

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



July 11, 2017

Mr. Martin Hoshino, Administrative Director  
Judicial Council of California  
455 Golden Gate Avenue  
San Francisco, California 94102

SUBJECT: JUDICIAL COUNCIL OF CALIFORNIA CONTRACT  
FINAL AUDIT REPORT

Dear Mr. Hoshino:

Enclosed is the California Department of Child Support Services, Office of Audits and Compliance, final report on the costs claimed under the Judicial Council of California (JCC) contract by the Superior Court of California, County of Mendocino (Court). Our review was limited to examining Assembly Bill 1058 (AB 1058) child support related costs claimed in state fiscal year 2014-15 for the Child Support Commissioner and the Family Law Facilitator programs. This engagement was performed to satisfy federal and state mandated subrecipient monitoring of AB 1058 child support grant funds.

Our review of the processes and procedures of Mendocino Court revealed weaknesses in accounting controls over the record keeping and reporting of fringe benefits. However, the results of this review, based on the evidence obtained to support the audit objectives, provide a reasonable basis to support the expenditures claimed by the Court for SFY 2014-15, and support the Court materially complied with applicable laws and regulations.

We appreciate the assistance and cooperation of JCC and Court staff during the review. If you have any questions regarding this report, please contact me at (916) 464-5520.

Sincerely,

A handwritten signature in blue ink that reads "Karen Dailey".

KAREN DAILEY  
Audit Manager  
Office of Audits and Compliance  
Department of Child Support Services

Enclosure

**Department of Child Support Services  
Office of Audits and Compliance**

**Judicial Council of California Contract  
Review Audit Report**

**Superior Court of California  
County of Mendocino**



**Prepared by:  
Office of Audits and Compliance**

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES  
OFFICE OF AUDITS AND COMPLIANCE  
Judicial Council of California Contract Review  
Superior Court of California, County of Mendocino**

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**Judicial Council Contract Review  
Superior Court of California, County of Mendocino  
Department of Child Support Services  
Office of Audits and Compliance  
Audit Report**

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## **INTRODUCTION**

California Department of Child Support Services (DCSS), Office of Audits and Compliance (OAC), conducts fiscal and compliance audits of subrecipients who receive IV-D program funds in the administration of the child support program. These audits are required as part of DCSS subrecipient monitoring responsibilities. DCSS contracts with the Judicial Council of California (JCC) for statewide Title IV-D services with the Child Support Commissioner (CSC) program and Family Law Facilitator (FLF) offices. The court receives federal and state funds through a contract with the Judicial Council of California who oversees these programs and the expenditures claimed under this contract.

This report presents the results of the OAC's review of the Superior Court, County of Mendocino (Court) CSC and FLF program for the state fiscal year (SFY) of July 1, 2014, through June 30, 2015.

## **BACKGROUND**

The Child Support Enforcement (CSE) program is a federal/state/local partnership to collect child support from noncustodial parents. The goals of this program are to ensure that the children have the financial support of both their parents, to foster responsible behavior towards children, and to reduce welfare costs. The CSE Program was established in 1975 as Title IV-D of the Social Security Act.

Established by state legislation in 1999, California Department of Child Support Services is designated as the single state entity responsible for ensuring that all functions necessary to establish, collect, and distribute child support are effectively and efficiently implemented. *Title 45, Section 302.34* gives DCSS authority to enter into a cooperative agreement with the courts under the state plan. The JCC, chaired by the Chief Justice of California, is the chief policy making agency of the California Judicial System. The JCC oversees the ongoing operations of the statewide Title IV-D CSC and FLF programs in the courts under grant funding Assembly Bill (AB) 1058. In SFY 2014-15, DCSS contracted with the JCC for a total of \$55,171,367. For the period July 1, 2014 through June 30, 2015, the JCC reimbursed the Court \$275,247 in state and federal funds as follows: \$195,866 for the CSC and \$79,381 for the FLF program.

## OBJECTIVES, SCOPE, AND METHODOLOGY

The review was conducted for the period July 1, 2014 to June 30, 2015. The area of review was limited to claimed expenditures under the contract agreement 10-0490-14 between DCSS and the JCC for this period. The objective of the review was further limited to determining if expenditures claimed by the Court under JCC contract agreement 10-28969 for the CSC program and 10-28753 for the FLF program complied with applicable laws, rules, and regulations, including *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* set forth in *Title 2 CFR Subtitle A Chapter II, Part 200 (Uniform Requirements)*, *Trial Court Financial Policies and Procedures Manual* and *Title IV-D (AB 1058) Child Support Commissioner and Family Law Facilitator Program Accounting and Reporting Instructions*, and to ensure the Court has adequate IT controls over its payroll accounting system.

The audit was conducted in accordance with generally accepted *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. This audit includes examining, on a test basis, evidence supporting the amounts included on contract invoices. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Due to the limited scope, our audit does not constitute a financial statement audit conducted in accordance with *Government Auditing Standards*; therefore, we do not express an opinion on the financial statements, or on any individual account balances. Had we performed additional procedures, or conducted a complete audit of the financial statements, other matters might have come to our attention that may have been reported.

## AUDIT AUTHORITY

*Uniform Requirements 2 CFR 200.328 Monitoring and reporting program performance* makes DCSS responsible for oversight of the operations of the Federal award supported activities. *Section 200.331* requires DCSS, as the pass through entity, to monitor the activities of the subrecipient to ensure the subaward is used for authorized purposes, in compliance with the federal statutes and regulations and the terms and conditions of the federal award and subaward, and that the subaward performance goals are achieved. This section also provides the authority for DCSS, as the pass-through entity, to perform on-site reviews of the subrecipient's program operations. *Section 200.336 Access to records* provides DCSS the right to access any pertinent documents.

*Title 45 CFR 302.12* gives DCSS the responsibility for securing compliance with the requirements of the State plan when delegating any of the functions of the IV-D program to any cooperative agreement.

## **CONCLUSION**

Our review of the processes and procedures of Mendocino Court revealed weaknesses in accounting controls over the record keeping and reporting of fringe benefits. However, the results of this review, based on the evidence obtained to support the audit objectives, provide a reasonable basis to support the expenditures claimed by the Court for SFY 2014-15, and support the Court materially complied with applicable laws and regulations.

## **RESTRICTED USE**

This audit report is intended solely for the information and use of the DCSS and JCC and should not be used for any other purpose. This restriction is not intended to limit distribution of this report, which is a matter of public record when the final is issued.

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