31)	(8,746)	(8)
822104 NON-FEE REV 4	(15,000.00)	(15,000.00)	0	0
822105 NON-FEE REV 5	(142,073.56)	(144,834.92)	(2,761)	(2)
822106 NON-FEE REV 6	(6,000.00)	(6,288.00)	(288)	(5)
822120 CRC3.67of COURT CALL	(13,200.00)	(16,250.00)	(3,050)	(19)
** 822000-LOCAL NON-FEES REVENUE	(273,482.68)	(288,328.23)	(14,846)	(5)
823001 MISCELLANEOUS REVENUE		(1,019.47)	(1,019)	(100)
** 823000-OTHER - REVENUE	0.00	(1,019.47)	(1,019)	(100)
831010 GF-AB2030/AB2695 SERVICE	(8,756.00)	(8,876.00)	(120)	(1)
** 831000-GENERAL FUND - MOU/REIMBUR	(8,756.00)	(8,876.00)	(120)	(1)
832010 TCTF GENERAL MOU REIMBURS	(83,185.85)	(83,265.00)	(79)	(0)
832011 TCTF-PGM 45.10-JURY	(20,029.00)	(15,616.00)	4,413	28
832012 TCTF-PGM 45.10-CAC	(173,170.11)	(222,770.11)	(49,600)	(22)
832013 TCTF-PGM 45.10-ELDER ABUS	(925.00)	(555.00)	370	67
** 832000-PROGRAM 45.10 - MOU/REIMBU	(277,309.96)	(322,206.11)	(44,896)	(14)
834010 PROGRAM 45.45-COURT INTER	(457,971.56)	(513,656.00)	(55,684)	(11)
** 834000-PROGRAM 45.45 - REIMBURSEM	(457,971.56)	(513,656.00)	(55,684)	(11)
837010 IMPROVEMENT FUND REIMBURS	(39,513.00)	(33,004.06)	6,509	20
** 837000-IMPROVEMENT FUND - REIMBUR	(39,513.00)	(33,004.06)	6,509	20
851010 CHANGE OF VENUE	(5,143.68)	(2,105.05)	3,039	144
** 850000-REIMBURSEMENTS BETWEEN COU	(5,143.68)	(2,105.05)	3,039	144
861010 CIVIL JURY REIMBURSEMENT	(24,923.68)	(9,005.92)	15,918	177
** 860000-REIMBURSEMENTS - OTHER	(24,923.68)	(9,005.92)	15,918	177
899910 PRIOR YEAR ADJUSTMENTS -		(183,543.21)	(183,543)	(100)
** 890000-PRIOR YEAR REVENUE	0.00	(183,543.21)	(183,543)	(100)
Transfers between funds				
*** 701100 OPERATING TRANSFERS IN	(943,385.28)	(528,068.57)	(415,317)	79
*** 701200 OPERATING TRANSFERS OUT	943,385.28	528,068.57	415,317	79

To determine whether the Court is properly accounting for its financial resources and expenditures in separate funds, we reviewed the trial balance of each fund at a high level and certain detailed transactions, if necessary. Specifically, we reviewed the special revenue

funds established for the Court, including funds a court may have such as the Small Claims Advisory fund and other County services. The Court's general fund was reviewed as well.

We also reviewed the Court's fiscal year-end fund balance reserves to determine whether they conform to the Judicial Council approved policy and are supported by the Court's financial statements.

Operating transfers are usually used by courts to transfer general funds moneys to other programs of the court to cover the expenditures of the programs.

There were no issues considered significant enough to bring to management's attention in this report. Additionally, there were no minor issues included in the Appendix A of this report.

4. Accounting Principles and Practices

Background

Trial courts must accurately account for the use of public funds, and demonstrate their accountability by producing financial reports that are understandable, reliable, relevant, timely, consistent, and comparable. To assist courts in meeting these objectives, the FIN Manual provides uniform accounting guidelines for trial courts to follow when recording revenues and expenditures associated with court operations. Trial courts are required to prepare and submit various financial reports using these accounting guidelines to the AOC and appropriate counties, as well as internal reports for monitoring purposes.

Since migrating onto the Phoenix Financial System in 2006, the Court receives, among other things, general ledger accounting, analysis, and reporting support services from the Trial Court Administrative Services Division (TCAS) through use of the Phoenix Financial System. Some of the benefits of the Phoenix Financial System are consistent application of FIN Manual accounting guidelines, and the ability to produce quarterly financial statements and other financial reports directly from the general ledger. Since much of the accounting procedures have been centralized with the TCAS, we kept our review of the Court's individual financial statements at a high level.

In FY 2009–2010, the Court received various grants passed through to it from the AOC and other agencies. Restrictions on use of funds and other requirements are documented in the grant agreements. Many grants received by the Court are reimbursement type agreements that require the Court to document its allowable costs to receive payment. The Court must separately account for financing sources and expenditures for each grant to ensure grant funds are used for their intended purposes.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Revenues - Grants				
838010 AB1058 GRANTS	(314,392.70)	(321,023.00)	(6,630)	(2)
838020 OTHER STATE GRANTS	(41,727.24)	(53,612.81)	(11,886)	(22)
** 838000-STATE GRANTS - REIMBURSEME	(356,119.94)	(374,635.81)	(18,516)	(5)
839010 NON-AOC GRANTS	(5,044.00)	(11,500.00)	(6,456)	(56)
** 839000-NON AOC GRANT-REIMB	(5,044.00)	(11,500.00)	(6,456)	(56)
Assets				
100000 POOLED CASH	446,934.98		446,935	n/a
100025 DISB CHECK-OPERATIONS	(81,224.57)		(81,225)	n/a
111000 CASH-OPERATIONS ACCOUNT	32.72	476,448.92	(476,416)	(100)
111100 CASH-OPERATIONS CLEARING	(4,380.29)	(359,912.38)	355,532	(99)
114000 CASH-REVOLVING	5,000.00	5,000.00	0	0
117500 CASH CIVIL FILING FEES		152,303.36	(152,303)	(100)

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Assets (continued)				
120001 CASH WITH COUNTY	2,849,059.98	3,197,550.99	(348,491)	(11)
120002 CASH OUTSIDE OF AOC			0	n/a
130001 A/R-ACCRUED REVENUE	4,478.43	10,812.71	(6,334)	(59)
131201 ACCOUNTS RECEIVABLE (CUST		51,306.65	(51,307)	(100)
131204 A/R-DUE FROM AOC (CUSTOME	75,238.24		75,238	n/a
140001 A/R - DUE FROM OTHER FUND	46,843.89	17,885.87	28,958	162
150001 A/R - DUE FROM OTHER GOVE	29,463.37	51,905.23	(22,442)	(43)
151000 A/R-DUE FROM COURTS	143.63		144	n/a
152000 A/R-DUE FROM STATE	150,580.46	203,810.54	(53,230)	(26)
** Receivables	306,748.02	335,721.00	(28,973)	(9)
*** Accounts Receivable	306,748.02	335,721.00	(28,973)	(9)
Liabilities				
301001 A/P - GENERAL	(4.25)	(5,305.01)	(5,301)	(100)
301002 A/P - CLEARING GR/IR ACCT	(4,000.23)	(1,149.50)	2,851	248
311401 A/P - DUE TO OTHER FUNDS	(46,843.89)	(17,885.87)	28,958	162
321501 A/P DUE TO STATE	(1,397.00)	(4,395.00)	(2,998)	(68)
321600 A/P - TC145 LIABILITY	(178,129.60)	(152,303.36)	25,826	17
322001 A/P - DUE TO OTHER GOVERN	(146,390.62)	(141,511.68)	4,879	3
323010 TREASURY INTEREST PAYABLE	(25.85)		26	n/a
330001 A/P - ACCRUED LIABILITIES	(90,097.21)	(69,187.76)	20,909	30
*** Accounts Payable	(466,888.65)	(391,738.18)	75,150	19
351001 LIABILITIES FOR DEPOSITS-	(3,502.87)	(2,468.58)	1,034	42
353090 FUNDS HELD OUTSIDE OF THE	(1,262,196.98)	(827,492.32)	434,705	53

We also gained an understanding of the Court's management of its civil trust deposits, the remittance by the Court of civil filing fees and old civil jury deposit to the State Controller.

There were no issues in this area that were considered significant enough to bring to management's attention in this report. There was one minor issue that is included in Appendix A of this report.

5. Cash Collections

Background

The FIN Manual, Procedure No. FIN 10.02, was established to provide uniform guidelines for trial court employees to use when receiving and accounting for payments from the public in the form of fees, fines, forfeitures, restitutions, penalties, and assessments resulting from court orders. Additionally, Procedure No. FIN 10.01 provides uniform guidelines regarding the collection, processing, and reporting of these amounts. Trial courts should institute procedures and internal controls that assure safe and secure collection, and accurate accounting of all payments.

The Court operates two locations that collect court-ordered payments. Clerks rely on one cash management system (CMS) for all different case types (criminal, traffic, and civil), and this system has fully functional cashiering capabilities.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Assets				
117500 CASH CIVIL FILING FEES		152,303.36	(152,303)	(100)
119001 CASH ON HAND - CHANGE FUN	2,250.00	2,850.00	(600)	(21)
119002 CASH ON HAND - PETTY CASH	700.00		700	n/a
Expenditures				
952599 CASHIER SHORTAGES	(717.50)	(75.00)	(643)	857
* 952500 - CASH DIFFERENCES	(717.50)	(75.00)	(643)	857

We visited the Court's two locations with cash handling responsibilities. At these locations, we assessed various cash handling controls and practices through observations and interviews with Court Operations managers and staff. Specific controls and practices reviewed include, but are not limited to, the following:

- Beginning of day opening procedures.
- Daily cashiering practices.
- End-of-day closeout and reconciliation.
- Bank deposit preparation.
- Segregation of cash handling duties.
- Safe access, controls over keys, and security over other court assets.
- Physical and logical security of cashiering areas and systems.

We also reviewed a sample of monetary and non-monetary system transactions, and validated these transactions to supporting receipts, case files, and other court documentation. We also reviewed in detail the controls over manual receipts to ensure the existence of proper physical safeguards, use of manual receipts, and other requisite controls to periodically reconcile and account for all manual receipts.

The following issue was considered significant enough to bring to management's attention. Additionally, there are five minor issues contained in the Appendix A.

5.1 Improve Monitoring and Oversight Over Some Cash Handling Procedures and Fine/Fee Transactions

Background

Trial courts are required to maintain effective internal control systems as an integral part of its management practices. The objective of an internal control system is to minimize the court's financial risks and provide reasonable assurance that court assets are safeguarded.

The control environment is the cumulative effect of factors including management style, organizational structure, delegation of authority, control methods, personnel guidelines, appropriate segregation of duties, and others that establish and enhance the effectiveness of specific policies and procedures.

The court has two locations that assist the public and process transactions; one at the historic courthouse at 825 Brown Street, and one at the criminal courthouse at 1111 Third Street.

Issues

We identified several areas within cash handling that may be strengthened with improved monitoring, oversight, and segregation of duties:

Daily Balance and Closeout

Daily supervisor/lead verification of each cashier balance and closeout is not being performed while in the presence of the cashier being verified as required by FIN Procedure 10.02, paragraph 6.3.10.

Mail Payments Processing

The Court does not enforce proper segregation of duties when processing mail payments. For example, the same individual processes mail payments into the system, and helps customers at the counter.

In addition, the court does not require the mail payment log to be reconciled to the mail payments entered into the case management system. Since there is no reconciliation of the mail payment log performed, it would be difficult for the court to determine whether or not a payment was misplaced, accidentally discarded, or taken until a customer complains.

The Court's third party enhanced collection agency, California Service Bureau (CSB), mails the court journal checks for collections that have been sent to CSB's Sacramento payment center. These checks can be for large sums with many separate payments included in one check. At the time the Court's operations were reviewed the court had a total of six checks from CSB that were older than 48 hours with the largest check being for \$26,000. Per FIN Procedure 10.02, paragraph 6.4, checks and money orders received through the mail should

be processed on the day they are received. Any exceptions are to be brought to the attention of a supervisor, place in locked area and processed the next business day.

Suspend Fines and Fees in Lieu of Work/Community Service

The court does not have a written standing judicial order authorizing delegating the authority to the clerks of the court to convert/suspend fines in lieu of community work service after a financial assessment has been performed by the collection agency CSB.

Recommendations:

We recommend that the Court do the following to strengthen its controls in monitoring and oversight procedures over cash handling operations:

1. The court must implement a daily closeout process that requires a lead or supervisor to count and verify each cashier's collections in front of that cashier. This process should be documented by both the lead/supervisor and cashier signing the end of close totals.
2. Mail payments
 - a. Proper segregation of duties requires that one person opens and logs mail payments while a different person enters mail payments in CMS away from the cashier window.
 - b. To strengthen controls over mail payments received, the court should create and maintain a mail payments log and reconcile that log to the CMS to ensure accountability, accuracy, and timeliness of processing. The mail payments log should contain the case or docket number, name of the person making the payment, check amount, check number, date received, name of the person handling the check, and have attached an adding machine tape of all checks and money orders.
 - c. In addition, to be in compliance with the spirit of the FIN Manual and to minimize the adverse affect on customers, the Court should not allow multiple days of mail payments to go unprocessed. To facilitate this, the Court should prioritize older mail with payment attached to be processed first. Supervisors should periodically review unprocessed mail payments to assess volume and timeliness, and clerks should notify their supervisors immediately when they have difficulty processing a particular mail payment. Supervisors should escalate mail backlog to CFO and CEO if older than 48 hours.
3. Rendering a decision on a defendant's case and imposing fines and fees is understood to be an authority only performed by a judicial officer or as specifically ordered. In addition, changing that judicial order in any way is also an authority that is reserved for only judicial officers at the Court. For example, when a fine/fee is suspended, in almost all cases this action requires a judicial officer order and this order must be documented in the case minutes. Further, when a judicial order is changed and the defendant will be performing work/community service in lieu of the fine and fees, this decision must be made and the order changed by a judicial officer and this documented in the case file. As a result, Internal Audit Services believes a written

standing judicial order may be the best response in the absence of other identified authority which allows non-judicial officers to exercise judicial authority.

Superior Court Response By: Lisa Skinner Date: February 25, 2011

Daily Balance and Closeout

Agree

Corrective Action: Currently the specialist/supervisor reviews the tills between 4:30 and 5:00 p.m. each day. This maximizes the time each clerk can be available at the counter to assist customers and process payments. In order to implement a process change, we will need to quantify how much additional time it would take for each clerk to re-count their till with the specialist/supervisor. We will need to determine a schedule to stagger their individual review times so that we don't interrupt customer service and we don't incur daily overtime.

Date of Implementation: We are currently very short-staffed in Civil, Criminal, and Minor Offense divisions. With additional staffing scheduled over the next several months (new staff and the return of staff currently on LOA), we will conduct a test program in February 2012 to see how we could accommodate a process change in both buildings. Based on the uncertainty of the coming year's budget and the effect that it may have on our staffing levels, we will discuss the effects of possible changes in staffing levels and the affects of a full implementation after the testing period.

Responsible Person(s): Maureen Larsen and Kim Miller

Mail Payments Processing

Agree

Corrective Action: As of December 2010, mail payments are now processed in CCB by a person who is not at the counter. Due to staffing issues, staff assigned to back desk duties must sometimes cover counter positions, particularly during lunch hours. We will have a person at the back desks process mail payments as staffing permits.

We will create a new payment instrument in Sustain called "Mail Checks" to reconcile the daily check log to the payments in Sustain for that day. For ease of reconciliation, when we are able to, we will enter the mail checks in a separate till for that day. We will revise the check log to include the reconciliation process, add a total line, and any other pertinent information. We will reconcile the check logs to the payment instrument in the Accounting division when processing the deposit on the next day.

Date of Implementation: We will need to coordinate these changes among multiple divisions. Both Civil and Traffic Divisions have new-hire training that has just started in February, and divisional cross-training starting in March. We should be able to implement this change by February 2012.

Responsible Person(s): Lisa Skinner, Maureen Larsen, and Kim Miller

Exception Request for CSB Journal check processing – Because of the extensive number of payments in each journal check, and because we receive 6-8 checks each week all on the same day, it is not feasible to process all checks received on that day within 48 hours. We have set the timeframe to complete all journal checks received as 5 business days to

complete. The CFO and Deputy CEO are notified daily of any backlog. The CFO and Deputy CEO will review and escalate completion of journals if not complete within 5 business days.

Date of Implementation: February 2012

Responsible Person(s): Lisa Skinner and Kim Miller

Suspend Fines and Fees in Lieu of Work/Community Service

Agree

Corrective Action: We will obtain a standing Judicial Order.

Date of Implementation: March 1, 2011

Responsible Person(s): Richard Feldstein

6. Information Systems

Background

The Court has an internal Information Systems (IS) Division that consists of five staff members. The Court currently uses the Sustain Justice Edition (SJE) as an interim case management system until they can convert to the California Court Case Management System (CCMS). The Court contracts with an outside vendor for systems support and report generation in Sustain. The Court's Sustain is hosted onsite in Napa, operated and maintained by the Court's IS staff. All three divisions, traffic/criminal and civil, are entered and managed in Sustain. The Court also relies on the State-administered Phoenix Financial System for general ledger accounting, financial reporting, check issuance, and procurement support.

In the table below are balances from the Court's general ledger that are associated with this section. A description of the areas and how they have been reviewed as part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
943201 IT MAINTENANCE	34,601.27	27,439.67	7,162	26
943203 IT MAINTENANCE - SOFTWARE	99,446.61	109,915.29	(10,469)	(10)
* 943200 - IT MAINTENANCE	134,047.88	137,354.96	(3,307)	(2)
943301 IT COMMERCIAL CONTRACTS	3,840.00	3,520.00	320	9
* 943300 - IT COMMERCIAL CONTRACT	3,840.00	3,520.00	320	9
943401 IT INTER-JURISDICTIONAL C	9,475.60	8,872.10	604	7
* 943400 - IT INTER-JURISDICTIONAL	9,475.60	8,872.10	604	7
943501 IT REPAIRS & SUPPLIES	2,226.49	1,523.24	703	46
943502 IT SOFTWARE & LICENSING F	11,203.49	2,266.95	8,937	394
* 943500 - IT REPAIRS/SUPPLIES/LICE	13,429.98	3,790.19	9,640	254
943701 IT OTHER	271.88	107.75	164	152
* 943700 - IT OTHER	271.88	107.75	164	152
** INFORMATION TECHNOLOGY (IT) TOTAL	161,065.34	153,645.00	7,420	5

We reviewed various IS controls through interviews with Court IS managers and system technicians, observation of IS storage facilities and equipment, and review of documents. Some of the primary reviews and tests conducted include:

- Systems backup and data storage procedures.
- Continuity and recovery procedures in case of natural disasters and other disruptions to Court operations.
- Logical access controls, such as controls over user accounts and passwords.
- Physical security controls, such as controls over access to computer rooms and the physical conditions of the computer rooms

- Controls over Court staff access to Criminal Offender Record Information (CORI) records via the Department of Motor Vehicles (DMV) and the California Law Enforcement Telecommunications System (CLETS).
- Calculation and distribution of fees, fines, penalties, and assessments for a sample of criminal and traffic convictions.

The following issue was considered significant enough to bring to management's attention. Additionally, there are eleven minor issues contained in the Appendix A.

6.1 The Court's Case Management System Did Not Properly Distribute Certain Collections in Accordance with Statutes and Guidelines

Background

State statutes and local ordinances govern the distribution of the fees, fines, penalties, and other assessments that courts collect. Courts rely on the *Manual of Accounting and Audit Guidelines for Trial Courts – Appendix C* issued by the State Controller's Office (SCO Appendix C) and the *Uniform Bail and Penalty Schedule (UBS)* issued by the Judicial Council to calculate and distribute these court collections to the appropriate State and local funds. Courts use either an automated system, manual process, or a combination of both to perform the often complex calculations and distributions required by law.

The Court uses Sustain Justice Edition (Sustain) as its case management system for all case types. It is capable of both base-up and top-down distribution methodologies and automatically performs all necessary distribution calculations without the need for manual intervention or month-end adjustments.

Issues

To determine whether the Court distributed collections in accordance with applicable statutes and guidelines, we selected cases to review that the Court collected between January 1, 2009 and June 30, 2010. We focused our review on high-volume cases such as Speeding and Red Light and on cases with violations involving complex or special distributions such as Driving Under the Influence (DUI) and traffic school dispositions. Our review identified the following issues:

1. The Court did not correctly distribute the collections on cases with traffic school dispositions pursuant to VC §42007 as follows:
 - For traffic school cases with Red Light violations, the Court did not distribute GC §76104 – EMS penalty and GC §76000.5 – Additional EMS penalty amounts in whole or 100 percent of the amount prior to 30 percent Red Light application. Instead, amounts distributed are after 30 percent is applied thus overstating the VC §42007 TVS fee remaining balance distribution to the County and the subsequent VC 42007 (77%) MOE reporting to the State.

- For traffic school cases with city arrests, the Court did not apply 2 percent to city portion of the base fine pursuant to VC §42007(c). Thus, distributions to the City are overstated while understating the VC §42007 TVS fee remaining balance distribution to the County and the subsequent VC 42007 (77%) MOE reporting to the State.
 - For traffic school cases after the effective date of ABX8 3 (6/10/10), the increase of \$2 for every 10 for GC §76104.7 - Additional DNA penalty assessment is distributed separately and is not included in the VC §42007 (TSCTPA journal code) distribution to the County. This understates County distribution and understates VC 42007 (77%) line item 50/50 MOE reporting to the State.
2. The Court did not correctly calculate 30 Percent allocations on Red Light cases we reviewed as follows:
 - For Red Light bail forfeiture or non-traffic school dispositions, the Court did not correctly apply the 30 percent allocation pursuant to PC §1463.11. The Court incorrectly applied 30 percent to GC §76000.5 – Additional EMS and did not apply 30 percent to GC §70372(A) – State Court Construction penalty.
 - For Red Light traffic school dispositions, the Court did not correctly apply the 30 percent distribution pursuant to VC §42007.3. The Court did not apply 30 percent to GC §70372(A) – State Court Construction penalty.
 3. The Court did not correctly apply the GC §68090.8 – 2 Percent State Automation (2 percent) distribution on cases we reviewed as follows:
 - For VC §16028 convictions, the Court applied 2 percent only to the remaining base fine after distributions totaling \$30.50 pursuant to PC §1463.22 instead of applying 2 percent to the whole base fine prior to PC §1463.22 distributions.
 - For applicable Fish and Game violations, the Court did not apply 2 percent on the FG §12021 – \$15 additional penalty.
 - For applicable DUI violations, the Court did not apply 2 percent on the PC §1463.25 – Alcohol Abuse Education and Prevention penalty assessment of \$50.
 4. The Court did not correctly perform a standard distribution on one DUI test case. The test case assessed a standard base fine which should result in a simple base-up distribution. However, distribution evidences proration among the base fine, penalties and surcharge resulting in a significant overstatement of GC 70372(a) ICNA portion distribution and prorated understatements among the base fine, surcharge and other penalties.
 5. The Court did not correctly assess and distribute the Domestic Violence (DV) fee pursuant to the PC §1203.097(a)(5) on select test cases.

- One test case incorrectly assessed a DV fee of \$400 because when probation was granted in the case the DV fee in effect pursuant to AB 1081 should have been \$200.
 - Another test case incorrectly performed distribution on the \$400 DV fee and instead followed distribution based on a \$200 fee. DV fee of \$400 is distributed two-thirds to the County and one-third to the State not vice versa.
6. The Court did not correctly calculate 30 Percent allocations on Railroad cases we reviewed as follows:
- For Railroad bail forfeiture or non-traffic school dispositions, the Court did not correctly apply the 30 percent allocation pursuant to PC §1463.12. The Court incorrectly applied 30 percent to GC §76000.5 – Additional EMS and did not apply 30 percent to GC §70372(A) – State Court Construction penalty.
 - For Railroad traffic school dispositions, the Court did not correctly apply the 30 percent distribution pursuant to VC §42007.4. The Court did not apply 30 percent to the following penalty assessments; GC §70372(A) – State Court Construction penalty, GC §76104.6 – DNA penalty and GC §76104.7 Additional DNA penalty.

Recommendations

To ensure that the Court distributes fines, fees, penalties, and other assessments in accordance with applicable statutes and guidelines, it should consider the following:

1. Ensure that it correctly calculates traffic school distributions pursuant to VC 42007 by doing the following:
 - For traffic school cases with Red Light violations, modify Sustain distribution logic to properly calculate 30 percent allocation but still ensure that GC §76104 – EMS penalty and GC §76000.5 – Additional EMS penalty amounts are distributed in whole or 100 percent of the amount prior to applying 30 percent. According to the SCO and pursuant to VC §42007.3(a)(2), the remaining balance of the TVS fee after allocating 30 percent shall be deposited pursuant to VC §42007. VC §42007(b)(2) states that amounts equal to what would have been collected pursuant to GC 76104 and GC §76000.5 shall be deposited with the County. This logic also applies to GC §70372(a) penalty assessment distributions pursuant to VC §42007(b)(3).
 - For traffic school cases with city arrests, apply 2 percent on the city portion of the base fine and ensure the 2 percent amount is redirected to the VC §42007 TVS fee remaining balance distribution to the County. According to the SCO Appendix C and pursuant to VC §42007(c), the amount deposited will be an equal amount of the city base fine pursuant to PC §1463.001(b), which is reduced by 2 percent via the GC§68090.8 – 2 percent state automation.

- For traffic school cases after the effective date of ABX8 3 (6/10/10), ensure the increase of \$2 for every 10 for GC §76104.7 - Additional DNA penalty assessment is included in the VC §42007 (TSCTPA journal code) distribution when reported to the County. According to the SCO guideline on ABX8 3, only the amount assessed has changed but not the application of GC §76104.7.
2. Ensure that it correctly distributes Red Light cases by doing the following:
 - For Red Light bail forfeitures or non-traffic school dispositions, apply 30 percent red light allocation to all GC §70372(a) moneys including the ICNA portion and do not take 30 percent from the GC §76000.5 – Additional EMS penalty. According to the SCO Appendix C and pursuant to PC §1463.11, 30 percent is taken from the following distribution components: base fine, PC §1464 penalty assessment, GC §76000 local penalty assessments, and GC §70372(a) moneys.
 - For Red Light traffic school dispositions, apply 30 percent red light allocation to all GC 70372(a) moneys including the ICNA portion. According to the SCO Appendix C and pursuant to VC §42007.3, 30 percent is taken from the VC 42007 fee that includes the base fine and all penalty assessments (PC 1464, GC 76000 local penalty, GC 70372(a) state court construction, GC 76104.6 DNA penalty, GC 76104.7 Additional DNA penalty and GC 76000.5 Additional EMS penalty).
 3. Ensure GC 68090.8 – 2 Percent State Automation is correctly applied by doing the following:
 - For VC §16028 convictions, apply 2 percent on the full base fine prior to distributing the required special base fine distribution pursuant to subdivisions (a), (b) and (c) of PC §1463.22.
 - For applicable Fish and Game violations, apply 2 percent on the FG 12021 \$15 additional penalty since it is a penalty not a fee.
 - For applicable DUI violations, apply 2 percent on the PC §1463.25 – Alcohol Abuse Education and Prevention penalty assessment of \$50.

According to GC 68090.8 (b), 2 percent is applied prior to any required distributions of fines, penalties and forfeitures. The statutes above are distribution statutes not statutes that impose the fine, penalties or forfeiture. The distribution statutes take effect on the monies collected, which will have 2 percent already applied.

4. Test and evaluate Sustain's DUI base-up distribution logic to ensure that base fine, penalty assessment, and surcharge calculations and distributions are correct. Also, test the top-down distribution logic to ensure that it is correct and does not conflict with base-up scenarios.

5. Ensure the current DV fee assessment and distribution is correct pursuant to the current PC 1203.097(a)(5) in effect.
6. Ensure that it correctly distributes Railroad cases by doing the following:
 - For Railroad bail forfeitures or non-traffic school dispositions, apply 30 percent railroad allocation to all GC §70372(a) moneys including the ICNA portion and do not take 30 percent from the GC §76000.5 – Additional EMS penalty. According to the SCO Appendix C and pursuant to PC §1463.12, 30 percent is taken from the following distribution components: base fine, PC §1464 penalty assessment, GC §76000 local penalty assessments, and GC §70372(a) moneys.
 - For Railroad traffic school dispositions, apply 30 percent railroad allocation to both DNA penalty assessments, GC §76104.6 and GC §76104.7, and to all GC §70372(a) moneys including the ICNA portion. According to the SCO Appendix C and pursuant to VC §42007.3, 30 percent is taken from the VC 42007 fee that includes the base fine and all penalty assessments, which are as follows; PC 1464 state penalty, GC 76000 local penalty, GC 70372(a) state court construction, GC 76104.6 DNA penalty, GC 76104.7 Additional DNA penalty and GC §76000.5 Additional EMS penalty.

Superior Court Response By: Lisa Skinner

Date: 8/10/11

1) Item #1- Ensure correct calculations of traffic school distributions pursuant to VC42007
Agree and seeking confirmation from SCO

Corrective Action: Two of the three issues identified in this item were corrected in November 2010. For the item relating to the EMS penalty and GC76000.5, it is our understanding that Napa, as well as all other Sustain courts, have been configured in this manner for a number of years and successfully passed SCO audits. The court will continue to distribute as we are now until we receive formal notification or revised Appendix C from the SCO's office clarifying that we need to make this change.

Date of Corrective Action: November 17, 2010 and date to be determined after confirmation from SCO office

Responsible Person(s): Lisa Skinner

2) Item #2- Ensure correct Red Light distributions

Agree and Need SCO confirmation

Corrective Action: Two of the three issues identified in this item were corrected in November 2010. For the item relating to the EMS penalty and GC76000.5, the court will continue to distribute as we are now until we receive formal notification or revised Appendix C from the SCO's office clarifying that we need to make this change.

Date of Corrective Action: November 28, 2010 and date to be determined after confirmation from SCO office

Responsible Person(s): Lisa Skinner

3) *Item #3- Ensure GC68090.8 - 2% Automation is correctly applied*

Agree and Need SCO confirmation

Corrective Action: One of the three issues identified in this item was corrected in August 2011. For the item relating to penalty assessments, we do not see in Table 6 of Appendix C that penalty assessments that are not part of the base fine should be reduced by 2%. It is our understanding that all Sustain courts are distributing penalty assessments like we are. We are unaware of any other Sustain court that has this item written up as an audit finding. We are distributing in accordance with the Sjoberg Evashenk Transfer of Knowledge documents which were administrated by the AOC. We will continue to distribute as we are now until we receive formal notification or revised Appendix C from the SCO's office clarifying that we need to make this change.

Date of Corrective Action: August 9, 2011 and date to be determined after confirmation from SCO office

Responsible Person(s): Lisa Skinner

4) *Item #4 – Test and evaluate Sustain's DUI base-up calculations and distributions are correct*

Agree

Corrective Action: This issue appears to be an anomaly. The court's current distributions are correct. We do agree, however, that having a procedure by which the most common distributions are regularly tested is a best practice and will implement such a procedure by the date below.

Date of Corrective Action: December 1, 2011

Responsible Person(s): Lisa Skinner

5) *Item #5 – Ensure current DV fee assessments and distributions are correct [PC1203.097(a)(5)]*

Agree

Corrective Action: DV fees are currently assessed in Sustain manually. We are looking to enhance our system to automatically incorporate all appropriate fees, including DV fees, into the Open Item in Sustain. This action will help eliminate human error and ensure greater consistency by which such fees are imposed.

Date of Corrective Action: December 1, 2011

Responsible Person(s): Jeannette Vannoy and Kim Miller

6) *Item #6 – Ensure correct Railroad cases distributions*

Agree and Need SCO confirmation

Corrective Action: Two of the three issues identified in this item were corrected in November 2010. For the item relating to the EMS penalty and GC76000.5, the court will continue to distribute as we are now until we receive formal notification or revised Appendix C from the SCO's office clarifying that we need to make this change.

Date of Corrective Action: November 28, 2010 and date to be determined after confirmation from SCO office

Responsible Person(s): Lisa Skinner

7. Banking and Treasury

Background

GC 77009 authorizes the Judicial Council to establish bank accounts for trial courts to deposit trial court operations funds and other funds under the courts' control. FIN Manual, Procedure No. FIN 13.01, establishes the conditions and operational controls under which trial courts may open these bank accounts and maintain funds. The Court currently deposits its operating funds in an AOC-established account. It also deposits trust, daily collections, and AB 145 monies collected with the County Treasurer's Office.

The Court implemented the Phoenix Financial System in April 2006 as part of the CARS initiative. The Court also opened bank accounts separate from the County that it uses: (a) to receive funding from the AOC, (b) for vendor payments. The Court maintains separate accounts in the County Treasury, (a) for payroll, and (b) as a depository for a variety of Court-ordered payments such as bail, jury fees, and court reporter appeals.

Trial courts may earn interest income on all court funds wherever located. The Court receives interest income earned on funds deposited with the AOC Treasury and the County Treasury.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Assets				
120050 SHORT TERM INVESTMENTS-LA	412,010.77	624,975.12	(212,964)	(34)
120051 SHORT TERM INVESTMENTS-CA	329,896.55		329,897	n/a
Revenues				
825010 INTEREST INCOME	(32,270.44)	(83,640.83)	(51,370)	(61)
** 825000-INTEREST INCOME	(32,270.44)	(83,640.83)	(51,370)	(61)
Expenditures				
920301 MERCHANT FEES	888.60	888.60	0	0
920302 BANK FEES	7,029.68	6,450.05	580	9
* 920300 - FEES/PERMITS	7,918.28	7,338.65	580	8

As with other Phoenix courts, the Court relies on Trial Court Trust and Treasury Services for many banking services, such as performing monthly reconciliations of bank balances to the general ledger, overseeing the investment of trial court funds, and providing periodic reports to trial courts and other stakeholders. Therefore, we only performed a high level review of the Court's banking and treasury procedures, including the following:

- Controls over check issuance and the safeguarding of check stocks for bank accounts under the Court's control (e.g. Revolving Account, local bank accounts).

- Processes for reconciling general ledger trust balances to supporting documentation; including daily deposit, CMS, and case file records.
- Whether AOC approval was obtained prior to opening and closing bank accounts.

There were no significant issues in this area to report to management. There were no minor issues noted in the Appendix A.

8. Court Security

Background

Appropriate law enforcement services are essential to trial court operations and public safety. The Court contracts with the County Sheriff's Office, the County Office of Corrections, and a private security vendor for security services, including providing security staff for courtrooms, entrance and perimeter screening, monitoring security cameras, and monitoring holding cell areas. The Court also has a Court Administrator that oversees the facility needs of the Court, including security needs such as building access and maintenance of fire-prevention and detection devices, security cameras, and duress systems.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
934503 PERIMETER SECURITY-SHERIF	584,132.16	522,101.12	62,031	12
934504 PERIMETER SEC-CONTRCT (OT	326,791.41	366,990.01	(40,199)	(11)
934510 COURTROOM SECURITY-SHERIF	940,660.11	877,274.47	63,386	7
* 934500 - SECURITY	1,851,583.68	1,766,365.60	85,218	5
941101 SHERIFF - REIMBURSEMENTS	8,726.00	9,536.00	(810)	(8)
* 941100 - SHERIFF	8,726.00	9,536.00	(810)	(8)

We reviewed the Court's security controls through interviews with Court management and County Sheriff service providers, observation of security conditions, and review of documents. We also reviewed the Court's security agreements with the County Sheriff, compared budgeted and actual security expenditures, and reviewed selected Sheriff invoices.

There were no security related issues that were considered significant enough to bring to management's attention in this report. There were four minor issues noted and they are contained in the Appendix A.

9. Procurement

Background

The FIN Manual provides uniform guidelines for trial courts to use in procuring necessary goods and services and to document their procurement practices. Trial courts must demonstrate that purchases 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 documents the approval by an authorized individual. Depending on the type, cost, and frequency of the goods or services to be procured, trial court employees may need to perform varying degrees of comparison research to generate an appropriate level of competition so as to obtain the best value. Court employees may also need to enter into purchase orders, service agreements, or contracts to document the terms and conditions of its purchases.

We assessed the Court's compliance with the FIN Manual requirements for procurement through interviews with Financial Services managers and staff regarding internal controls and other practices, review of procurement user functions set up on the Phoenix Financial System, and review of purchase orders and associated procurement documents. We also tested selected procurements to determine the Court's compliance with open and competitive procurement requirements and its use of blanket purchase orders.

There were no issues in this area considered significant enough to bring to management's attention. There were no minor issues noted in the Appendix A.

10. Contracts

Background

FIN Manual, Procedure No. FIN 7.01, establishes uniform guidelines for the trial court to follow in preparing, reviewing, negotiating, and entering into contractual agreements with qualified vendors. The trial court shall issue a contract when entering into agreements for services or complex procurements of goods. It is the responsibility of every court employee authorized to commit trial court resources to apply contract principles and procedures that protect the interests of the court.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
938401 GENERAL CONSULTANTS & PRO	219,622.77	271,459.06	(51,836)	(19)
938404 ADMINISTRATIVE SERVICE	58,801.00	58,802.00	(1)	(0)
938410 TELECOMMUNICATIONS-CONSUL	199.00	2,387.46	(2,188)	(92)
938411 TRAFFIC SCHOOL MONITORING	26,593.45	29,482.00	(2,889)	(10)
* 938300 - GENERAL CONSULTANT AND P	305,216.22	362,130.52	(56,914)	(16)
938701 COURT TRANSCRIPTS	95,433.81	113,565.02	(18,131)	(16)
* 938700 - COURT TRANSCRIPTS	95,433.81	113,565.02	(18,131)	(16)
938801 DEPENDENCY COUNSEL CHRGS	57,316.92	131,703.39	(74,386)	(56)
938802 DEPENDENCY COUNSEL CHRGS	125,352.00	91,065.84	34,286	38
938803 COURT-APPOINTED COUNSEL C	48,000.00	33,404.28	14,596	44
* 938800 - COURT APPOINTED COUNSEL	230,668.92	256,173.51	(25,505)	(10)
938901 INVESTIGATIVE SERVICES	31,200.00	28,800.00	2,400	8
* 938900 - INVESTIGATIVE SERVICES	31,200.00	28,800.00	2,400	8
939002 PSYCHIATRIC EVALUATIONS	78,371.25	100,395.50	(22,024)	(22)
* 939000 - COURT ORDERED PROFESSION	78,371.25	100,395.50	(22,024)	(22)
939401 LEGAL SERVICES	11,669.40	675.00	10,994	1,629
939419 CONTRACT LAW FIRM COSTS		1,890.20	(1,890)	(100)
* 939400 - LEGAL	11,669.40	2,565.20	9,104	355
939801 OTHER CONTRACT SERVICES	360.00	823.50	(464)	(56)
* 939800 - OTHER CONTRACT SERVICES	360.00	823.50	(464)	(56)
942202 COUNTY COUNSEL SERVICES		809.60	(810)	(100)
942301 COUNTY - FISCAL SERVICES	16,091.92	15,520.36	572	4
942302 AUDITOR-CONTROLLER SERVIC	16,539.24	14,380.74	2,159	15
942501 COUNTY - HUMAN RESOURCES	9,719.14	12,532.75	(2,814)	(22)
942601 COUNTY - OFFICE SERVICES	3,183.34	3,755.04	(572)	(15)
942801 COUNTY - EDP SERVICES	9,727.04	8,462.67	1,264	15
* 942100 - COUNTY-PROVIDED SERVICES	55,260.68	55,461.16	(200)	(0)

We interviewed Court management and staff regarding the Court's contracting, and contract management and monitoring practices to determine compliance with applicable FIN Manual

requirements. We also reviewed selected contract agreements in effect in FY 2009–2010. Primary contracts and testing performed included the following:

- Agreements entered into with the County, including the County Services MOU and agreement with the Sheriff for security services. We performed the following tests:
 - Determine whether they are current, comprehensive of all services currently received or provided, and contain all required terms and conditions.
 - Determine whether services billed were reasonable, allowable, sufficiently documented and supported, and appropriately accounted for.
- Contracts tied to our review of invoices and claims discussed in Section 11 (Accounts Payable) of this report. For these contracts, we performed the following tests:
 - Determine whether terms and conditions specified in the contracts are sufficient to protect the interest of the Court
 - Evaluate compliance with the FIN Manual requirements
 - Assess the Court’s efforts to monitor contractor performance

The following issue in this area was considered significant enough to bring to management’s attention. There was one minor issue that is noted in the Appendix A.

10.1 The Court Needs to Renew its Agreements for County-Provided Services

Background

Government Code (GC) section 77212 requires a court to enter into a contract with the county to define the services the court desires to receive from the county and the services the county agrees to provide the court. A Memorandum of Understanding (MOU) may serve as the contract between the county and the court. An MOU is a written statement that outlines the terms of an agreement or transaction between government entities. Because of the historical relationship between courts and counties, MOUs are commonly used to establish agreements between the two.

To assist courts with preparing, reviewing, negotiating, and entering into MOUs between themselves and other government entities, the FIN Manual, Procedure No. 7.02, provides uniform guidelines for courts to follow. For example, FIN 7.02, 6.5.2, outlines key elements that MOUs for county-provided services must contain such as the basic contract elements (cost, schedule, scope of work, and terms and conditions). Further, it refers courts to review Rule of Court 10.810, which lists allowable and unallowable court costs, when negotiating the MOU or reviewing county invoices.

According to the current MOU that the Court and the County of Napa (County) are currently doing business under, the County provides the Court with the following services:

- Auditor-Controller Services (includes payroll processing, benefit administration and voucher processing)
- Fiscal Services (includes portfolio management for all Court accounts and banking services)

- Human Resource Services (includes recruitment and selection consultation, personnel transactions, labor relations consultation, and training)
- Sheriff Security Services (includes courtroom and building not entrance)
- IT Services/Communications (includes telecommunications management)
- Janitorial Services
- Office Services (includes mail service and records management)

Issues

To obtain an understanding of the types of services provided by the county and the manner in which the Court is billed for these services, we interviewed appropriate Court personnel and reviewed any MOUs between the Court and county, as well as county invoices submitted to the Court. Our review revealed the following:

1. The MOU for various County-provided services, including services provided by the Sheriff for court security, is significantly outdated. The MOU that the Court and County are currently working under commenced on July 1, 1998 and expired on June 30, 1999. As a result, the Court's current Court/County MOU does not adequately outline the current scope of services and does not itemize and define cost information so that it is reflective of the current billing/reimbursement methodologies, billing rates, and maximum amounts used to determine charges paid by the Court. For example, the current MOU does not specify county EDP services or service support on the PeopleSoft to Phoenix financial system interface and the hourly rates charged for county staff performing HR services. Furthermore, many services previously provided by the County that have been discontinued such as janitorial and legal counsel services are still defined in the existing MOU.
2. In addition, the current MOU with the County does not clearly define the information technology services provided by the County for the Court's mission-critical systems that are located in the County's data center. For example, the County has allocated the Court server rack space for which the servers are managed by the Court. However, the details defining this agreement with the County are not included in the Courts current MOU that it has with the County. In addition, the County has read only access to the Court's network and case management system, however, the current MOU does not clearly define this access by requiring the County to adhere to the Court's IT policies and procedures for these systems.
3. Court does not require the County to provide sufficient detail when being invoiced for Treasury and Banking Services. For example, invoice documentation does not show the calculation methodology and rates used to determine total quarterly charges.

Recommendations

To ensure the Court adequately protects its rights, receives the services it expects from the County, and pays only costs that are allowable, it should consider the following:

1. The Court should continue its efforts to negotiate contract terms and finalize with the County revised County services MOU and court security contracts that reflect current service levels and billing rates. If the Court reaches an impasse in negotiations with the County, it must consult with the AOC Office of the General Counsel as directed by the Judicial Council-approved *Operating Guidelines and Directives for Budget Management* in the Judicial Branch.
2. The Court must ensure that all services provided to the Court by the County are clearly defined by outlining the key elements (cost, schedule, scope of work, and terms and conditions) for each specific service.
3. Require the County to submit to the Court sufficiently detailed invoices that details the calculation methodology that was used to determine the rates being billed.

Superior Court Response By: Lisa Skinner Date: 4/29/11

1) and 2) Negotiate revised MOU with County

Agree

Corrective Action: Court will continue our efforts to update the Court-County MOU to reflect the current services provided by both the Court to the County and the County to the Court. In preparing the updated MOU, we will work to ensure that the basic contract elements (cost, schedule, scope of work, and terms and conditions) are included for each specific service.

Date of Corrective Action: Prior to the end of fiscal year 2011/12

Responsible Person(s): Rick Feldstein, Lisa Skinner

3) Require County to provide proper backup detail for invoices

Agree

Corrective Action: In the document that we have drafted to update the MOU with the County, we have outlined specific invoice/reimbursement requirements to ensure sufficient backup detail.

Date of Corrective Action: Prior to the end of fiscal year 2011/12

Responsible Person(s): Lisa Skinner

11. Accounts Payable

Background

All trial court vendor, supplier, consultant and contractor invoices and claims shall be routed to the trial court accounts payable department for processing. The accounts payable staff shall process the invoices and claims in a timely fashion and in accordance with the terms and conditions of the purchase agreements. All invoices and claims must be matched to the proper supporting documentation and must be approved for payment by authorized court personnel acting within the scope of their authority.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Assets				
119002 CASH ON HAND - PETTY CASH	700.00		700	n/a

Expenditures - Travel

929299 TRAVEL IN STATE	10,213.32	26,999.48	(16,786)	(62)
* 929200 - TRAVEL- IN STATE	10,213.32	26,999.48	(16,786)	(62)
931101 OUT-OF-STATE TRAVEL EXPEN		114.00	(114)	(100)
931102 OUT-OF-STATE AIR TRANSPOR		358.00	(358)	(100)
931106 RAIL, BUS, TAXI, FERRY-OU		80.00	(80)	(100)
* 931100 - TRAVEL OUT OF STATE	0.00	552.00	(552)	(100)

Expenditures

920601 MISCELLANEOUS OFFICE SUPP	39,488.73	49,218.60	(9,730)	(20)
920613 RUBBER STAMP	3,125.80	1,686.89	1,439	85
920632 AWARDS (SERVICE RECOGNITI	299.81	778.55	(479)	(61)
* 920600 - OFFICE EXPENSE	42,914.34	51,684.04	(8,770)	(17)
921501 PERSONNEL ADS	402.50	6,125.72	(5,723)	(93)
* 921500 - ADVERTISING	402.50	6,125.72	(5,723)	(93)
921702 MEETING AND CONFERENCE -	2,866.24	4,091.99	(1,226)	(30)
921799 MEETINGS, CONFERENCES, EX	2,471.68	7,017.24	(4,546)	(65)
* 921700 - MEETINGS, CONFERENCES, E	5,337.92	11,109.23	(5,771)	(52)
922301 SUBSCRIPTIONS/MAGAZINESIA	22,285.99	25,355.87	(3,070)	(12)
922302 PUBLICATIONS-ON LINE SERV	6,736.00	6,667.93	68	1
* 922300 - LIBRARY PURCHASES AND SU	29,021.99	32,023.80	(3,002)	(9)

922908 FURNITURE REPAIR	85.00	7,943.60	(7,859)	(99)
922999 EQUIPMENT REPAIRS		55.00	(55)	(100)
* 922900 - EQUIPMENT REPAIRS	85.00	7,998.60	(7,914)	(99)
923908 SHREDDING SERVICE		3,371.00	(3,371)	(100)
923915 DRY CLEANING		25.27	(25)	(100)
* 923900 - GENERAL EXPENSE - SERVIC	0.00	3,396.27	(3,396)	(100)

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures (Continued)				
924501 PRINTED FORMS		3,136.50	(3,137)	(100)
924506 CASE FILE JACKETS	6,623.75	40,422.54	(33,799)	(84)
924599 PRINTING	21,818.68	17,229.12	4,590	27
* 924500 - PRINTING	28,442.43	60,788.16	(32,346)	(53)
925101 TELECOMMUNICATIONS	16,312.18	17,697.40	(1,385)	(8)
925102 INTERNET ACCESS PROVIDER	15,876.64	16,900.35	(1,024)	(6)
925103 CELL PHONES/PAGERS	157.68	2,750.44	(2,593)	(94)
* 925100 - TELECOMMUNICATIONS	32,346.50	37,348.19	(5,002)	(13)
926101 STAMPS	30,331.39	28,678.16	1,653	6
926102 EXPRESS DELIVERY	3,090.30	3,830.68	(740)	(19)
* 926200 - STAMPS, STAMPED ENVELOPE	33,421.69	32,508.84	913	3
928801 INSURANCE	3,998.00	5,352.00	(1,354)	(25)
* 928800 - INSURANCE	3,998.00	5,352.00	(1,354)	(25)
965101 JURORS - FEES	19,410.00	22,230.00	(2,820)	(13)
965102 JURORS - MILEAGE	3,508.12	4,696.08	(1,188)	(25)
* 965100 - JUROR COSTS	22,918.12	26,926.08	(4,008)	(15)

We assessed the Court's compliance with invoice and claim processing requirements specified in the FIN Manual through interviews with accounts payable staff. We also tested selected invoices and claims processed in FY 2009–2010 to determine whether accounts payable processing controls were followed, payments were appropriate, and amounts paid were accurately recorded in the general ledger.

We also assessed compliance with additional requirements provided in statute or policy for some of these invoices and claims, such as court transcripts and contract interpreter claims. Furthermore, we reviewed a sample of travel expense claims and business meal expenses to assess compliance with *AOC Travel Reimbursement Guidelines* and *Business-Related Meals Reimbursement Guidelines* provided in the FIN Manual.

We reviewed selected jury fees and mileage reimbursement expenditures to determine whether amounts were properly paid and reported. Since jury checks are distributed by the AOC's Trial Court Administrative Services Division, we did not review controls over check stock and check issuance procedures. We also evaluated the Court's efforts to collect on civil jury expenditures.

There were no issues in this area considered significant enough to bring to management's attention in this report. Four minor issues were noted in Appendix A.

12. Fixed Assets Management

Background

FIN Manual, Procedure No. FIN 9.01, states that the trial court shall establish and maintain a Fixed Asset Management System (FAMS) to record, control, and report court assets. The primary objectives of the system are to:

- Ensure that court assets are properly identified and recorded,
- Ensure that court assets are effectively utilized, and
- Safeguard court assets against loss or misuse.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
922601 MINOR OFFICE EQUIPMENT/MA	544.42	3,195.64	(2,651)	(83)
922603 OFFICE FURNITURE - MINOR	1,549.91	6,338.77	(4,789)	(76)
922606 NON-OFFICE FURNITURE		1,184.41	(1,184)	(100)
922608 WEAPON SCREENING EQUIPMEN	6,851.25	388.08	6,463	1,665
922610 COMPUTER ACCESSORIES	1,096.62	9,100.33	(8,004)	(88)
922611 COMPUTER	(13.84)	20,627.65	(20,641)	(100)
922612 PRINTERS	3,682.29	8,556.89	(4,875)	(57)
922699 MINOR EQUIPMENT - UNDER \$	15,107.89	18,187.49	(3,080)	(17)
* 922600 - MINOR EQUIPMENT - UNDER	28,818.54	67,579.26	(38,761)	(57)
922806 SECURITY SYSTEM MAINTENAN	2,940.00	11,895.00	(8,955)	(75)
922899 OFFICE EQUIPMENT MAINTENA	9,023.81	11,981.39	(2,958)	(25)
* 922800 - EQUIPMENT MAINTENANCE	11,963.81	23,876.39	(11,913)	(50)

We evaluated compliance with the FIN Manual requirements over fixed asset management, inventory control, software licensing control, and transfer and disposal practices through interviews with Court management and staff, and a review of supporting reports and documentation. Our review included the following:

- Reviewing the accuracy of the Court's fixed asset information reported in the Comprehensive Annual Financial Report worksheet statements 18 and 19 by comparing the reported amounts to the Court's supporting fixed asset listings or reports.
- Reviewing supporting purchase documents and invoices of selected expenditure transactions recorded to major and minor equipment general ledger accounts to determine whether the Court appropriately classified and recorded its purchases of fixed asset items.
- Determining whether the Court followed the FIN Manual fixed asset capitalization policies.
- Validating the existence of selected inventory and fixed asset items through physical observation.

There was one issue noted in this area considered significant enough to bring to management's attention in this report. One minor issue was noted in the Appendix A.

12.1 Improvements Are Required in the Court's Tracking and Reporting of Court Assets

Background

The Trial Court Financial Policies and Procedures Manual (FIN Manual), Procedure No. 9.01, paragraph 3.0 requires each trial court to establish and maintain a Fixed Asset Management System (FAMS) to record, control, and report all court assets. The trial court's primary objectives are to ensure that all court assets are properly identified and recorded, used effectively, and safeguarded against loss or misuse.

Specifically, paragraph 6.2.2 requires courts to maintain a detailed and up-to-date listing of inventory items. Inventory items are defined as items with an individual value of more than \$1,000 and less than \$5,000 and an anticipated useful life of more than one year. In addition, items that are particularly subject to loss or theft, such as small office equipment, cellular phones, and small phones valued at less than \$1,000, are also included as inventory items. Further, paragraph 6.2.3 requires courts to maintain a current list of court-owned computer software. Paragraph 6.2.4 requires courts to also maintain certain information in the FAMS, such as a description of the fixed asset, date of acquisition, value, and estimated useful life. Fixed assets are defined as individual items with a value of \$5,000 or more and with an anticipated useful life of more than one year, such as vehicles, security equipment, and copiers.

To identify and control these assets, paragraph 6.3 requires the court to assign a unique identification (ID) number and affix to each inventory item, fixed asset, and software license agreement, a tag or decal showing the assigned ID number. The tags or decals should be serially numbered, and unused tags or decals should be kept in a secure place.

Although paragraph 6.6 recommends an annual inventory, it requires courts to conduct a physical inventory of all court assets and equipment no less than every three years. The court must reconcile the inventory count recorded at each location against the asset records and investigate variances. Any unexplained losses or missing items must be reported to the court Fiscal Officer or designated employee.

To protect the integrity of the FAMS, paragraph 6.7 requires that the Court maintain a record of asset transfer or disposal. Specifically, paragraph 6.7.2 outlines guidelines for the disposal of inventory items and fixed assets as established by Rule of Court 10.830. For example, these rules require courts to provide the Administrative Director of the Courts a written description of technology equipment acquired on or after July 1, 2000, that the court wishes to dispose of as surplus equipment. If the Administrative Director of the Court determines, or makes no determination within 60 days, that no court needs the technology equipment, the court may dispose of the surplus equipment following the rules required for disposing of non-technology personal property.

Upon review of the Court's system for recording, controlling, and reporting on Court assets it was determined that the Court has several employees that are responsible for tracking and reporting on assets. Specifically, the issuance of the Courts asset tags is the responsibility of one court employee. This employee works in the Court's Information Technology Unit (IT Unit) and is responsible for issuing property identification (ID) tags to new purchases including IT purchases and non-IT purchases and tracking the purchases in the Courts asset database. The Court, using Microsoft Access Database Software that was developed by the AOC, has implemented an asset management database or (AMDB) to track and record all assets.

Issues

Our review determined the Court has good procedures in place for a successful FAMS, but we determined that several areas could be strengthened. Specifically, we identified the following issues:

1. The Court's process for assigning property ID tags does not ensure that the ID tags are consistently used in sequential order and that key information associated with fixed assets is promptly recorded in the Court's asset management database (AMDB). The purpose behind assigning property ID tags sequentially is to facilitate a complete FAMS by tracking, recording, and accounting for all sequential property ID tags and their associated asset items. Upon reviewing the Court's asset tag register it was noted that asset tags are not being consistently issued in sequential order and as a result, the Court could not account for several asset tags on their register. For example, since the Court implemented its current FAMS in FY 07/08, 26 out of 342 assets tags issued, or 8 percent could not be accounted for because they were missing from the register.
2. The Court understated its position on its CAFR for fixed assets by misclassifying two purchases. For example, the purchase of the RadWin Radio Link wireless connectors and equipment was misclassified because the Court classified the equipment into separate minor equipment instead of classifying this equipment as pieces that function together as a whole; therefore they should be classified as two separate fixed assets that total \$7,225 each, one for each of the Court's buildings. In addition, the Court misclassified its SecureTech System for \$11,200. This item too, although it is separate components functions as one unit, and therefore, as a total is considered a fixed asset.
3. The Court does not always keep complete records to support when an item has been transferred or disposed. For example, after testing the completeness and accuracy of the Court's list of items considered inventory items (\$1,000 - \$4,999) it was noted that item # 1817 a computer, and item # 2139 a shedder, could not be located. Furthermore, the Court could not provide documentation to support that these two items had been transferred or destroyed. In addition, after testing the Court's list of items considered fixed assets (\$5,000 and above) it was noted that item # 1359 a computer server could not be located and the Court was unable to provide any documentation to support that this item was transferred or disposed.

4. The Court is not always completing all sections of the transfer/disposal form. For example, the property disposal form dated May 22, 2009 the Court did not enter the name and details of the firm receiving the equipment. In addition, the property transfer/disposal form dated September 25, 2009 in which the CEO approved the posting of court surplus materials to the AOC web site by signing the form but the signature was missing the date. The property transfer/disposal form dated May 22, 2009, documenting surplus items that were going to be posted on the AOC website did not have the approval signature of the Court CEO. There were 26 items total on the form. Six items on the form were undated. Of the remaining twenty that were dated, twelve were acquired after July 1, 2000, and there was no documentation showing that the Court followed CRC 10.830 for the disposal of technology equipment.

Recommendations

To ensure it properly records, controls, and reports its inventory and fixed asset items, the Court should consider the following:

1. Ensure that each fixed asset and inventory item listed is assigned a unique serially numbered asset tag or decal in numerical sequence. If an asset tag is damaged or not used in sequence this tag should be documented as damaged and/or voided in the asset tag register. In addition, to ensure that the serial tag numbers are tracked and documented, the Court must keep the asset list up to date by immediately documenting the assigned ID to the inventory list.
2. Re-classify the (Radwin Radio Link) and the (SecureTech System) and report these items as additions in fixed assets on the CAFR worksheet statements 18 and 19.
3. Ensure that complete and accurate records are kept as documentation for all assets that are transferred or disposed. All blanks of the form must be completed and including appropriate authorization signature and date.
4. Ensure compliance with Rule of Court 10.830 regarding the disposal of surplus technology equipment acquired by the Court on or after July 1, 2000. Specifically, if the Court acquired the technology equipment on or after July 1, 2000, it should list its surplus technology equipment for at least 60 days on the AOC Serranus website to provide other courts the opportunity to determine whether they need any of this surplus technology equipment prior to disposal. It is suggested that once the surplus technology equipment is listed on the AOC website that a screen print be made to document that the Court followed the correct disposal procedures.

Superior Court Response By: Lisa Skinner Date: 04/25/2011

1) Assigning Sequential Asset Tags

Agree

Corrective Action: Historically, tags that were damaged were not added to the inventory list. Effective February 4, 2011, tags are issued in sequential order and if a tag is not used for some reason, the tag number will be added to the AMDB as a 'disposed' tag number and will be noted with the reason it was not used (ie: damaged).

Date of Corrective Action: February 4, 2011
Responsible Person(s): Debbie Stroup

2) *Reclassifying Assets on CAFR*

Agree

Corrective Action: Court will note prior period adjustment on 2010/11 CAFR report to account for both items noted above.

Date of Corrective Action: Draft spreadsheet for 2010/11 inventory listing was updated to reflect the changes on 3/9/11

Responsible Person(s): Lisa Skinner

3) *Complete and Accurate Disposal Records &*

4) *Disposal of Technology Equipment*

Agree

Corrective Action: We created a new process and an updated Disposal/Transfer form in October 2009. In our new process, and with the help of our updated form, we follow the FIN Manual to ensure that all surplus/disposal requirements are met. All disposal/transfers initiated after October 2009 have accurate and complete forms.

Date of Corrective Action: October 2009

Responsible Person(s): Lisa Skinner

13. Audits

Background

There are many legal requirements and restrictions surrounding the use of public resources that can lead to audits of trial court operations and finances. The court shall, as part of its standard management practice, conduct its operations and account for its resources in a manner that will withstand audit scrutiny. During an audit, the court shall fully cooperate with the auditors to demonstrate accountability, efficient use of public resources, and compliance with all requirements. Substantiated audit findings shall be investigated and corrected in a timely fashion.

IAS performed an audit of the Court in FY 2004–2005 to assess compliance with the FIN Manual and other policies, and various statutes and Rules of Court; internal controls over financial reporting and various operational areas; and readiness for migration onto CARS/Phoenix.

The State Controller's Office performed an audit to determine the propriety of court revenues remitted to the State of California by the County of Napa for the period July 1, 2001, through June 30, 2005.

There were no issues in this area considered significant enough to bring to management's attention in this report, and no minor issues noted in the Appendix A.

14. Records Retention

Background

It is the policy of the trial court to retain financial and accounting records in compliance with all statutory requirements. Where legal requirements are not established, the trial court shall employ sound business practices that best serve the interests of the court. The trial court shall apply efficient and economical management methods regarding the creation, utilization, maintenance, retention, preservation, and disposal of court financial and accounting records. This policy applies to all trial court officials and employees who create, handle, file, and reproduce accounting and financial records in the course of their official responsibilities.

Courts are allowed under CRC 10.810 to pay for records storage leases although the AOC's OCCM Division is requesting all leases be moved to it for consistency since it manages other court facility space.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of how the area was reviewed as a part of this audit is contained below

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
935203 STORAGE	37,540.11	51,472.00	(13,932)	(27)

We assessed the Court's compliance with the record retention requirements provided in statute and proceduralized in the FIN Manual through a self-assessment questionnaire. Furthermore, we observed and evaluated the Court's on-site records storage areas.

There were no issues in this area considered significant enough to bring to management's attention in this report, and no minor issues noted in the Appendix A.

15. Domestic Violence

Background

In June 2003, the Joint Legislative Audit Committee requested IAS to conduct an audit of the court-ordered fines and fees in specified domestic violence cases in California.

There are three main categories of domestic violence cases: Criminal, Civil, and Juvenile. While there is little to no money collected in Civil and Juvenile cases, the bulk of court-ordered domestic violence fines and fees are derived from assessments in criminal cases. At most courts, the collection and distribution of court-ordered domestic violence fines and fees in criminal cases are the responsibility of the county probation departments.

The main types of criminal domestic violence related fine and fee assessments are as follows:

- Penal Code (PC)1203.097 probation fees
- PC 1202.4(b) State Restitution Fees
- PC 1465.8 Court Security Fee
- Direct restitution payments to victims
- Court-ordered payments to Battered Women's Shelters
- PC 273.5 Fines
- State penalty assessments
- Local penalty assessments

We identified the statutory requirements for assessments of criminal domestic violence fines, fees, penalties, and assessments, and obtained an understanding of how the Court ensures compliance with these requirements. We also selected a sample of calendar year 2010 criminal domestic violence convictions, and reviewed corresponding CMS and case file information to determine whether the Court assessed the mandated fines and fees.

There were no issues in this section considered significant enough to bring to management's attention. There were four minor issues noted in Appendix A.

16. Exhibits

Background

Exhibits are oftentimes presented in both criminal and civil cases. Trial courts are responsible for properly handling, safeguarding, and transferring these exhibits. A good practice for trial courts is to establish written Exhibit Room Manuals (manual). These manuals normally define the term “exhibit” as evidence such as papers, documents, or other items produced during a trial or hearing and offered in proof of facts in a criminal or civil case. While some exhibits have little value or do not present a safety hazard, such as documents and photographs, other exhibits are valuable or hazardous and may include: contracts or deeds; weapons, drugs, or drug paraphernalia; toxic substances such as PCP, ether, and phosphorus; as well as cash, jewelry, or goods such as stereo equipment. To minimize the risk of exhibits being lost, stolen, damaged, spilled, and/or disbursed into the environment; courts should prepare a manual to guide and direct exhibit custodians in the proper handling of exhibits. Depending on the type and volume of exhibits, the manual can be minimal in length or very extensive. Manuals would provide practices and procedures that direct exhibit custodians in the consistent and proper handling, storing, and safeguarding of evidence until final closure of the case.

We evaluated controls over exhibit handling and storage by interviewing court managers and staff with exhibit handling responsibilities, reviewing the Court’s Exhibit Manual and other documents, and observing the physical conditions of exhibit storage areas. We also validated sample exhibit record cards to actual exhibit items to determine whether all exhibit items have been accurately accounted for.

There were no issues in this section considered significant enough to bring to management’s attention. There were four minor issues noted in Appendix A.

17. Court Interpreters

Background

Courts are mandated to provide specially trained language interpreters for witnesses, victims, and defendants who understand little or no English in criminal, misdemeanor, and delinquency matters, as well as certain civil matters. Persons who are deaf or hard of hearing are entitled to an interpreter for all court proceedings, whether criminal or civil. The cost of legally mandated court interpreters is State-funded. Additionally, the Judicial Council is responsible for certifying and registering court interpreters, developing a comprehensive program to ensure an available, competent pool of qualified interpreters, and set statewide pay rates for contract interpreter services in criminal proceedings. Furthermore, SB 371 (Chapter 1047, Statutes of 2002) established an employment model for court interpreters, allowing contracted certified and registered interpreters to become trial court employees.

The table below presents balances from the Court's general ledger accounts that are associated with this section. A description of the areas and how they were reviewed as a part of this audit is contained below.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
938502 COURT INTERPRETER TRAVEL	21,479.36	26,955.74	(5,476)	(20)
938504 COURT INTERPRETERS - CERT	153,672.47	165,548.19	(11,876)	(7)
938506 COURT INTERPRETERS - NONC	534.00	13,244.94	(12,711)	(96)
* 938500 - COURT INTERPRETER SERVIC	175,685.83	205,748.87	(30,063)	(15)
Revenues				
834010 PROGRAM 45.45-COURT INTER	(457,971.56)	(513,656.00)	(55,684)	(11)
** 834000-PROGRAM 45.45 - REIMBURSEM	(457,971.56)	(513,656.00)	(55,684)	(11)

The Court employs permanent court interpreters, and obtains services from a pool of contracted interpreters. We reviewed selected FY 2009–2010 court interpreter claims as part of our accounts payable review in Section 11 of the report to determine whether per diem rates and travel expense reimbursements paid were appropriate. There were no issues in this area considered significant enough to bring to management's attention in this report or noted in Appendix A.

18. Facilities

Background

In 1997, the Lockyer-Isenberg Trial Court Funding Act of 1997 (Assembly Bill 233) provides that trial court operations are to be funded by the state, rather than primarily by the counties, as they have been prior to the enactment of the Act. Counties, however, continue to bear primary responsibility for trial court facilities.

The Trial Court Facilities Act of 2002 (SB 1732) established the governance structure and procedures for transferring responsibilities over trial court facilities from counties to the State. IAS is involved on an on-going basis in reviewing facility transfers and facility construction projects for all trial courts through coordination with OCCM. We utilized that work in this audit, and performed other reviews regarding allowability of costs under CRC 10.810. Expenditures reviewed include lease/rental agreements and facilities renovation and maintenance. Additionally, we reviewed procurement documentation and invoices, if selected, as part of our procurement and accounts payable testing discussed in Sections 9 and 11, respectively.

Responsibility for Court Facilities

GC 70312 provides that if responsibility for court facilities is transferred from the county to the Judicial Council pursuant to this chapter, the county is relieved of any responsibility under Section **70311** for providing those facilities. The county is also relieved of any responsibility for deferred or ongoing maintenance for the facility transferred, except for the county facilities payment required by Section 70353.

According to the Office of Court Construction Management's (OCCM) "*Completed Transfer Agreements through December 29, 2009*", the County of Napa has entered into the following transfer agreements with the Judicial Council:

Building Name	Agreement Type	Executed Agreement Date	Effective Date of Transfer
Historic Courthouse	Transfer of Responsibility	05/20/2008	07/01/2008
Family Services	Consolidated	05/20/2008	07/01/2008
Criminal Court Building	Deferred Transfer of Title	06/18/2008	07/01/2008
Hall of Justice	Consolidated	06/18/2008	07/01/2008
Napa Juvenile Court	Transfer of Responsibility	09/09/2008	09/09/2008

- **Transfer of Responsibility:** Transfer of responsibility for specific space occupied exclusively by the court within a facility for which the state has responsibility for the continued operations and maintenance, including a proportional share of any common areas and systems. The transfer of responsibility may or may not include a change in ownership of the property (transfer of title) on which the facility is located.

- **Consolidated:** Applicable to a facility that no longer is used for court operations as those operations have been combined with operations at another court facility location. Consolidation may have occurred after the task force's inventory of court facilities and before transfer discussions or as part of an agreement related to the construction of a new courthouse to replace the former court facility.

• **Deferred Transfer of Title:** Applicable to a facility where the transfer of responsibility has been completed and a transfer of title will occur in the future, on the retirement

The table below presents balances from the Court's general ledger accounts that are associated with this section.

ACCOUNT	TOTAL FUNDS AS OF JUNE 30		\$ Inc. (Dec.)	% Change
	2010	2009		
Expenditures				
935301 JANITORIAL SERVICES	101,670.96	93,869.94	7,801	8
935303 JANITORIAL CLEANING SUPPL		31.99	(32)	(100)
* 935300 - JANITORIAL	101,670.96	93,901.93	7,769	8
935701 SIGNS & RELATED SUPPLIES	1,171.91	1,939.29	(767)	(40)
935799 OTHER FACILITY COSTS - GO	2,121.31	21.68	2,100	9,685
* 935700 - OTHER FACILITY COSTS - G	3,293.22	1,960.97	1,332	68
935899 OTHER FACILITY COSTS - SE	10,097.01	6,141.65	3,955	64
* 935800 - OTHER FACILITY COSTS - S	10,097.01	6,141.65	3,955	64

There were no issues in this section considered significant enough to bring to management's attention, and no minor issues noted in Appendix A.

19. Miscellaneous

This section covers Court donations, escheatment activities, and indirect cost recovery processes.

There were no issues identified in this section to report on.

APPENDIX A

Issue Control Log

**Superior Court of California,
County of Napa**

Note:

The Issues Control Log summarizes the issues identified in the audit. Any issues discussed in the body of the audit report are cross-referenced in the “Report No.” column. Those issues with “LOG” in the Report No. column are considered minor and listed only in the appendix. Additionally, issues that were not significant enough to be included in the report were communicated with the Court management as “informational” issues.

Those issues that are complete at the end of the audit are indicated by the ‘C’ in the column labeled C. Issues that remain incomplete at the end of the audit have an ‘I’ in the column labeled I and include the Court’s Estimated Completion Date.

Internal Audit Services will periodically contact the Court to monitor the status of its stated corrective efforts.

March 2011

Appendix A
 Issues Control Log

FUNCTION	RPT NO.	Issue Memo	ISSUE	I	C	COURT RESPONSE	RESPONSIBLE EMPLOYEE	ESTIMATED COMPLETION DATE
1	Court Administration							
	1.1							
		Log	The function in Sustain to change the date a matter was taken under submission is not restricted to specific management that do not have any job duties associated with preparing or reviewing the submitted matters reports.		C	The Court advises that Sustain is not capable of limiting the function of changing the date a matter was taken under submission to authorized specific management.	Kim Miller, Deputy Court Executive Officer Maureen Larsen, Deputy Court Executive Officer, and	Function not available in Sustain
		Log	The court does not verify bail bond agents license status on the www.insurance.ca.gov/license-status/ to confirm they are active and current.		C	Court advises that they receive notification when a bond agent's license status is not current. When this notification is received the court notifies the jail.	Kim Miller, Deputy Court Executive Officer	Complete
2	Fiscal Management							
			No issues noted					
3	Fund Accounting and Budgets							
			No issues noted					
4	Accounting Principles and Practices							
	4.1							
		Log	The Napa Valley Coalition grant and four AOC funded grants (asset replacement, self help, DV court interpreter, Juvenile court radios) were recorded as general funds. However, these should have been recorded as special revenue-grants.		C	The AOC's Phoenix Support Services group sets up all of the grants/WBS Elements for the courts in Phoenix. When the courts ask for new WBS elements, they should assign the proper grant fund and notify the courts of that fund number. This would ensure consistent coding among the standard grants for all 58 courts.	Lisa Skinner, CFO	Complete
5	Cash Handling							
	5.1	1	The Court Could Improve Monitoring and Oversight Over Some Cash Handling Procedures and Fine/Fee Transactions					
			<u>Daily Balance and Closeout</u> - Daily supervisor/lead verification of each cashier balance and closeout is not being performed while in the presence of the cashier being verified as required by FIN Procedure 10.02, paragraph 6.3.10.	I		Agree. Corrective Action: Currently the specialist/supervisor reviews the tills between 4:30 and 5:00 p.m. each day. This maximizes the time each clerk can be available at the counter to assist customers and process payments. In order to implement a process change, we will need to quantify how much additional time it would take for each clerk to re-count their till with the specialist/supervisor. We will need to determine a schedule to stagger their individual review times so that we don't interrupt customer service and we don't incur daily overtime. Date of Implementation: We are currently very short-staffed in Civil, Criminal, and Minor Offense divisions. With additional staffing scheduled over the next several months (new staff and the return of staff currently on LOA), we will conduct a test program in February 2012 to see how we could accommodate a process change in both buildings. Based on the uncertainty of the coming years budget and the effect that it may have on our staffing levels, we will discuss the effects of possible changes in staffing levels and its affects of a full implementation after the testing period.	Maureen Larsen, DCEO and Kim Miller, DCEO	Staffing shortages due to budget constraints and medical absences has pushed this date out beyond our original time frame. We now estimate testing to be completed February 2012.

Appendix A
 Issues Control Log

FUNCTION	RPT NO.	Issue Memo	ISSUE	I	C	COURT RESPONSE	RESPONSIBLE EMPLOYEE	ESTIMATED COMPLETION DATE
			<u>Mail Payments Processing</u> - The Court does not enforce proper segregation of duties when processing mail payments. For example, the same individual processes mail payments into the system, and helps customers at the counter. In addition, the court does not require the mail payment log to be reconciled to the mail payments entered into the case management system. Since there is no reconciliation of the mail payment log performed, it would be difficult for the court to determine whether or not a payment was misplaced, accidentally discarded, or taken until a customer complains. The Court's third party enhanced collection agency, California Service Bureau (CSB) or mails the court journal checks for collections that have been sent to CSB's Sacramento payment center. These checks can be for large sums with many separate payments included in one check. At the time the Court's operations were reviewed the court had a total of six checks from CSB that were older than 48 hours with the largest check being for \$26,000. Per FIN Procedure 10.02, paragraph 6.4, checks and money orders received through the mail should be processed on the day they are received. Any exceptions are to be brought to the attention of a supervisor, place in locked area and processed the next business day.	I		Agree. Corrective Action: As of December 2010, mail payments are now processed in CCB by a person who is not at the counter. Due to staffing issues, staff assigned to back desk duties must sometimes cover counter positions, particularly during lunch hours. We will have a person at the back desks process mail payments as staffing permits. We will create a new payment instrument in Sustain called "Mail Checks" to reconcile the daily check log to the payments in Sustain for that day. For ease of reconciliation, when we are able to, we will enter the mail checks in a separate till for that day. We will revise the check log to include the reconciliation process, add a total line, and any other pertinent information. We will reconcile the check logs to the payment instrument in the Accounting division when processing the deposit on the next day. Date of Implementation: We will need to coordinate these changes among multiple divisions. Both Civil and Traffic Divisions have new-hire training that has just started in February, and divisional cross-training starting in March. We should be able to implement this change by February 2012. Exception Request for CSB Journal check processing - Because of the extensive number of payments in each journal check, and because we receive 6-8 checks each week all on the same day, it is not feasible to process all checks received on that day within 48 hours. We have set the timeframe to complete all journal checks received as 5 business days to complete. The CFO and Deputy CEO are notified daily of any backlog. The CFO and Deputy CEO will review and escalate completion of journals if not complete within 5 business days. Date of Implementation: February 2012.	Lisa Skinner, CFO, Maureen Larson, DCEO, and Kim Miller, DCEO	Staffing shortages due to budget constraints and medical absences has pushed this date out beyond our original time frame. We now estimate testing to be completed February 2012.
			<u>Suspend Fines and Fees in Lieu of Work/Community Service</u> - The court does not have a written standing judicial order authorizing delegating the authority to the clerks of the court to convert/suspend fines in lieu of community work service after a financial assessment has been performed by the collection agency CSB.		C	Agree. Corrective Action: We will obtain a standing Judicial Order.	Richard Feldstein, CEO	Completed 3/23/2011
		Log	Manual receipt (MR) is not promptly and timely processed in Sustain after issuance. Each location had 11 used MR. IAS sampled and tested 3 MR's for each location and found: In HCH, 2 of 3 MR's were processed in Sustain more than 2 business days after issuance; one MR issued on 7/26/06 was processed on 12/5/06 (94 business days) while another issued on 2/6/08 was processed on 2/21/08 (11 business days).		C	The manual receipt process was updated prior to the audit during fiscal year 2010/11. The new process tracks the manual receipts from the day they were issued to ensure they get input into the case management system in a timely manner.	Lisa Skinner, CFO, Maureen Larson, DCEO	Complete
		Log	Manual receipt (MR) is not properly and consistently completed. Each location had 11 used MR. IAS sampled and tested 3 MR's for each location and found: In HCH, 2 of 3 MR's did not have the Sustain receipt # noted in the MR (issued on July 2006 & Feb 2008) and 1 of 3 MR's did not have a written amount (issued on Feb 2008). In CCB, all 3 MR's tested did not have the Sustain receipt # noted (issued on Aug 2006, Jun 2008 & Jun 2009)		C	The manual receipt process was updated prior to the audit during fiscal year 2010/11. The new process identifies all data that needs to be on the manual receipt and recorded in the manual receipt log.	Lisa Skinner, CFO, Maureen Larson, DCEO, and Kim Miller, DCEO	Complete
		Log	Of the seven NSF for 2009 two were not handled following standard Court procedures. One case still has \$20 petition fee outstanding but case was not stricken. The other case had \$40 Stip and Order fee never paid, no 20 day notice was sent, and the services were rendered.		C	For the \$20, we agree that the petition hearing should not have been allowed until the \$20 was paid. It was an oversight, not consistent with our normal practices. For the \$40, the judge heard the case the next day (8/20/09) before the check had time to clear.	Maureen Larsen, DCEO	November 1, 2010
		Log	Court assesses a \$35 not \$30 admin fee pursuant to PC 1205(d) when a case goes to "Failure to Pay" (FTP) and referred to CSB, Court's collection vendor. Per Court, \$35 is the admin fee for a payment plan, however, when a case is referred to CSB, the case becomes a receivable account NOT an installment account and pursuant to PC 1205(d), the admin fee for an account receivable shall not exceed \$30.	I		Court advises that they will set up a separate code in Sustain to differentiate between an Admin Fee and a Payment plan fee and assess accordingly.	Kim Miller, DCEO and Lisa Skinner, CFO	October 1, 2011
		Log	FTB test case was delinquent and fully paid but there was no civil assessment (to prompt an FTP hold) and subsequent DMV release information entered in Sustain due to CSB's oversight and inconsistency in notifying Court operations. Per Court, the current notification process is better.		C	Several years ago CSB was not consistent with their sanction letters (this sample case was from 2004). They have since set up a better program and are on track with keeping up with these.	Kim Miller, DCEO	Complete

Appendix A
 Issues Control Log

FUNCTION	RPT NO.	Issue Memo	ISSUE	I	C	COURT RESPONSE	RESPONSIBLE EMPLOYEE	ESTIMATED COMPLETION DATE
6	Information Systems							
	6.1	3	The Court's Case Management System Did Not Properly Distribute Certain Collections in Accordance with Statutes and Guidelines					
			<p>1. The Court did not correctly distribute the collections on cases with traffic school dispositions pursuant to VC §42007 as follows:</p> <p>a• For traffic school cases with Red Light violations, the Court did not distribute GC §76104 – EMS penalty and GC §76000.5 – Additional EMS penalty amounts in whole or 100 percent of the amount prior to 30 percent Red Light application. Instead, amounts distributed are after 30 percent is applied thus overstating the VC §42007 TVS fee remaining balance distribution to the County and the subsequent VC 42007 (77%) MOE reporting to the State.</p> <p>b• For traffic school cases with city arrests, the Court did not apply 2 percent to city portion of the base fine pursuant to VC §42007(c). Thus, distributions to the City are overstated while understating the VC §42007 TVS fee remaining balance distribution to the County and the subsequent VC 42007 (77%) MOE reporting to the State.</p> <p>c• For traffic school cases after the effective date of ABX8 3 (6/10/10), the increase of \$2 for every 10 for GC §76104.7 - Additional DNA penalty assessment is distributed separately and is not included in the VC §42007 (TSCTPA journal code) distribution to the County. This understates County distribution and understates VC 42007 (77%) line item 50/50 MOE reporting to the State.</p>	I		a. - This is new information to the Court as the EMS has always been configured to be reduced by the 30% for Traffic School. It is our understanding that Napa, as well as all other Sustain courts, have been configured in this manner for a number of years and successfully passed SCO audits. The court will continue to distribute as we are now until we receive formal notification or revised Appendix C from the SCO's office clarifying that we need to make this change. b. This was corrected 11/17/10. c. This was corrected 11/17/10.	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	Two of the three items completed 11/17/10. Third item is waiting for official SCO correspondence or Appendix C update.
			<p>2. The Court did not correctly calculate 30 Percent allocations on Red Light cases we reviewed as follows:</p> <p>a• For Red Light bail forfeiture or non-traffic school dispositions, the Court did not correctly apply the 30 percent allocation pursuant to PC §1463.11. The Court incorrectly applied 30 percent to GC §76000.5 – Additional EMS and did not apply 30 percent to GC §70372(A) – State Court Construction penalty.</p> <p>b• For Red Light traffic school dispositions, the Court did not correctly apply the 30 percent distribution pursuant to VC §42007.3. The Court did not apply 30 percent to GC §70372(A) – State Court Construction penalty.</p>		C	a. - Corrected 11/28/10 b. - GC70372(A) and DNS PA's were corrected on 11/28/10. GC76000.5 is addressed in Issue #1 above	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	November 28, 2010
			<p>3. The Court did not correctly apply the GC §68090.8 – 2 Percent State Automation (2 percent) distribution on cases we reviewed as follows:</p> <p>a• For VC §16028 convictions, the Court applied 2 percent only to the remaining base fine after distributions totaling \$30.50 pursuant to PC §1463.22 instead of applying 2 percent to the whole base fine prior to PC §1463.22 distributions.</p> <p>b• For applicable Fish and Game violations, the Court did not apply 2 percent on the FG §12021 – \$15 additional penalty.</p> <p>c• For applicable DUI violations, the Court did not apply 2 percent on the PC §1463.25 – Alcohol Abuse Education and Prevention penalty assessment of \$50.</p>	I		a. - This was corrected 8/9/11. b. & c. - The court does not see in Table 6 of Appendix C that penalty assessments that are not part of the base fine should be reduced by 2%. It is our understanding that all Sustain courts are distributing penalty assessments like were are. We are unaware of any other Sustain court that has this written up as an audit finding. We are distributing in accordance with the Sjoberg Evashenk Transfer of Knowledge documents which were administrated by the AOC. We will continue to distribute as we are now until we receive formal notification or a revised Appendix C from the SCO's office clarifying that we need to make this change.	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	One of the three items completed 8/9/11. Second and third item is waiting for official SCO correspondence or Appendix C update.
			4. The Court did not correctly perform a standard distribution on one DUI test case. The test case assessed a standard base fine which should result in a simple base-up distribution. However, distribution evidences proration among the base fine, penalties and surcharge resulting in a significant overstatement of GC 70372(a) ICNA portion distribution and prorated understatements among the base fine, surcharge and other penalties. This may be a systemic issue.		C	This appears to be an anomaly - current distributions are correct.	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	Complete
			5. The Court did not correctly assess and distribute the Domestic Violence (DV) fee pursuant to the PC §1203.097(a)(5) on select test cases.		C	a. - Court imposed the correct DV fees at sentencing. Clerical staff inadvertently entered the incorrect fee amount in the case management system. b. - Both probation order and Court imposed incorrect DV fee amount. For both items we are looking to enhance our system to automatically incorporate all appropriate fees, including DV fees, into the Open Item in Sustain.	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	Complete
			<p>a• One test case incorrectly assessed a DV fee of \$400 because when probation was granted in the case the DV fee in effect pursuant to AB 1081 should have been \$200.</p> <p>b• Another test case incorrectly performed distribution on the \$400 DV fee and instead followed distribution based on a \$200 fee. DV fee of \$400 is distributed two-thirds to the County and one-third to the State not vice versa.</p>					

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			6. The Court did not correctly calculate 30 Percent allocations on Railroad cases we reviewed as follows: a* For Railroad bail forfeiture or non-traffic school dispositions, the Court did not correctly apply the 30 percent allocation pursuant to PC §1463.12. The Court incorrectly applied 30 percent to GC §76000.5 – Additional EMS and did not apply 30 percent to GC §70372(A) – State Court Construction penalty. b* For Railroad traffic school dispositions, the Court did not correctly apply the 30 percent distribution pursuant to VC §42007.4. The Court did not apply 30 percent to the following penalty assessments; GC §70372(A) – State Court Construction penalty, GC §76104.6 – DNA penalty and GC §76104.7 Additional DNA penalty.		C	a. - Corrected 11/28/10 b. - GC70372(A) and DNS PA's were corrected on 11/28/10. GC76000.5 is addressed in Issue #1 above	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	November 28, 2010
		Log	Base fine used does not comply with applicable Uniform Bail and Penalty Schedule (UBS).	I		Per the UBS, the DUI base fine must be a minimum of \$390.00. The Court has chosen to have the amount higher than the minimum amount. We will submit a copy of our Bail Schedule to the AOC by September 30, 2011.	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	September 30, 2011
		Log	For 1 of 7 test cases with multiple violations, Court Security fee assessed is incorrect. Increase in Court Security fee of \$10 or CRMSE1 journal code was applied to only one of the 2 convicted violations causing a \$10 variance.		C	This appears to be an anomaly - current distributions are correct.	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	Complete
		Log	There is no special base fine distribution pursuant to VC 15630. VC 15630 states fines collected from VC 15620 violations will be allocated, depending on arresting agency, as follows: 70% to Health dept, 15% to Prog administration & 15% to General fund. However, collections are immaterial because the Court queried only 3 flings over an 18-month period.		C	Somehow this section got set up in the statute table without being set up in Auto-assess. New distribution and G/L set up complete 3/29/11.	Lisa Skinner, Chief Financial Officer Jeannette Vannoy, IT Director	March 29, 2011
		Log	Court's BCP/COOP has not been tested.		C	If the court does not execute the COOP within an annual time period (March - Feb), the core components will be tested. The court also updates and re-distributes emergency contact cards, chain of command documentation and the essential function worksheet	Jeanette Vannoy, IT Director and Richard Feldstein, CEO	Complete
		Log	Court's back-up recovery site and off-site storage facility (communications room at the Juvenile facility is not sufficiently remote from the primary data center (only less than 2 miles from the County data center).	I		The court intends to expand the scope of our offsite storage to include internet based hosted storage by 6/2012.	Jeanette Vannoy, IT Director and Richard Feldstein, CEO	June, 2012
		Log	Court has not tested its back-up recovery site because designation of the juvenile facility as the back-up site is recent, approximately June 2010. Court plans testing by the end of FY 10-11, however, plans are not yet formalized.	I		The court is in the process of refreshing the current back-up solution and plans to have a complete restore at the Juvenile facility fully tested by 6/2011.	Jeanette Vannoy, IT Director and Richard Feldstein, CEO	June, 2011
		Log	Court's IT policies and procedures do not address privileged user accounts (e.g. system administrators).		C	IT documentation has been updated to include privileged user accounts.	Jeanette Vannoy, IT Director	Complete
		Log	There are currently 66 external users (remote users) accessing the network and Sustain. Sixty-three are county users and 3 are vendors. Though access is read-only, there appears to be a disproportionate number of County users with remote access to the network and Sustain.		C	Court advises that issue has been noted.	Jeanette Vannoy, IT Director and Richard Feldstein, CEO	Complete
		Log	Court's IT policies and procedures do not address virus protection.		C	IT documentation has been updated to include current practices regarding anti-virus protection.	Jeanette Vannoy, IT Director	Complete
		Log	Court's IT policies and procedures do not address User ID management .		C	The court's protocol for managing SUSTAIN User ID's is now included in the court's IT documentation.	Jeanette Vannoy, IT Director	Complete
		Log	Court's IT policies and procedures do not address password management .		C	Our security policy addresses that all passwords be kept in a confidential manner. Sustain JE does not allow a password management change procedure. When we change to a case management system that does, will institute this in our policies.	Jeanette Vannoy, IT Director	Complete
7	Banking and Treasury							
		7.1						
			No issue noted					

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8	Court Security							
	8.1							
		Log	Other security issues to be discussed with Court.		C	Court takes note of issue raised.	Richard Feldstein, CEO	No action taken at this time
		Log	There are no periodic evacuation drills performed aside from evacuations caused by inadvertent activation of fire alarms .		C	Issue noted, drills will be performed in FY 2011/2012	Richard Feldstein, CEO	FY 2011/2012
		Log	Court does not verify if OT was necessary (e.g. check calendar to verify Bailiff OT) unless OT cost month-to-month variance is excessive.		C	Court takes note, but advises that this is no longer an issue as the Sheriff are now on flat rate monthly billing.	Richard Feldstein, CEO and Lisa Skinner, CFO	No longer issue with new billing
		Log	Overhead costs (includes supply, dispatch, IT and training costs), which is a flat 7% of regular salaries and benefits, have no supporting invoice documentation and seems unreasonable due to its flat-rate calculation. In a 3-month period (July-September 2010), overhead costs totaled \$17,055.62, which is approximately over \$68,000 annually.		C	Court takes note, but advises that this is no longer an issue as the Sheriff are now on flat rate monthly billing.	Richard Feldstein, CEO and Lisa Skinner, CFO	No longer issue with new billing
9	Procurement							
	9.1							
			No issues noted					
10	Contracts							
	10.1	2	The Court Needs to Re-New its Agreements for County-Provided Services					
			The MOU for various County-provided services, including services provided by the Sheriff for court security, is significantly outdated. The MOU that the Court and County are currently working under commenced on July 1, 1998 and expired on June 30, 1999. As a result, the Court's current Court/County MOU does not adequately outline the current scope of services and does not itemize and define cost information so that it is reflective of the current billing/reimbursement methodologies, billing rates, and maximum amounts used to determine charges paid by the Court.	I		The Court agrees with both findings. The Court will continue our efforts to update the Court-County MOU to reflect the current services provided by both the Court to the County and the County to the Court. In preparing the updated MOU, we will work to ensure that the basic contract elements (cost, schedule, scope of work, and terms and conditions) are included for each specific service.	Richard Feldstein, CEO and Lisa Skinner, CFO	Prior to the end of fiscal year 2011/12
			The current MOU with the County does not clearly define the information technology services provided by the County for the Court's mission-critical systems that are located in the County's data center. For example, the County has allocated the Court server rack space for which the servers are managed by the Court. However, the details defining this agreement with the County are not included in the Courts current MOU that it has with the County. In addition, the County has read only access to the Court's network and case management system, however, the current MOU does not clearly define this access by requiring the County to adhere to the Court's IT policies and procedures for these systems.	I		See response above.	Richard Feldstein, CEO and Lisa Skinner, CFO	Prior to the end of fiscal year 2011/12
			Court does not require the County to provide sufficient detail when being invoiced for Treasury and Banking Services. For example, invoice documentation does not show the calculation methodology and rates used to determine total quarterly charges.	I		The Court agrees with finding. Corrective Action: In the document that we have drafted to update the MOU with the County, we have outlined specific invoice/reimbursement requirements to ensure sufficient backup detail.	Lisa Skinner, CFO	Prior to the end of fiscal year 2011/12
		Log	After reviewing 4 of the Court's contracts it was determined that the Contracts are missing several key elements that are either required or recommended in TCFPPM 7.01, section 6.1. The Court should consult with the AOC procurement and contracting team so they can assist in future contracts and using the AOC boiler plate contract template.		C	The Court has been using the AOC Contract template since 2005/06. We have received appropriate language from OGC for both the Ownership of Deliverable clause and Business Travel clause to insert into our contracts when applicable.	Lisa Skinner, CFO	Complete

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11	Accounts Payable							
		11.1						
		Log	Court advised that they do not verify to ensure that each Court Reporter folio contains 100 words. Court should periodically perform verification to confirm the Court Reporter invoice amounts claimed are correct.		C	Court Reporter Supervisor reviews each invoice before it is submitted approval signature. As part of her review, she is going to periodically review the transcript in imaging and verify the number of words matches the number of folios listed on the invoice.	Maureen Larsen, DCEO	Complete
		Log	Court does not perform petty cash reconciliation except when replenishment is requested from Fiscal. Periodic reconciliation would aide in tracking and ensuring all funds are accounted for in a timely basis especially considering HCH has a high volume of disbursements, approximately 16 disbursements per month, and had instances of shortages (though not significant).		C	HCH Petty Cash Custodian will reconcile cash and receipts twice per month; once a month at replenishment and again approximately two weeks later. The HCH Petty Cash fund has had shortages three times in the past three years for a total of \$2.16.	Maureen Larsen, DCEO and Lisa Skinner, CFO	Complete
		Log	Court's frequent use of the HCH petty cash for certified mail (approximately 16 disbursements and \$341 per month) has relegated the use of the petty cash fund impractical and inefficient.		C	In late 2010, we changed our certified mail process resulting in a decrease in the cost of each piece of certified mail.	Maureen Larsen, DCEO and Lisa Skinner, CFO	December, 2010
		Log	Court had disbursements greater than \$100 without pre-approval from the CEO or designee.		C	Any disbursement over \$100 will be pre-approved by the Deputy CEO or CFO effective 5/2/11.	Maureen Larsen, DCEO and Lisa Skinner, CFO	May 2, 2011
12	Fixed Asset Management							
		12.1	Improvements Are Required in the Court's Tracking and Reporting of Court Assets					
			The Court's process for assigning property ID tags does not ensure that the ID tags are consistently used in sequential order and that key information associated with fixed assets is promptly recorded in the Court's asset management database (AMDB). Upon reviewing the Court's asset tag register it was noted that asset tags are not being consistently issued in sequential order and as a result, the Court could not account for several asset tags on their register. For example, since the Court implemented its current FAMS in FY 07/08, 26 out of 342 assets tags issued, or 8 percent could not be accounted for because they were missing from the register		C	The Court agrees with the finding. Corrective Action: Historically, tags that were damaged were not added to the inventory list. Effective February 4, 2011, tags are issued in sequential order and if a tag is not used for some reason, the tag number will be added to the AMDB as a 'disposed' tag number and will be noted with the reason it was not used (i.e.: damaged).	Debbie Stroup, Court System Technician	February 4, 2011
			The purchase of the RadWin Radio Link wireless connectors and equipment was misclassified because the Court classified the equipment into separate minor equipment instead of classifying this equipment as pieces that function together as a whole; therefore they should be classified as two separate fixed assets that total \$7,225 each, one for each of the Court's buildings. In addition, the Court misclassified its SecureTech System for \$11,200.		C	The Court agrees with the finding. Corrective Action: Court will note prior period adjustment on 2010/11 CAFR report to account for both items noted above.	Lisa Skinner, CFO	Draft spreadsheet for 2010/11 inventory listing was updated to reflect the changes on 3/9/11
			The Court does not always keep complete records to support when an item has been transferred or disposed. For example, after testing the completeness and accuracy of the Court's list of items considered inventory items (\$1,000 - \$4,999) it was noted that item # 1817 a computer, and item # 2139 a shedder, could not be located. Furthermore, the Court could not provide documentation to support that these two items had been transferred or destroyed. In addition, after testing the Court's list of items considered fixed assets (\$5,000 and above) it was noted that item # 1359 a computer server could not be located and the Court was unable to provide any documentation to support that this item was transferred or disposed		C	The Court agrees with the findings. Corrective Action: We created a new process and an updated Disposal/Transfer form in October 2009. In our new process, and with the help of our updated form, we follow the FIN Manual to ensure that all surplus/disposal requirements are met. All disposal/transfers initiated after October 2009 have accurate and complete forms.	Lisa Skinner, CFO	October, 2009

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			The Court is not always completing all sections of the transfer/disposal form. For example, the property disposal form dated May 22, 2009 the Court did not enter the name and details of the firm receiving the equipment. In addition, the property transfer/disposal form dated September 25, 2009 in which the CEO approved the posting of court surplus materials to the AOC web site by signing the form but the signature was missing the date. The property transfer/disposal form dated May 22, 2009, documenting surplus items that were going to be posted on the AOC website did not have the approval signature of the Court CEO. There were 26 items total on the form. Six items on the form were undated. Of the remaining twenty that were dated, twelve were acquired after July 1, 2000, and there was no documentation showing that the Court followed CRC 10.830 for the disposal of technology equipment.		C	The Court agrees with the findings. Corrective Action: We created a new process and an updated Disposal/Transfer form in October 2009. In our new process, and with the help of our updated form, we follow the FIN Manual to ensure that all surplus/disposal requirements are met. All disposal/transfers initiated after October 2009 have accurate and complete forms.	Lisa Skinner, CFO	October, 2009
		Log	The court did not capture a serial number in AMDB in four of the 10 (40 percent) inventory items that we sampled for physical inventory testing. The asset numbers are: 1075, 2506, 1898, and 2527. Item 2735 is not in AMDB. The court did not capture a serial number in AMDB in five of the 10 (50 percent) fixed asset items that we sampled for physical inventory testing. The asset numbers are: 2585, 2596, 2597, 2599, and 2742		C	Serial numbers for all inventory items will be captured in the database for all new items.	Lisa Skinner, CFO and Jeanette Vannoy, IT Director	Complete
13 Audits								
			No Issues noted					
14 Records Retention								
			No Issues Noted					
15 Domestic Violence								
	15.1							
		Log	From the DV cases selected to review, 2 cases had probation revoked and not reinstated. From these two cases the Court did not impose the Probation Revocation fine when probation was revoked pursuant to PC 1202.44. This only applies to cases where probation was revoked but not reinstated.		C	Judicial Officers have been reminded to impose the revocation fine when probation is revoked and reinstated.	Kim Miller, DCEO	Complete
		Log	On 1 DV test case, Court did not impose the DV fee pursuant to PC 1203.097(5) and payment to battered women's shelter due to clerical error. Probation Order ordered these fees but were not entered in Sustain.		C	Court imposed the correct DV fees at sentencing. Clerical staff inadvertently omitted the amount in the case management system. We are looking to enhance our system to automatically incorporate all appropriate fees, including DV fees, in the open item in Sustain.	Kim Miller, DCEO	Noted and complete
		Log	On 1 DV test case, Court did not impose the correct DV fee amount pursuant to PC 1203.097(5). Both Probation Order and Sustain entry noted the incorrect DV Fee of \$400. From 1/1/10 to 8/31/10, DV Fee should be \$200 then \$400 thereafter.		C	Both Probation Order and Court imposed incorrect DV in the amount of \$400 instead of \$200. We are looking to enhance our system to automatically incorporate all appropriate fees, including DV fees, in the open item in Sustain.	Kim Miller, DCEO	Noted and complete
		Log	On 1 DV test case, Court did not impose the correct DV fee pursuant to PC 1203.097(5) due to clerical error. Probation Order ordered the correct DV Fee of \$200 but \$400 was entered in Sustain.		C	Court imposed the correct DV fees at sentencing. Clerical staff inadvertently entered the incorrect amount of fee in case management system. We are looking to enhance our system to automatically incorporate all appropriate fees, including DV fees, in Sustain.	Kim Miller, DCEO	Noted and complete

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16 Exhibits	16.1							
		Log	During validation of exhibits from the Sustain report to the exhibit room, 1 of 10 exhibits tested is not found in the exhibit room. Item is a paper document specifically a voting ballot called "Ballot Q3".		C	Court advises that this issue was an anomaly. The exhibit was returned and the Case Management System was not updated accordingly.	Maureen Larsen, DCEO	Complete
		Log	At the time of review, Sustain users have read/write/delete access rights in the Exhibits tab. As of 2/7/11, Court made changes to implement user group security levels. Supervisor, Division Specialist, Courtroom clerk, and Judicial Reception user groups have read/write/delete access rights while others have Read access only.		C	Changes made as of 2/7/11.	Maureen Larsen, DCEO	February 7, 2011
		Log	Court does not perform any periodic inspections due to the limited number of exhibits stored. However, inspections are necessary to ensure the security of the sensitive exhibits from the death and life cases.		C	Exhibits will be inspected annually.	Maureen Larsen, DCEO	Complete
		Log	Court does not perform any periodic inventory due to the limited number of exhibits stored. However, inventory is currently necessary to ensure the Court's accountability of the sensitive exhibits from the death and life cases.		C	Exhibits will be audited annually in the same manner as done by the AOC during this audit.	Maureen Larsen, DCEO	Complete
17 Court Interpreters	17.1							
			No Issues Noted					
18 Facilities	18.1							
			No Issues Noted					
19 Miscellaneous	19.1							
			No Issues Noted					