



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

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February 8, 2012

Ms. Elaine M. Howle
California State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, California 95814

Re: One-Year Status Report on Recommended Implementation Efforts Regarding the
Audit Report on the California Court Case Management System, Audit 2010-102

Dear Ms. Howle:

The Judicial Council and the Administrative Office of the Courts (AOC), which implements council policy, received the audit report of the Bureau of State Audits (BSA) on the California Court Case Management System (CCMS) under your cover letter of February 8, 2011, and our responses were included. Your letter indicated that the AOC should report to the BSA within 60 days, six months, and one year on our efforts to implement the recommendations and provide updated information for each interim period.

We have previously submitted our 60-day and six-month responses on April 8, 2011 and August 8, 2011, respectively, reporting in detail on the progress made at those points in time following the issuance of your report. In our six-month response we indicated that almost all of the 26 recommendations either had been completely addressed or substantial progress made toward their implementation. At the current time we believe that all of the recommendations have been acted upon and are either on-going in nature or dependent on specific actions in the future, such as deployment decisions. Information concerning our activities is available at your request and is part of the documentation in our CCMS files, the Judicial Council's reports and minutes, and other judicial branch records. We understand that BSA's position is that most of the

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recommendations are either partially implemented or pending as many are tied to future actions that BSA is not aware of or have not yet been reviewed by the BSA. We have a different perspective of this assessment and are available to meet in order to clarify information and resolve outstanding questions so that BSA can confirm we have addressed the recommendations.

During the last six months the judicial branch has had significant accomplishments and undertaken or continued a number of activities with respect to CCMS. The most significant achievement has been the successful completion of CCMS development as reported to the Judicial Council at its October 28, 2011 business meeting. On November 28, 2011, the product acceptance letter for the CCMS product was signed and issued to Deloitte Consulting LLP. Another milestone was the completion of two independent quality reviews of CCMS which were presented to the Judicial Council in September 2011 and are discussed in more detail below.

On-going activities related to the CCMS development contract include Deloitte's agreement to correct minor defects in the system and to make some small enhancements without additional charges. These items were completed February 3, 2012. Pre-deployment work is also currently being performed. This work includes a proof-of-concept for configuration process mapping (also referred to as blueprinting) that allows us to align business practices of a court with the configuration required in the system. Currently this work is being conducted with San Luis Obispo in contemplation of deployment as one of the early adopter courts. We also continue to perform justice partner testing and other activities that will last through the April or May 2012 timeframe. Lastly, we are in the process of conducting the design work necessary to bring CCMS current with recent legislative changes which will result in a release 1 of CCMS in the later part of this year.

We continue to improve the governance process and have provided the Judicial Council at each of its meetings an update on the status of CCMS. As previously mentioned to your staff, the departure of Mr. Mark Moore at the end of 2011 has resulted in Mr. Mark Dusman, Director of the Information Services Division, being identified as the individual at the AOC management level responsible for CCMS.

Prior to discussing some of the other significant events of the last six months, we would again like to reiterate the impact of recent budget reductions on the CCMS program. With the unprecedented reductions in the state judicial branch's budget and acting on the recommendation of court leaders across the state, the council approved significant budget reductions. These included the redirection of \$56.4 million from the CCMS program to support court operations, which has significantly impacted the resources available to deploy CCMS to the trial courts. The Judicial Council has authorized the CCMS Executive Committee to continue to work with the CCMS Program Management Office (PMO) to identify strategies for addressing, to the greatest

extent possible, the impact of the budget reduction for FY 2011–2012 and future years on the CCMS program.

As authorized by the Judicial Council, the CCMS PMO continues to work to assess the actual and specific impact on the program and activities necessary to implement budget reductions, which is exactly what was contemplated in our response to your recommendation 16. The recommendation dealt with the potential to adjust strategy in times of funding uncertainty and fiscal crisis. Our response was to modify funding strategy and the operational implications for CCMS as necessary. We are doing exactly that and will keep you informed of further developments.

Despite recent budget reductions, we can report that the project has continued to meet all milestones and is expected to continue meeting any established milestones. We would like to highlight for you some of the more important actions taken and achieved during the last six months.

CCMS “Due Diligence” Talks Suspended

The Chan Soon-Shiong Family Foundation Board, a 501(c)(3) philanthropic organization, headed by billionaire philanthropist Dr. Patrick Soon-Shiong of Los Angeles, and the Judicial Council’s Executive and Planning Committee voted on December 28, 2011, in separate actions to endorse a recommendation to suspend talks designed to explore the potential use of grant money and other resources for the early adopter deployment of CCMS. The recommendation to suspend talks was a mutual decision by the Chan Soon-Shiong Family Foundation, the State Bar of California, and the CCMS Internal Committee, the Judicial Council committee overseeing the CCMS project. It was agreed that the collaborative relationship on the early deployment of CCMS was more complex than anticipated—particularly given the Foundation’s desire to target problems in the foster care system.

CCMS Governance Committee Meetings

The CCMS governance committees continue to hold meetings and address activities associated with their annual work plans. Subcommittees, where appropriate, were established and are actively involved in CCMS activities. As previously reported, this governance model will provide the process with more structure and transparency. Minutes are taken, reviewed, approved, and posted on our project website for all governance committee meetings.

The Judicial Council Internal Committee to oversee CCMS is “responsible for ensuring that council policies are complied with and the project proceeds on schedule and within budget.” This committee continues to meet and the agenda and minutes are available upon request. This committee, comprised of council members, is chaired by Judge James E. Herman, Superior Court of Santa Barbara County. Each Judicial Council meeting includes a presentation from this committee, the latest presentation having been made at the January 24, 2012 meeting. You can

listen to the presentation at <http://www.courts.ca.gov/16676.htm>, or review the formatted and unedited transcript at the same address, for this meeting or any prior meetings.

Cost-Benefit Analysis Reporting

As we agreed in our response to the CCMS audit report, as key developments occur and significant assumptions change, we will update the cost-benefit analysis. The AOC retained Grant Thornton LLP to review a variety of aspects of CCMS, including its costs and deployment options. They have contacted 20 courts that have agreed to participate in a survey and site visits to evaluate their needs and develop a list of up to ten potential candidates to be deployed in a second phase. We anticipate that Grant Thornton will complete its report by the end of March 2012, and will present that report to the Judicial Council in April 2012. We meet with them weekly and every Friday we have an update call to be able to track their work. Once the report is presented to the Judicial Council we will provide you with a copy.

Annual Report of Costs to the Legislature and Budget Monitoring

The AOC continues to report to the Legislature on the statutorily required data on CCMS. The current report for 2011 includes a reporting of project costs, ongoing programs and services, and interim case management costs. At the recommendation of BSA, the trial courts have begun reporting costs specific to CCMS and these amounts have also been included in the 2011 report. While an updated cost estimate for deployment is not available at this time, as noted above the AOC has retained Grant Thornton LLP to evaluate alternative deployment scenarios for the council's consideration in light of our current financial constraints. The annual report will be presented to the Judicial Council at its meeting on February 28, 2012, and will be available on our website once presented. When a deployment plan has been approved by the Judicial Council, a report showing future year cost will be submitted.

We will continue to ensure that all additional information concerning CCMS costs are reported, including those actual and estimated costs discussed in your audit report. Future reports will include all identifiable costs related to CCMS incurred by the trial courts, and we will identify the nature of costs that justice partners may incur. The AOC will work to ensure that the reports submitted annually contain sufficient information to assess the progress and health of the program and are fully transparent.

Independent Quality Reviews of the CCMS Development Process

The work and reports on the Standard CMMI (Capabilities Maturities Model Institute) Appraisal Method for Process Improvement (SCAMPI A) appraisal, and the code quality review (Independent Code Quality Assessment or ICQA) were completed in this six-month period. The SCAMPI agreement was with Integrated Systems Diagnostics (ISD), and K3 Solutions LLC (K3) was awarded the ICQA agreement. Both contracts began on June 20, 2011 with the work starting in late June and completed on schedule, at the end of August 2011. The reports were completed and reviewed, and were accepted by the AOC, presented to the Judicial Council, and

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sent to the Legislature and the BSA. We have also met with your staff and answered questions concerning these reports.

The code quality review conclusion was "based on the results of our combined assessments, we expect that CCMS will perform as designed once it is deployed into the Production environment." All identified "Opportunities for Improvement" were either low or medium risk and K3 produced a report entitled "Process Improvement Action Plan" in November 2011 (previously provided to BSA) that was developed to address the K3's findings. The plan contains proposed improvement activities for the current CCMS project and for the project's future maintenance and operations. Each activity in the plan addresses specific findings contained within the ICQA and CCMS SCAMPI reports. Both Deloitte Consulting LLP and AOC staff are actively addressing the identified issues. In January 2012, validation of all of Deloitte's artifacts was completed and K3 reported that Deloitte Consulting has successfully completed all of the process improvement action plan items.

The Standard CMMI (Capabilities Maturities Model Institute) Appraisal Method for Process Improvement (SCAMPI A) appraisal report was received and its objective appraisal of the process capability of CCMS was evaluated with the results documented and utilized in the K3 assessment.

In conclusion, we continue to follow and implement the audit report recommendations. Ongoing activities are being appropriately monitored, and critical processes implemented that will provide for a more complete, accountable, and transparent program for the deployment of CCMS. While the effects of the budget decisions are being worked out, we continue to be committed to ensuring the deployment of a quality product that will meet the needs of Californians, the state justice system, and its partners.

Thank you for your continued assistance provided through the audit process and your staff's continued communications concerning activities that will assist in correcting the remaining issues. Please feel free to contact Mr. Mark Dusman, AOC Chief Information Officer/Director of the Information Services Division and Acting Director of the CCMS PMO, if you have any questions or concerns or require additional documentation.

Sincerely,



Terence L. Bruiniers
Chair, CCMS Executive Committee



Ronald G. Overholt
Interim Administrative Director of the Courts

RGO/JAJ

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cc: Hon. Tani G. Cantil-Sakauye, Chief Justice of California and Chair of the Judicial Council
Hon. James E. Herman, Chair, Judicial Council CCMS Internal Committee
Ms. Christine Patton, AOC Interim Chief Deputy Director
Mr. Mark W. Dusman, Chief Information Officer/Director, AOC Information Services Division