



Audit of the
Superior Court of California,
County of Trinity

OCTOBER 2019



JUDICIAL COUNCIL
OF CALIFORNIA

AUDIT SERVICES

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Superior Court of California, County of Trinity

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EXECUTIVE SUMMARY

Introduction

Government Code, sections 77206(g) and 77009(h) provide the Judicial Council of California (Judicial Council) with the authority to inspect and review superior court records and to perform audits, reviews, and investigations of superior court operations. The Judicial Council's Office of Audit Services (Audit Services) periodically conducts performance audits of the superior courts in order to verify their compliance with the Judicial Council's policies and with state law. These audits, as well as similar audits of the appellate courts, are primarily focused on assisting the courts identify which of their practices, if any, can be improved upon to better promote sound business practices and to demonstrate accountability for their spending of the public's funds.

State law authorizes the Judicial Council to establish each superior court's annual budget and to adopt rules for court administration, practice, and procedure. Most of the criteria used by Audit Services stems from the policies promulgated by the Judicial Council, such as those contained within the *Trial Court Financial Policies and Procedures Manual* (FIN Manual) and the *Judicial Branch Contracting Manual* (JBCM). These policies establish both mandatory requirements that all superior courts must follow, as well as suggestive guidance. California's courts drastically vary in terms of their caseloads, budget, and staffing levels, thus requiring the Judicial Council to adopt rules that at times provide the courts with flexibility given their varying resources and constraints. State law also requires the superior courts to operate under a decentralized system of management, and the Judicial Council's policies establish the boundaries within which courts exercise their discretion when managing their day-to-day operations.

Audit Services' annual audit plan for the Judicial Branch establishes the scope of each audit and provides a tentative schedule for the courts being audited during the fiscal year. The audit plan explains those scope areas deemed to be of higher risk based on Audit Services' professional judgment and recognizes that other state audit agencies may, at times, perform reviews that may overlap with Audit Services work. In those instances, Audit Services may curtail its planned procedures as noted in the scope and methodology section of this report.

Summary of Audit Results

Our audit found that the Superior Court of California, County of Trinity (Court) demonstrated consistent compliance with many of the Judicial Council's requirements evaluated during the audit, and should be commended for its receptiveness to suggestions for further improvements. Table 1 below presents a summary of the audit's results, including references to any audit findings discussed in the body of the report, and a summary of the Court's agreement or disagreement with the noted findings. Other matters such as isolated or minor non-compliance—which in our professional judgement do not rise to the level of a reportable finding—were communicated separately to the Court's management in written form.

Table 1 Audit Results – At A Glance – California Superior Court, County of Trinity

Areas and Sub-Areas Subject to Review		Tested	Reportable Audit Findings		
			# of Findings	Finding Reference(s)	Court's View
Cash Handling					
1	Daily Opening Process	Yes	✓		
2	Voided Transactions	Yes	✓		
3	Handwritten Receipts	Yes	✓		
4	Mail Payments	Yes	✓		
5	Internet Payments	Yes	✓		
6	Change Fund	Yes	✓		
7	End-Of-Day Balancing and Closeout	Yes	1	2018-7-01	Agree
8	Bank Deposits	Yes	✓		
9	Other Internal Controls	Yes	✓		
Procurement and Contracts					
10	Procurement Initiation	Yes	1	2018-10-01	Agree
11	Authorization & Authority Levels	Yes	✓		
12	Competitive Procurements	Yes	✓		
13	Non-Competitive Procurements	Yes	✓		
14	Leveraged Purchase Agreements	Yes	✓		
15	Contract Terms	Yes	1	2018-15-01	Agree
16	Other Internal Controls	Yes	✓		
Payment Processing					
17	3-Point Match Process	Yes	1	2018-17-01	Agree
18	Payment Approval & Authority Levels	Yes	✓		
19	Special Rules - In-Court Service Providers	Yes	1	2018-19-01	Agree
20	Special Rules - Court Interpreters	N/A	-		
21	Other Items of Expense	Yes	✓		
22	Jury Expenses	Yes	✓		
23	Allowable Costs	Yes	✓		
24	Other Internal Controls	Yes	✓		
Fine & Fee Distribution					
25	CMS-Calculated Distributions	Yes	✓		
26	Manually-Calculated Distributions	N/A	-		
1% Fund Balance Cap					
27	Calculation of the 1% Cap	Yes	✓		
28	Use of "Held on Behalf" Funds	N/A	-		
JBSIS Case Filing Data					
29	Validity of JBSIS Data	Yes	1	2018-29-01	Agree
Other Areas					
30	[None]	N/A	-		

Source: Auditor generated table based on testing results and court management's perspective.

Note: Areas subjected to testing are generally based on requirements in the Trial Court Financial Policies and Procedures Manual, the Judicial Branch Contracting Manual, or California Rules of Court, but may also include other Judicial Council policies and directives. Areas not tested are based on audit determinations—such as area was not applicable, recently reviewed by others, or no transactions were selected to review—which are described more fully in the Audit Scope and Methodology section of the report. Applicable criteria are cited in each audit finding (as referenced above) in the body of our report. The Judicial Council's audit staff determine the scope of each audit based on their professional judgment and the needs of the Judicial Council, while also providing courts with an opportunity to highlight additional areas for potential review depending on available audit resources.

The Court demonstrated consistent adherence to several of the different compliance requirements evaluated during the audit, as shown in Table 1. In particular, the Court demonstrated good compliance in the areas of cash handling. For example, our review of the Court’s cash handling practices found that it demonstrated sound management practices in almost all areas of cash handling, such as its daily opening process, processing of void transactions, and safeguarding of handwritten receipts. In addition, the Court’s practices ensure it safeguards its change fund and bank deposits.

Our audit did identify six reportable audit findings where we believe the Court should consider taking corrective action to improve its operations and more fully comply with the Judicial Council’s policies. These six findings are identified in Table 1 under the column “Reportable Findings” and include reference numbers to assist the reader in locating and viewing in further detail the specific findings and the Court’s perspective. One particular area of focus for the Court as it considers opportunities for improvement should include doing all it reasonably can to ensure it reports accurate case filings data to JBSIS. Specifically, our review of the Court’s JBSIS case filings data for fiscal year 2016-17 and its underlying listings of cases generated by its CMS found that the underlying case detail the Court provided often did not materially agree with the aggregated data it reported to JBSIS. For example, we noted significant case filings count variances for two thirds of the 21 different RAS case categories the Court reported to JBSIS for that fiscal year. Overall, the Court’s total case filings count—as reported to JBSIS—was nearly 12% higher than the 2,180 cases the Court was able to identify from its own records. This 12% is a significantly high error rate compared to the recently-adopted 2% tolerable error rate published in the July 2018 update to the JBSIS Manual. In addition, our review of 60 cases selected from fiscal year 2016-17 and for certain case types, found 15 cases for which the Court did not follow the JBSIS Manual’s definitions for the case type. For example, for 7 of the 10 Family Law–Child Support cases reviewed, the Court reported motions and orders filed on existing cases as new case filings. To ensure courts submit good quality JBSIS data to the Judicial Council, recent updates to the JBSIS Manual encourage courts to conduct quality control reviews of their case filings data. Data quality control procedures can include activities such as selecting samples of case files to review in case categories demonstrating large count variances compared to prior periods. However, the Court does not currently perform such data quality assurance activities.

Summary Perspective of Court Officials

Audit Services initiated its audit of the Court on May 22, 2019, and completed its fieldwork on June 28, 2019. Audit Services shared the draft audit findings with Court officials starting on July 11, 2019, and received the Court’s final official responses on August 13, 2019. The Court agreed with the findings and its specific responses for each are included in the body of the report.

BACKGROUND ON THE COURT'S OPERATIONS

The Superior Court of California, County of Trinity (Court) operates one court facility in the county seat of Weaverville. The Court operates under the authority and direction of the Presiding Judge, who is responsible for ensuring the effective management and administration of the Court, consistent with any rules, policies, strategic plan, and the funding provided by the Judicial Council.

California's 58 superior courts each have differing workloads, staffing levels, and financial resources. They operate under a decentralized system of governance and are each responsible for their own local court operations and business decisions. The Presiding Judge has the authority to: develop a local budget and allocate the funding provided by the Judicial Council; approve procurements and contracts; and authorize the Court's expenditures. The information in Table 2 is intended to provide the reader with context and perspective on the Court's relative size and workload compared to averages of all 58 superior courts.

Table 2 – Statistical Data for Trinity Superior Court and Average of all Superior Courts

Statistic	Trinity Superior Court	Average of All Superior Courts				
		Cluster 1 Courts	Cluster 2 Courts	Cluster 3 Courts	Cluster 4 Courts	All 58 Courts
Financial Highlights (Fiscal Year 2017-18)						
Total Revenue	\$ 2,218,075	\$ 2,203,781	\$ 10,614,170	\$ 41,408,761	\$194,435,516	\$ 43,334,366
Total Expenditures	\$ 2,152,981	\$ 2,238,710	\$ 10,747,319	\$ 41,941,660	\$198,103,021	\$ 44,073,255
Staff Salaries & Benefits As a % of Total Expenditures	\$ 1,472,696 68.4%	\$ 1,498,581 66.9%	\$ 8,081,296 75.2%	\$ 32,278,737 77.0%	\$159,856,126 80.7%	\$ 34,936,503 79.3%
Judicial Officers and Staff (2018 Court Statistics Report)						
Judges	2	2	8	27	128	29
Commissioners/Referees	-	-	1	4	21	5
Non-Judicial Staff (approx.)	15	16	87	291	1,281	296
Total	17	18	96	322	1,430	330
New Case Filings (Fiscal Year 2017-18)						
Appeal Filings	5	8	81	190	386	132
Civil Filings						
Civil	219	318	2,291	9,805	67,700	13,485
Family Law	239	284	1,777	6,347	26,237	6,132
Juvenile Delinquency	27	36	230	1,052	2,050	632
Juvenile Dependency	35	34	209	574	3,545	757
Mental Health	9	14	153	731	2,947	670
Probate	48	51	284	972	3,646	888
Small Claims	30	72	413	1,963	13,845	2,730
Criminal Filings						
Felonies	274	419	1,634	4,649	32,109	6,672
Misdemeanors / Infractions	1,959	5,214	23,304	80,405	359,763	82,649
Total	2,845	6,450	30,376	106,688	512,228	114,747

Source: Financial and case filings data maintained by the Judicial Council. The date ranges differ for the above information due to the different sources of data. The financial data is from the Judicial Council's Phoenix financial system, the judicial officer and staff counts information is from the most recent Court Statistics Report, and the case filing counts are from the Judicial Branch Statistical Information System data as of August 15, 2019, and may not agree with other reports as this data is subject to continuous updates.

Note: The Judicial Council generally groups superior courts into four clusters and uses these clusters, for example, when analyzing workload and allocating funding to courts. According to past Judicial Council documents, the cluster 1 courts are those superior courts with between 1.1 and 4 judicial position equivalents (JPEs), cluster 2 courts are those with between 4.1 and 20 JPEs, cluster 3 courts are those with between 20.1 and 59.9 JPEs, and cluster 4 courts are those with 60 or more JPEs. Trinity Superior Court is a cluster 1 court.

AUDIT SCOPE AND METHODOLOGY

Audit Services initiated an audit of the Superior Court of California, County of Trinity (Court) in order to determine whether it complied with certain key provisions of statute and the policies and procedures adopted by the Judicial Council of California. Our audit was limited to evaluating compliance with those requirements that, in our professional judgment, were necessary to answer the audit's objectives. The period covered by this audit was generally limited to fiscal year (FY) 2018-19, but certain compliance areas noted below required that we review earlier periods or current practices. Table 3 lists the specific audit objectives and the methods we used to address them.

Table 3 – Audit Objectives and the Methods Used to Address Them

	Audit Objective	Method
1	Through inquiry, auditor observation, and review of local court policies and procedures, identify areas of high risk to evaluate the Court's compliance.	Audit Services developed an annual audit plan generally identifying areas of high risk at the superior courts. At the Court, we made inquiries and reviewed any local procedures to further understand its unique processes in each compliance area.
2	<p>Determine whether the Court implemented adequate internal controls over its handling of cash receipts and other payments. Such a review will include, at a minimum, the following:</p> <ul style="list-style-type: none"> ▪ Determine whether the Court complied with the mandatory requirements in the FIN Manual for internal controls over cash (payment) handling. ▪ Assess the quality of the Court's internal controls to minimize the potential for theft, such as controls over the use of manual receipts and voided transactions. 	We obtained information from the Court regarding the types and average volume of collections at each of its payment collection locations. For selected locations, we observed the Court's practice for safeguarding and accounting for cash and other forms of payments from the public. For example, we reviewed and observed the Court's practice for appropriately segregating incompatible duties, assigning cash drawers to cashiers at the beginning of the day, reviewing and approving void transactions, safeguarding and accounting for handwritten receipts, opening and processing mail payments, controlling access to change funds, overseeing the end-of-day balancing and closeout process, and preparing and accounting for the daily bank deposits.
3	Determine whether the Court demonstrated appropriate control over its non-personal services spending activities. Specifically, our review included the following:	We reviewed the Court's assignment of purchasing and payment roles to assess whether it appropriately segregated staff roles for approving purchases, procuring the goods or services,

<ul style="list-style-type: none"> ▪ Determine whether the Court’s procurement transactions complied with the applicable requirements in the Judicial Branch Contracting Manual or the Trial Court Financial Policies and Procedures Manual. ▪ Determine whether the Court’s payment transactions—including but not limited to vendor payments and claim payments—were reasonable and in compliance with the Trial Court Financial Policies and Procedures Manual and applicable Judicial Council policies and rules. 	<p>receiving the goods, and paying for the goods or services.</p> <p>We also judgmentally selected a sample of 25 procurement transactions and assessed whether each transaction:</p> <ul style="list-style-type: none"> • Was properly authorized and approved by authorized court management. • Adhered to competitive bidding requirements, when applicable. • Had contracts, when applicable, that contained certain terms required to protect the Court’s interests. <p>We selected a sample of 40 FY 2018-19 payments pertaining to various purchase orders, contracts, or in-court services, and determined whether:</p> <ul style="list-style-type: none"> • The Court followed the 3-point match process as described in the FIN Manual to ensure goods and services are received and accepted, and in accordance with contract terms prior to payment. • Appropriate court staff authorized payment based on the Court’s payment controls and authorization matrix. • The payment reasonably represented an allowable “court operations” cost per Rule of Court, Rule 10.810. • The payments to in-court service providers adhered to applicable Judicial Council policies. <p>(Note: We did not review court interpreter claims as the Audit Committee suggested we suspend reviewing these types of claims to allow courts time to develop procedures to address previously reported systemic audit findings related to court interpreter service claims.)</p>
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4	Determine whether the Court properly calculates fine and fee distributions for certain selected case types.	<p>We reviewed the Court's process for updating and controlling access to its distribution tables.</p> <p>We also reviewed the Court's calculations and distributions of fines, penalties, fees, and assessments for certain high volume or complex case types.</p>
5	<p>Determine whether the Court properly calculates its one percent fund balance cap for the most recent completed fiscal year.</p> <p>Determine whether the Court spent any funds the Judicial Council approved the Court to hold from prior year excess fund balance funds only for the purposes approved by the Judicial Council.</p>	<p>We obtained the Court's final <i>1% Fund Balance Cap Calculation Form</i> for the most recently completed fiscal year at the time of our testing (FY 2017-18), and performed the following:</p> <ul style="list-style-type: none"> • Verified significant calculations and balance amounts. • Traced and verified significant inputs on the form (such as year-end encumbrances) to supporting records and the Phoenix accounting system. <p>During the planning phase for the audit, the Court informed us that it did not request approval to hold any excess funds on its behalf. As a result, a review of any held excess funds was deemed not necessary.</p>
6	Determine whether the Court accurately reports case filings data to the Judicial Council through the Judicial Branch Statistics Information System (JBSIS).	<p>We obtained an understanding of the Court's process for reporting case filings data to the Judicial Council through JBSIS. For the most recent fiscal year for which the Judicial Council froze and used JBSIS data for funding allocations (FY 2016-17), we performed the following:</p> <ul style="list-style-type: none"> • Obtained the relevant JBSIS case filings data the Court reported to the Judicial Council and reconciled the case filings counts it reported to its underlying records of cases supporting each reported case filing count, by case type, to validate that the Court accurately reported its case filings count data.

		<ul style="list-style-type: none"> We selected 10 cases from six case types, for a total of 60 reported cases, and reviewed the relevant case file records to verify that the Court correctly applied the JBSIS definitions for reporting each case filing.
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Assessment of Data Reliability

The U.S. Government Accountability Office (GAO) requires us to assess the sufficiency and appropriateness of computer-processed information that we use to support our findings, conclusions, or recommendations. In performing this audit, we obtained and reviewed financial transaction data from the Phoenix financial system—the statewide accounting system used by the superior courts—for the limited purpose of selecting transactions to test the Court’s compliance with its procurement and related payment activities. Prior to making our selections, we independently queried the Phoenix financial system to isolate distinct types of non-personal service expenditure transactions relevant to our testing—such as by general ledger code—and reconciled the resulting extract with the Court’s total expenditures as noted on its trial balance report for the same period. Our analysis noted no material differences leading us to conclude that use of the Phoenix financial transaction data was sufficiently reliable for the limited purpose of selecting transactions for testing.

Report Distribution

The Judicial Council’s *Advisory Committee on Audits and Financial Accountability for the Judicial Branch* reviewed this report on October 21, 2019, and approved it for public release.

California Rules of Court, Rule 10.500 provides for the public access to non-deliberative or non-adjudicative court records. Final audit reports are among the judicial administrative records that are subject to public access unless an exemption from disclosure is applicable. The exemptions under rule 10.500 (f) include records whose disclosure would compromise the security of a judicial branch entity or the safety of judicial branch personnel. As a result, any information meeting the nondisclosure requirements of rule 10.500(f) have been omitted from this audit report.

Audit Staff

This audit was completed by the following staff under the general supervision of Robert Cabral, Manager:

Dawn Tomita, Audit Supervisor

Joe Meyer, Senior Auditor (auditor-in-charge), CPA, CIA

Michelle O’Connor, Auditor, CPA

SCHEDULE OF AUDIT FINDINGS AND PLANNED CORRECTIVE ACTION

CASH HANDLING

The Court Followed Most Required Cash Handling Procedures, But Can Strengthen Its Control Procedures Over Its End-of-Day Closeout Process

Background

Trial courts must collect and process customer payments in a manner that protects the integrity of the court and its employees, and promotes public confidence. Thus, trial courts should institute a system of internal control procedures that assure the safe and secure collection, and accurate accounting of all payments. A court's handling of collections is inherently a high-risk activity given the potential incentives for court employees to act inappropriately when mandatory internal controls per the Trial Court Financial Policies and Procedures Manual (FIN Manual) are compromised or not in operation.

Overall, the Court demonstrated consistent compliance in most of the cash handling areas we evaluated during the audit. For example, the Court demonstrated sound management practices in the areas of its voided transactions, mail payments, and internet payments. Nevertheless, we identified one audit finding that we believe requires the Court's attention and corrective action. This finding pertained to the following specific area of cash handling:

Finding Reference	Subject Area
2018-7-01	End-of-Day Balancing and Closeout – Blind Closeout

FINDING REFERENCE: 2018-7-01

END-OF-DAY BALANCING AND CLOSEOUT – BLIND CLOSEOUT

CRITERIA

FIN MANUAL, FIN 10.02, 6.3.10 DAILY BALANCING AND CLOSEOUT:

1. At the end of each workday, each cashier must balance the payments collected in his or her individual cash drawer/bag with the payments and collections recorded in the cashiering system and/or automated case management system. Cashiers may not leave the premises or transact new business until the daily balancing and closeout processes are complete.
2. The balancing and closeout process includes the following steps:
 - a. The cashier completes and signs the recap of daily collections report; attaches a calculator tape for checks; and submits the report, collections, and beginning cash to the supervisor or his or her designee for verification;
 - b. The supervisor or his or her designee verifies in the presence of the cashier that the beginning cash is fully accounted for and the submitted collections balance with the recap of daily collections report;
 - c. The supervisor or his or her designee then verifies that the submitted collections balance with the associated payments and collections reported on the cashier's case management system daily collections closeout report;

- d. If the collections balance with the amounts in the case management system, the cashier and supervisor or his or her designee must both sign and date the case management system daily collections closeout report.

CONDITION

The Court does not require cashiers to follow what is commonly known as a "blind closeout" process when performing their end-of-day closeout. A "blind closeout" is where cashiers count and record their collections on a recap form without any knowledge of the amounts the CMS indicates they collected, before submitting the form and collections to a supervisor for verification of the collections against the recap form and the CMS collections reports. Instead, we observed cashiers counting and comparing their daily collection totals against CMS reports that indicate how much they collected before they submitted their daily collections to a designated supervisor for verification. Cashiers follow this practice because the Court does not have local cash handling policies and procedures that require cashiers to follow a "blind closeout" process. According to the Court, its current CMS also does not allow for such a process. As a result, the Court's current practice allows a cashier to know in advance when an overage occurs and potentially risks the cashier taking any overage without risk of detection of the missing overage amount when the designated supervisor verifies the end-of-day collections to the CMS reports because all amounts would still balance.

RECOMMENDATION

To better safeguard its funds and ensure clear accountability for shortages and overages, the Court should update its local cash handling policies and procedures. Specifically, the Court should require its cashiers to complete their recap of the collections in their individual cash drawer/bag at the end of each workday without knowledge of the CMS collections, a "blind closeout." Afterwards, cashiers should submit their completed recap report and collections to a designated supervisor for verification of their collections to the recap report, and then complete the verification process by verifying the recap report to the CMS collections closeout report. If its CMS does not allow it to implement a blind closeout process, the Court should request approval from the Judicial Council for an alternative procedure that mitigates the potential risk created by not being able to follow a blind closeout process.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The Court agrees with the finding based on the language from the California Trial Court Financial Policy and Procedures Manual. Because the Court does not have the ability to restrict the closeout report from being visible to the cashier at this time, the Court's conversion to a new CMS in the next year will provide for a proper "blind close".

Response provided on 7/15/2019 by: Staci Holliday, Court Executive Officer

Date of Corrective Action: April 2020

Responsible Person(s): Staci Holliday, Court Executive Officer

PROCUREMENT AND CONTRACTS

The Court Has Adequate Controls to Ensure It Complies with Most Applicable Requirements for Procuring Goods and Services

Background

Trial courts are expected to procure goods and services in a manner that promotes competition and ensures best value. To achieve this expectation, the Judicial Branch Contracting Manual (JBCM) and the Trial Court Financial Policies and Procedures Manual provide uniform guidelines for trial courts to use in procuring necessary goods and services and in documenting their procurement practices. Trial courts must demonstrate that their procurement of goods and services are conducted economically and expeditiously, under fair and open competition, and in accordance with sound procurement practice. Typically, a purchase requisition is used to initiate all procurement actions and to document approval of the procurement by an authorized individual. The requestor identifies the goods or services, verifies that budgeted funds are available for the purchase, completes the requisition form, and forwards it to the court manager authorized to approve purchase requests. The court manager is responsible for verifying the necessity and appropriateness of the requested items, that the correct account codes are specified and assuring that funds are available before approving and forwarding the requisition form to the staff responsible for procuring goods and services. Depending on the type, cost, and frequency of the goods or services to be procured, court staff responsible for procuring goods and services may need to perform varying degrees of procurement research to generate an appropriate level of competition and obtain the best value. Court procurement staff may need to also prepare and enter the agreed-upon terms and conditions into purchase orders, service agreements, or contracts to document the terms and conditions of the procurement transaction, and maintain a procurement file that fully documents the procurement transaction.

The Court demonstrated compliance in most of the procurement areas we evaluated during our audit, including demonstrating sound management practices in the areas of authorization and authority levels, in soliciting non-competitive procurements, and in entering into leveraged purchase agreements. Nevertheless, we identified two audit findings that we believe require the Court's corrective action. The findings pertained to the following specific areas of procurement:

Finding Reference	Subject
2018-10-01	Procurement – Procurement Initiation
2018-15-01	Procurement – Contract Terms

FINDING REFERENCE: 2018-10-01

PROCUREMENT – PROCUREMENT INITIATION

CRITERIA

JUDICIAL BRANCH CONTRACTING MANUAL, CHAPTER 2, 2.1 FORMULATING THE PROCUREMENT APPROACH, C:

The Buyer's first step in the planning and scheduling of a procurement effort is the initial review of a purchase request. Reviewing the request in terms of the following information will assist the Buyer in determining any impact to the procurement planning and scheduling activities.

1. Internal review and approvals: Consider the following:

- Have the proper approval signatures been obtained to conduct the procurement in conformance with the Judicial Branch Entity's Local Contracting Manual?
- Is the request in compliance with applicable equipment standards?
- Is there documentation in sufficient detail to support and justify conducting the procurement?

FIN MANUAL, FIN 6.01, 6.1 STANDARD PROCUREMENT PROCESS:

1. The procurement process begins with the completion and submittal of a written or electronic purchase requisition to the trial court employee who has been given the responsibility for approving the requisition. This is a separate and distinct process from approving the purchase order or executing the contract. Requisition approval authority may be delegated by organizational structure (e.g., manager of a unit) or by the type of goods or services requested (e.g., equipment or services under \$5,000). The individual who approves the requisition is responsible for assessing the need for the requested good or services and assuring that funds are available in the court's budget and that appropriate account codes are provided for the proposed purchase. See Section 6.3, Purchase Requisition Preparation and Approval for suggested requisition approval.

FIN MANUAL, FIN 6.01, 6.10 ADMINISTRATION AND DOCUMENTATION:

2. A properly documented procurement file for purchase orders and/or contracts provides an audit trail from the initiation of the requirement to the delivery of goods. The file provides a complete basis for informed decisions at each step of the acquisition process. A well-documented file also supports the actions taken, provides information for later review and facts in the event of litigation or an investigation. Depending on the nature and value of the procurement, procurement files must contain:
 - a. Approved purchase requisition.

CONDITION

The Court does not consistently document its purchase requisitions to demonstrate that an authorized approver reviewed and approved the purchase request before commencing the solicitation and procurement process. Specifically, for six of the 25 procurement transactions reviewed, the Court did not always document a purchase request and management approval of the request prior to commencing the procurement. For two of the six procurement transactions that did have an associated purchase requisition, the Court did not prepare a purchase request until after it had already procured the goods or services and received an invoice from the vendor. For the other four procurement transactions, the Court did not prepare any purchase requisition for the goods it procured. According to the Court, the CEO approves all purchase requests up to \$100,000, and the executive assistant approves office supply purchases up to \$1,500. However, its business practices do not require the consistent documentation of these purchase requests and

associated approvals that sometimes may only be verbal, prior to beginning the procurement process. Not being able to demonstrate the purchase requests and approval prior to the procurement and the receipt of the good and/or services occurs partly because the Court does not have local policies and procedures that describe and require a formal purchase request and approval process. The use of a purchase requisition form that describes the requested items, documents the approval to purchase, and that is stored in the procurement file would help the Court better demonstrate that authorized court management considered and approved purchase requests before commencement of the solicitation and procurement process. When the Court does not consistently document its purchase requests and authorizations, it risks the appearance that it is making purchases that may not be appropriate or not allowed, and not in its best interests.

RECOMMENDATION

To ensure it can demonstrate that its purchases are appropriately justified, funded, and approved, the Court should take steps to ensure it prepares and documents in its procurement files the purchase requisitions that authorized individuals review and approve prior to the start of the purchasing activity, regardless of whether the activity is for a competitive or non-competitive procurement.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

In one of the transactions reviewed by the auditors was for a renewal of a service/maintenance agreement which was generated by the vendor to the court via email, The CEO approved the renewal by signing the agreement and sending it back to the vendor. The Court feels it followed the proper procedure, through the JCC procurement program, to have a Purchase Order in place prior to paying for the service. Other transactions referenced, are from using the Staples Advantage online ordering portal, the Court agrees that these every day office supply purchases are approved verbally in the early stages of the order, however unusual purchases or high dollar office supplies are supported with an approved internal written requisition. Going forward, the Court has implemented an approval matrix through Staples online portal where orders are reviewed and approved in advance by the CEO. The final three transactions were associated with replacing an old, unreliable marshal vehicle which included the need for a modified police package. The Court also needed to replace a 16-year-old, unreliable vehicle for court personnel to travel safely. These purchases were discussed at length with the presiding judge in meetings and phone calls, however the CEO did not have any written authorization from the PJ prior to getting quotes from vendors and doing a requisition. The Court will strive to use written purchase requisitions whenever possible to better document the Court's purchase request, review, and approval process before starting the procurement.

Response provided on 8/8/2019 by: Staci Holliday, Court Executive Officer

Date of Corrective Action: August 2019

Responsible Person(s): Staci Holliday, Court Executive Officer

FINDING REFERENCE: 2018-15-01
PROCUREMENT – CONTRACT TERMS

CRITERIA

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

1. Statement of Work (SOW)

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

3. Terms and Conditions

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

- Standard Terms and Conditions. Contracts typically include the following “standard” or “general” terms and conditions:
 - Contract term, including any options to extend the term;

CONDITION

For four of the 25 procurement transactions reviewed, the Court did not execute written contracts or agreements stipulating the agreed-upon services and pricing. For example, the Court procured the services of a clinical psychologist and paid \$3,325 for two psychiatric evaluations without any written contract or agreement. According to the Court, the few psychologists willing to make the journey to its remote location do not wish to enter into written contracts. Instead, the Court reviews the invoice for reasonableness and, according to the Court, the amounts the psychologist invoiced for these two psychiatric evaluations—\$1,750 and \$1,575—are in line with what the Court normally pays for the specific services provided. For another transaction reviewed, the Court procured the services of a vendor and paid \$1,953 to print traffic courtesy notices. However, the Court created the purchase order (PO) after it had already received the items and the invoice from the vendor. According to the Court, it did not create a PO in advance because this vendor's order quantity and pricing is standard. Finally, for two other transactions reviewed, the Court procured the services of a court reporter and paid the reporter \$230 per day but did not have a written contract or agreement specifying the agreed upon daily rate. According to the Court, it agreed to pay court reporters a standard rate of \$230 per day a couple of years ago, but did not formally document this rate in its local court policies. However, without written contracts, agreements, POs, or court authorizations that specify the expected scope of work, term length, and rate of pay prior to the provision of goods or commencement of services, the Court risks paying for unauthorized goods or services or being overcharged without any basis for disputing such work or charges.

RECOMMENDATION

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

COURT'S VIEW AND CORRECTIVE ACTION PLAN

The Court agrees with the finding and will do its best to initiate a contract with the out of town service providers. The Court will also memorialize its rates for court reporters in our Local Contracting Manual.

Response provided on 8/8/2019 by: Staci Holliday, Court Executive Officer

Date of Corrective Action: September 8, 2019

Responsible Person(s): Staci Holliday, Court Executive Officer

PAYMENT PROCESSING

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

Background

Trial courts must institute procedures and internal controls to ensure they pay for appropriate goods and services in an economical and responsible manner, ensuring that they receive acceptable goods and services prior to payment. Thus, the FIN Manual provides courts with various policies on payment processing and provides uniform guidelines for processing vendor invoices and in-court service provider claims. All invoices and claims received from trial court vendors, suppliers, consultants and other contractors are routed to the trial court accounts payable department for processing. The accounts payable staff must process the invoices in a timely fashion and in accordance with the terms and conditions of the respective agreements. Staff must match all invoices to the proper supporting procurement and receipt documentation, and must ensure approval for payment is authorized by court management acting within the scope of their authority.

The Court demonstrated compliance in most of the payment processing areas we evaluated during our audit. The Court demonstrated sound management practices in the areas of its review and approval of invoices prior to payment, special items of expense, and allowable costs. Nevertheless, we identified two audit findings in the payment processing area that we believe require the Court's corrective action. These findings pertain to the following specific areas of payment processing:

Finding Reference	Subject
2018-17-01	Payment Processing – Three-Point Match
2018-19-01	Special Rules – In-Court Service Providers

FINDING REFERENCE: 2018-17-01

PAYMENT PROCESSING – THREE-POINT MATCH

CRITERIA

FIN MANUAL, FIN 8.01, 6.3.2 DOCUMENT MATCHING:

1. At the scheduled time and depending on the court's invoice payment cycle, an accounts payable employee will match the vendor invoices to all appropriate supporting documentation. The court will adopt the "three-point match" procedure to process vendor invoices.
2. A three-point match procedure consists of matching a vendor invoice to a purchase agreement and to proof of receipt and acceptance of goods or services. For example:
 - a. All details of the invoice, including a description of the goods and services ordered, quantities involved, unit prices billed, and other applicable charges, must be matched to the details and terms and conditions of the court's purchase agreements or contracts.

- b. All invoice details, including a description of the goods or services ordered and quantities invoiced must be matched to the details of packing slips, shipping orders, receiving reports, or other forms of acknowledgement of delivery of products or completion of work by an authorized court employee.

CONDITION

For three of the 40 payment transactions reviewed, the Court could not demonstrate completing the entire three-point-match verification process when paying invoices and claims. Specifically, accounts payable staff could not demonstrate how they matched and agreed the invoices or claims to the terms in an applicable contract or equivalent court authorization for these transactions. For example, accounts payable staff paid a clinical psychologist \$3,325 without a written contract or court authorization specifying the services to be provided and the agreed upon pay rates. According to the Court, the few psychologists willing to journey to its remote location do not wish to enter into specific written contracts. Instead, the Court reviews the invoices for reasonableness, and according to the Court, the amounts invoiced for these two psychiatric evaluations—\$1,750 and \$1,575—are in line with what the Court normally pays for the specific services the psychologist provided. For the two other payment transactions, accounts payable staff paid a court reporter without any written contract or court authorization specifying the \$230 daily rate. According to the Court, a couple of years ago it agreed to pay court reporters a standard daily rate of \$230, but did not formally document this rate in its local policies. However, without written agreements or authorizations that specify the expected work, term length, and pay rate, court accounts payable staff cannot fully perform the required three-point match. As a result, the Court risks paying for unauthorized goods or services or being overcharged without any basis for disputing such work or charges.

In addition, for two the five court reporter payment transactions reviewed, the Court did not perform a complete review of the claims before approving them for payment. Specifically, court accounts payable staff paid two claims for mileage of \$209 and \$136 submitted by one court reporter, but did not verify the mileage between the court reporter's address and the courthouse location. The two claims included only the court reporter's P.O. Box mailing address and the Court did not have the court reporter's home or business address on file to allow accounts payable staff the ability to verify the claimed mileage. According to the Court, court staff overlooked the requirement to verify the claimed mileage. However, the FIN Manual requires courts to verify quantities, rates, and calculations, as well as verify that they received acceptable goods or services before approving invoices or claims for payment. When the Court does not require its staff to verify the items, quantities, and calculations for which it is being billed, it risks overpaying for unnecessary items or costs.

RECOMMENDATION

To ensure that it can demonstrate it pays the proper amounts for the goods and services it receives, the Court should take steps to strengthen its process for approving vendor payments. For instance, the Court should ensure that it has a written contract or agreement with clear pricing terms on file for each of its procurements, and provides these contracts or agreements to its accounts payable staff so that they are able to fully perform the required three-point match and verify the accuracy of vendor invoices prior to payment approval and processing.

To ensure that it pays only for the goods or services it receives, and to minimize the risk of paying for unnecessary items or costs, the Court should also ensure that staff verify and recalculate the items and costs claimed on court reporter claims. For example, court staff should verify the number of miles claimed and recalculate the allowable mileage costs prior to approving the court reporter claims for payment.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

Agree. The Court will get an accurate physical address with a mileage map for the court reporter and will keep it separate from the AP documents to safeguard the vendor's privacy.

If the Court is successful in executing a contract with the available psychiatrists the Court is confident it would eliminate the concern of overpaying the vendor. Additionally, the doctors that do our evaluations, submitted resumes, many years ago that included hourly rates. Our judges approved and appointed them as needed, however over the years those paper resumes could not be located. Because the invoices had not increased, the accounts payable department had no reason to question the validity of each invoice. Going forward, The Court will get the appointing judge to approve each invoice for payment until a contract is executed.

Response provided on 8/8/2019 by: Staci Holliday, Court Executive Officer

Date of Corrective Action: August 2019

Responsible Person(s): Staci Holliday, Court Executive Officer

FINDING REFERENCE: 2018-19-01

SPECIAL RULES – IN-COURT SERVICE PROVIDERS

CRITERIA

FIN MANUAL, FIN 8.02, 6.3 COMPLETE CLAIM DOCUMENTATION:

1. The documentation required to pay a claim consists of a court-approved claim form that includes at least the following information:
 - c. The signature of the person making the claim or the person authorized to sign for the business making the claim.

CONDITION

For two of the 10 in-court service provider claims reviewed, the Court processed and paid the claims without requiring the claimants to sign their claims. Specifically, the Court paid a clinical psychologist \$3,325 and a contract court reporter \$918 based on claims that included their names, addresses, and an itemized list of work performed and the associated charges. However, although the CEO made a note on the court reporter claim for staff to watch these claims without signatures, the Court did not require the clinical psychologist nor the court reporter to sign their claims as required by the FIN Manual. When courts do not require claimants to sign certifying the authenticity and accuracy of their claims, courts risk paying invalid or inappropriate claims, and the claimants later asserting that the claims were not theirs or were unintended.

RECOMMENDATION

To ensure it protects its interests against invalid or inappropriate claims, the Court should ensure that all claims for payment include all the information the FIN Manual requires, including the claimant's signature. If the Court receives a claim for payment that does not include the claimant's signature, it should notify and inform the claimant that their signature is required on the claim and that it is unable to process the payment request until it receives an appropriately completed and signed claim form.

COURT'S VIEW AND CORRECTIVE ACTION PLAN

Agree. The Court will consistently return any invoices to the vendors that failed to provide a signature.

Response provided on 8/8/2019 by: Staci Holliday, Court Executive Officer

Date of Corrective Action: August 2019

Responsible Person(s): Staci Holliday, Court Executive Officer

FINE AND FEE DISTRIBUTIONS

The Court Generally Calculated Accurate Fine and Fee Distributions for the Case Types Reviewed

Background

Trial courts must accurately calculate and distribute the monies they collect so that State and local funds receive the amounts State law designates for each. State statutes and local ordinances govern the distribution of the fines, penalties, fees, and other assessments that courts collect. In addition, courts rely on the State Controller's Office *Trial Court Revenue Distribution Guidelines* and the Judicial Council *Uniform Bail and Penalty Schedules* to calculate and distribute these court collections to the appropriate State and local funds. Courts may use either an automated system, manual process, or a combination of both to perform the often-complex calculations and distributions required by law.

Our review of its fine and fee distributions found that, except for two minor instances of non-compliance that we communicated separately to the Court, it configured its automated case management system (CMS) to accurately calculate and distribute most fines, penalties, assessments, and fees collected to the appropriate funds and entities.

ONE PERCENT FUND BALANCE CAP

The Court Appropriately Supported Its One Percent Fund Balance Cap Calculations

Background

State law allows trial courts to retain unexpended fund balance reserves in an amount that does not exceed one percent of its prior fiscal year operating budget. To assist in ensuring compliance with this requirement, the Judicial Council requires courts to prepare and submit a final *1% Fund Balance Cap Calculation Form* (calculation form) approximately six months after the end of the fiscal year, which calculates the amount of fund balance that a court may carry over into the next fiscal year. Courts self-report the inputs on the calculation form, such as year-end expenditures, expenditure accruals, and encumbrances.

In addition, should a court need to retain funds that exceed its one percent fund balance cap, the Judicial Council adopted a process whereby courts that meet certain specified guidelines may request approval from the Judicial Council to hold excess funds “on behalf of the court.” The request specifies how the funds will be used and requires the court to explain why such spending could not occur through its annual operating budget. If the Judicial Council approves the court’s request, the Judicial Council may impose additional terms and conditions that courts must accept, including separately tracking the expenditures associated with these funds held on behalf of the court. As a part of the Judicial Council-approved process for approving funds held on behalf of a court, Audit Service is charged with reviewing funds held on behalf of the courts as a part of its normal court audit cycle to confirm that the courts used the funds for their approved stated purpose.

Our review found that the Court complied with the requirements for its 1% fund balance cap calculations. Specifically, we reviewed the inputs on its final fiscal year (FY) 2017-18 1% fund balance cap calculation form and found that the Court used expenditure amounts that agreed to its accounting records. In addition, the Court supported the encumbrances it reported on its final FY 2017-18 calculation form with valid contracts for goods and services not received by June 30, 2018.

We did not review its use of any excess funds because the Court did not request the Judicial Council to hold any such funds on its behalf.

JBSIS CASE FILING DATA

The Court Should Take Steps to Better Ensure It Reports Accurate Case Filings Data to JBSIS

Background

The Judicial Branch Statistical Information System (JBSIS) is a reporting system that defines and electronically collects summary information from court case management systems for each major case processing area of the court. JBSIS directly supports the technology goals of the Judicial Council's strategic plan, providing information for judicial branch policy and budgetary decisions, management reports for court administrators, and the Judicial Council's legislative mandate to report on the business of the courts. Authorization for JBSIS is found in California Rules of Court, rule 10.400: "Consistent with article VI, section 6 of the California Constitution and Government Code section 68505, JBSIS is established by the Judicial Council to provide accurate, consistent, and timely information for the judicial branch, the Legislature, and other state agencies that require information from the courts to fulfill their mandates. Each trial court must collect and report to the Judicial Council information according to its capability and level of automation as prescribed by the JBSIS Manual adopted by the Judicial Council..." The Court Executives Advisory Committee is responsible for oversight of this program.

Our review found that the Court maintained documentation to support some of the JBSIS case filings data it submitted to the Judicial Council's Office of Court Research. Nevertheless, our review identified one JBSIS-related audit finding that we believe requires the Court's continuous monitoring. This finding pertained to the following specific area of the JBSIS case filings data:

Finding Reference	Subject
2018-29-01	JBSIS Data Quality – Case Filing Counts and Data

FINDING REFERENCE: 2018-29-01

JBSIS DATA QUALITY – CASE FILING COUNTS AND DATA

CRITERIA

CALIFORNIA RULES OF COURT, RULE 10.400, JUDICIAL BRANCH STATISTICAL INFORMATION SYSTEM:

Consistent with article VI, section 6 of the California Constitution and Government Code section 68505, the Judicial Branch Statistical Information System (JBSIS) is established by the Judicial Council to provide accurate, consistent, and timely information for the judicial branch...Each trial court must collect and report to the Judicial Council information according to its capability and level of automation as prescribed by the *JBSIS Manual* adopted by the Judicial Council.

JUDICIAL BRANCH STATISTICAL INFORMATION SYSTEM MANUAL – VERSION 3.0, APPENDIX H—DATA QUALITY ASSURANCE;

Error Quantification and Acceptable Error Rates

The error rate is determined by the difference of the reported value and the correct value, divided by the reported value. The magnitude of the error relative to the number of filings in a given period affected determines how courts should remedy the error. The JBSIS subcommittee determined that a 2% error rate met the criteria of being rigorous enough to ensure high data quality without posing an undue burden for courts.

The committee determined that an error rate of 2% or more in any one data element for a specific case type or cumulative across case types for one data element—limited at this time to filings, dispositions, trials, and time to disposition, when reported—should be established as the threshold above which courts must submit amended data correcting the report and that amended reports to resolve the error must be submitted within 60 days of error discovery.

CONDITION

To better ensure courts can identify and research potential JBSIS reporting errors, effective July 2018, the JBSIS Manual includes data quality standards that encourage courts to have methods of both routine and non-routine reviews of their data. Examples of these review methods include courts performing random reviews of selected case files to ensure the data reported to JBSIS is consistent with the judicial branch's agreed-upon case type definitions. However, implementing such an approach requires courts to know which cases they have reported to JBSIS and when. Without this information, neither the courts nor external parties are well-positioned to evaluate the accuracy of the reported case filings data, or determine which of the many monthly JBSIS reports require amendment if errors are found. Despite the JBSIS data quality standards not becoming effective until July 2018—after the Court had already submitted its JBSIS data for fiscal year (FY) 2016-17—we choose to evaluate the Court's JBSIS data against these standards since no other comparable criteria exists. Applying the recently adopted standards allows the Court to review the audit's results and potentially take steps to improve its JBSIS reporting.

Reconciliation Between JBSIS Case Filing Counts and Court-Based Records

JBSIS data contains aggregated counts of new case filings, which should be supported by case-specific records at the trial court level. Our review compared the Court's JBSIS case filings data for FY 2016-17 with its underlying listings of cases generated by its CMS. Since the Court does not maintain contemporaneous listings of which cases it has previously reported to JBSIS and when, it reconstructed this information for our audit by querying and extracting data from its CMS. Table 1 compares the JBSIS case filings data the Court reported for FY 2016-17 (reported as of February 2018) against the case-specific listings generated by its CMS at the time of our audit. As shown in the table, the Court's underlying case detail often did not materially agree with the aggregated JBSIS data it reported. Specifically, we noted significant count variances for 14 of the 21 different case categories reported by the Court for that year. Overall, the Court's total case filings count—as reported to JBSIS—was 2,471 cases, or nearly 12% higher than the 2,180 cases the Court was able to identify from its own records.

Table 1 - Comparison of JBSIS Case Filings Data to Underlying Court Records for FY 2016-17

JBSIS Report	RAS Case Category	A	B	C	(C / A)
		JBSIS Filing Counts	Court Filing Counts	Net Count Difference	Error Rate
05a	Unlawful Detainer	35	29	6	17.14%
05a	Civil – Limited	117	34	83	70.94%
05a	EDD	0	0	0	0.00%
05b	Civil – Unlimited	116	35	81	69.83%
05b	Civil – Complex	0	0	0	0.00%
05b	Asbestos	0	0	0	0.00%
06a	Family Law – Marital	62	18	44	70.97%
06a	Family Law – Child Support	53	37	16	30.19%
06a	Family Law – Domestic Violence	74	22	52	70.27%
06a	Family Law – Parentage	27	7	20	74.07%
06a	Family Law – Other	47	8	39	82.98%
07c	Felony	232	234	-2	-0.86%
08a	Juvenile Delinquency	24	14	10	41.67%
09a	Juvenile Dependency	17	17	0	0.00%
10a	Mental Health	13	13	0	0.00%
11a	Misdemeanor – Traffic	252	385	-133	-52.78%
11a	Misdemeanor – Non-Traffic	210	144	66	31.43%
11a	Infractions	1,129	1,145	-16	-1.42%
12a	Conservator / Guardianship	12	2	10	83.33%
12a	Estates / Trusts	24	22	2	8.33%
13a	Small Claims	27	14	13	48.15%
Overall Total		2,471	2,180	291	11.78%

Source: The JBSIS filing counts are from the Judicial Council’s Office of Court Research and represent the case filings data the Court reported to JBSIS for FY 2016-17 and that the Judicial Council used in the WAFM for FY 2018-19. The Court filing counts are from its CMS reports and represent the case filings for FY 2016-17 that its underlying court records supported.

Although JBSIS data quality standards did not exist at the time the Court reported its FY 2016-17 case filings data to JBSIS, each of these variances exceed the recently-adopted 2% tolerable error rate published in the July 2018 update to the JBSIS Manual. According to the Court, a former employee was responsible for reporting to JBSIS the case filings data from FY 2016-17, and thus the Court is unable to explain why the count variances noted in Table 1 exist. Since the Judicial Council will be using this case filings data—as part of its 3-year rolling average of case filings between FYs 2016-17 and 2018-19—when determining trial court budget allocations for FY 2020-21, the Court should resubmit all its FY 2016-17 case filings data to JBSIS since the Court is unable to support nearly 12% of its total reported case filings.

Review of Case Files for JBSIS Data Quality

Aside from reconciling JBSIS case filings data to its underlying case-specific records, we also selected a sample of case files to review and determine whether the Court followed the JBSIS Manual’s case-type definitions. Our review of 60 case filings from FY 2016-17 found examples where the Court did not follow the JBSIS manual’s definitions, as noted in Table 2 below.

Table 2 - Misclassification and Other Errors Identified During Review of Case File Records

Selected Case Type	# of Case Files Reviewed	# of Case Files With Errors	Error Description
Civil – Unlimited	10	5	Filed cases without the required cover sheet, and did not properly classify cases.
Family Law – Child Support	10	7	Reported motions and orders on existing cases as new case filings.
Family Law – Domestic Violence	10	1	Misclassified a case without a minor child as a case with a minor child.
Felony	10	2	Misclassified the type of crime for one felony case, and misclassified a misdemeanor case as a felony case.
Juvenile - Dependency	10	0	
Mental Health	10	0	
Total	60	15	

The specific errors noted for each of the 15 cases noted above are as follows:

- **Civil – Unlimited:** For 4 of the 10 cases reviewed, the Court filed the cases without the Civil Case Cover Sheet (form CM-010) referenced by the JBSIS Manual and that plaintiffs and others, according to the instructions on the form, must complete and file when filing first papers. According to the JBSIS manual, the type of civil case courts report on the 05b-Civil Unlimited report is based on the amount reflected on this Civil Case Cover Sheet. In addition, for 1 additional case and for 1 of the 4 cases mentioned above without a cover sheet, the Court classified the cases as "Other Civil" while the case file documents indicate the Court should have classified the first case as a "Contract: Breach of Contract/Warranty" case per the cover sheet, and the second case as a "Judicial Review: Asset Forfeiture" case as noted on the Claim Opposing Forfeiture form completed and filed by the defendant. According to the Court, it was unaware of the JBSIS Manual requirement for the cover sheets, and clerical errors caused the misclassifications.
- **Family Law – Child Support:** For 7 of the 10 cases reviewed, the Court reported motions and orders filed on existing cases to JBSIS as new case filings. Per the JBSIS Manual, a new family law case filing begins by formal submission of an initial petition or complaint, or by the transfer-in of a case from another jurisdiction. However, the Court reported to JBSIS as new case filings six of the case filings with a "Notice of Motion" filed using form FL-680, and one with an "Order to Show Cause and Affidavit for Contempt" filed using form FL-410. Per the JBSIS Manual, the Court should have reported these motions and order to JBSIS as "Hearings" so that the OCR can collect data on its existing workload, not as new case filings. According to the Court, it is not clear why it reported these motions and orders as new case filings.

- Family Law – Domestic Violence: For 1 of the 10 cases reviewed, the Court classified the case as a “Domestic Violence With Minor Children” case when the case file records indicate that it should have classified the case as a “Domestic Violence Without Minor Children” case because the Request for Domestic Violence Restraining Order (form DV-100) that the petitioner completed and that the Court filed with the case did not indicate any minor children. According to the Court, a clerical error appears to be the cause behind this misclassification.
- Felony: For 2 of the 10 cases reviewed, the Court classified both cases as “Other Felony” cases when the case file records indicate that it should have classified one as a “Property Offense” case because both counts charged against the defendant in the felony complaint are identified as property offenses according to the Department of Justice Offense Table referenced by the JBSIS Manual. The case file records for the second case indicate that the Court should have classified this case as a “Misdemeanor” case because, although the complaint identified multiple defendants charged with felonies, the complaint charged the one defendant selected for review with a misdemeanor offense, not a felony offense. According to the Court, clerical errors appear to be the cause behind these misclassifications.

Internal Controls to Ensure JBSIS Data Quality

As stated earlier, recent updates to the JBSIS Manual encourage courts to conduct reviews of their case file data to ensure they submit quality JBSIS data to the Judicial Council. Data quality control procedures can include activities such as: comparing the current month’s case filing totals by case type to the prior month’s totals, and the prior year’s data; then selecting samples of case files to review in case categories demonstrating large count variances when compared to prior periods. Currently the Court does not perform such data quality assurance activities.

RECOMMENDATION

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

- Establish a practice of generating and retaining from its CMS systems contemporaneous and detailed case listings that are consistent with the data contained in its monthly JBSIS reports.
- Resubmit updated case filings data to JBSIS for FY 2016-17 via an amended report.
- Provide training to clarify for staff certain JBSIS case type definitions and the required case file records.
- Develop a local JBSIS data quality plan that describes the monitoring and review procedures court staff will follow both prior to and after the submission of JBSIS data. Such a plan should specify both the specific procedures to be performed, as well as the frequency with which they are performed and by whom. To the extent the Court has any technological limitations that impairs its ability to review the quality of its data, the Court’s JBSIS data quality plan should identify these weaknesses and develop a timeline for removing those barriers to data quality.

COURT’S VIEW AND CORRECTIVE ACTION PLAN

Agree. The variances between the Court and JBSIS counts is an issue that court staff have been trying to address since January 2019, before this audit began. Court staff originally contacted the Judicial Council's Office of Court Research (OCR) staff to inform them about the count variances court staff noted, and asked OCR staff for guidance on how to run correct CMS reports of the JBSIS data. However, OCR staff indicated that they did not know how to assist. Court staff believe it is possible that the reason for the count differences could be as simple as them not knowing how to run correct reports from our CMS that has the same information we previously reported to JBSIS.

The Court plans to continue to reach out to OCR staff for assistance in learning how to run correct CMS reports of the JBSIS data we submit; in learning how to submit amended reports; in providing additional training to staff on JBSIS data reporting standards; and in developing a local JBSIS data quality plan.

Response provided on 8/13/2019 by: Staci Holliday, Court Executive Officer

Date of Corrective Action: September 2019

Responsible Person(s): Marlena Duree, Operations Manager, and Staci Holliday, Court Executive Officer

OTHER AREAS

Background

We did not identify any other significant areas during the initial audit planning process that, based on our professional judgement, warranted any additional audit work. Therefore, we did not review compliance with any other areas.
