

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO

Audit Report

VALIDITY OF RECORDED REVENUES, EXPENDITURES, AND FUND BALANCES

July 1, 2021, through June 30, 2022



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

June 2025



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CALIFORNIA STATE CONTROLLER

June 30, 2025

Mr. Michael Roddy, Court Executive Officer
Superior Court of California, County of San Diego
1100 Union Street
San Diego, CA 92101

Dear Mr. Roddy:

The State Controller's Office audited the Superior Court of California, County of San Diego (the Court) to determine whether the Court complied with governing statutes, rules, regulations, and policies relating to the revenues, expenditures, and fund balances under the Court's administration and control that we determined were material and significant. The audit period was July 1, 2021, through June 30, 2022.

We found that the Court substantially complied with governing statutes, rules, regulations, and policies for revenues, expenditures, and fund balances. However, we identified an accounting error and an internal control deficiency that warrants the attention of management. Specifically, we found reimbursable jury fee revenues that were not accrued at year-end. We also found a deficiency of internal control regarding inconsistencies in the deactivation of employee access to information technology systems on employment separation and termination.

This report is for your information and use. The Court's responses to the findings are incorporated into this final report. The Court agreed with our observations and provided a Corrective Action Plan to address the fiscal control deficiencies and recommendations. We appreciate the Court's assistance and cooperation during the audit, and its willingness to implement corrective actions.

If you have any questions regarding this report, please contact Joel James, Chief, Financial Audits Bureau, by telephone at 916-323-1573, or email at jjames@sco.ca.gov. Thank you.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

Mr. Michael Roddy

June 30, 2025

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KAT/ac

Copy: Lyn Bell, Chief Financial Officer

Superior Court of California, County of San Diego

Michelle Curran, Administrative Director

Judicial Council of California

Jason Lopez, Director

Branch Accounting and Procurement

Judicial Council of California

Joe Meyer, Principal Manager

Audit Services

Judicial Council of California

Aaron Edwards, Assistant Program Budget Manager

California Department of Finance

Justin Adelman, Principal Program Budget Analyst

California Department of Finance

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Audit Report

Summary

The State Controller's Office (SCO) audited the Superior Court of California, County of San Diego (the Court) to determine whether the Court complied with governing statutes, rules, regulations, and policies relating to the revenues, expenditures, and fund balances under the Court's administration and control that we determined were material and significant. The audit period was July 1, 2021, through June 30, 2022.

We found that the Court substantially complied with governing statutes, rules, regulations, and policies for revenues, expenditures, and fund balances. However, we identified an accounting error and an internal control deficiency that warrants the attention of management. Specifically, we found reimbursable jury fee revenues that were not accrued at year-end. We also found a deficiency of internal control regarding inconsistencies in the deactivation of employee access to information technology systems on employment separation and termination.

Background

Superior Courts (trial courts) are located in each of California's 58 counties and follow the California Rules of Court, established through Article IV of the California Constitution. The Constitution charges the Judicial Council of California (JCC) with authority to adopt rules for trial court administration, practices, and procedures. The *Judicial Council Governance Policies* are included in the California Rules of Court. Trial courts are also required to comply with various other state laws, rules, and regulations, much of which are codified in Title 8, "The Organization and Government of Courts," of Government Code.

Pursuant to California Rules of Court (CRC) rule 10.804, the JCC adopted the *Trial Court Financial Policies and Procedures Manual* (FIN Manual), which provides guidance and directives for trial court fiscal management. As required by CRC rule 10.804(a), the FIN Manual contains regulations establishing budget procedures, recordkeeping practices, accounting standards, and other financial guidelines. The manual describes an internal control framework that enables trial courts to monitor their use of public funds, provide consistent and comparable financial statements, and demonstrate accountability. Procurement and contracting policies and procedures are addressed separately in the *Judicial Branch Contracting Manual*, adopted by the JCC under Public Contract Code section 19206.

With respect to trial court operations, CRC rule 10.810 provides cost definitions (inclusive of salaries and benefits, certain court-appointed counsel provisions, services and supplies, collective bargaining, and indirect costs), exclusions to court operations, budget appropriations for counties, and functional budget categories. Government Code (GC) section 77001 provides trial courts with the authority and responsibility for managing their own operations.

The JCC requires that trial courts prepare and submit Quarterly Financial Statements, Yearly Baseline Budgets, and Salary and Position

Worksheets. Financial statement components form the core subject matter of our audit.

The Trial Court Trust Fund (TCTF) is the primary source of funding for trial court operations. The JCC allocates money in the TCTF to trial courts. The TCTF's two main revenue sources are the annual transfer of appropriations from the State's General Fund and maintenance-of-effort payments by counties, derived from their collections of fines, fees, and forfeitures.

In fiscal year (FY) 2021-2022, the Court reported revenues of \$195,568,114. The Court receives most of its revenue from state financing sources. The TCTF provided 84.5% of the Court's revenue. During the audit period, the Court incurred expenditures of \$191,900,231. Payroll-related expenditures (salaries and benefits) comprised 83.9% of total expenditures. The Court employed 1,353 staff members to serve San Diego County's population of approximately 8,610 residents.

Funds under the Court's control include a General Fund and a Special Revenue (Grant and Non-Grant) Fund (hereafter referred to as the "Special Revenue Fund"). The General Fund and the Special Revenue Fund had revenue and expenditure accounts in excess of 4% of total revenues and expenditures, and were considered material and significant for testing.

Audit Authority

We conducted this audit at the request of the JCC, pursuant to GC section 77206(j), which requires the JCC to contract with the SCO to perform trial court audits; and in accordance with Interagency Agreement Number 91393, dated November 1, 2023, between the SCO and the JCC, and with GC section 77206(h), which requires the SCO to audit every trial court at least once every four years, and to report the results of these audits to the California State Legislature, the JCC, and the Department of Finance no later than April 1 of each year.

In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

Objective, Scope, and Methodology

The objective of our audit was to determine whether the Court complied with governing statutes, rules, and regulations relating to the revenues, expenditures, and fund balances for any funds under the Court's administration and control that we determined were material and significant.

Specifically, we conducted this audit to determine whether:

- Revenues were consistent with Government Code, properly supported by documentation, and recorded accurately in the accounting records;
- Expenditures were incurred pursuant to Government Code, consistent with the funds' purposes, properly authorized, adequately supported, and recorded accurately in the accounting records; and

- Fund balances were reported based on the Legal/Budgetary basis of accounting and maintained in accordance with fund accounting principles.

The audit period was July 1, 2021, through June 30, 2022.

To accomplish our objective, we performed the following procedures.

General Procedures

- We reviewed the *Judicial Council Governance Policies* (November 2017), the FY 2021-2022 Budget Act, the Manual of State Funds, Government Code, the California Rules of Court, the FIN Manual (11th edition, June 2020), and internal policies and procedures to identify compliance requirements applicable to trial court revenues, expenditures, and fund balances.

Internal Control Procedures

- We reviewed the Court's current policies and procedures, organization, and website, and interviewed court personnel to gain an understanding of the internal control environment for governance, operations, and fiscal management.
- We interviewed court personnel and prepared internal control questionnaires to identify internal accounting controls.
- We assessed whether key internal controls, such as reviews and approvals, reconciliations, and segregation of duties were properly designed and implemented by performing walk-throughs of revenue and expenditure transactions.
- We reviewed the Court's documentation and financial records supporting the validity of recorded revenues, expenditures, and fund balances.
- We assessed the reliability of financial data by (1) interviewing agency officials knowledgeable about the Court's financial and human resources systems; (2) reviewing court policies; (3) agreeing accounting data files to published financial reports; (4) tracing data records to source documents to verify completeness and accuracy of recorded data; and (5) reviewing logical security and access controls for key court information systems. We determined that the data was sufficiently reliable for the purposes of achieving our objective.
- We selected revenue and expenditure ledger transactions to test the operating effectiveness of internal controls. Using non-statistical sampling, we selected nine revenue items and 21 expenditure items to evaluate key internal controls of transactions recorded in significant and material operating funds and the related fund accounts. For expenditure testing, our sample consisted of 21 non-payroll transactions and the payroll records of 15 employees. We expanded testing on accounts with transactions containing errors to determine the impact of the identified errors. Errors were not projected to the intended (total) population.

Revenue Testing Procedures

We designed our revenue testing to verify the Court's adherence to prescribed accounting control procedures, and to verify that transactions were correctly recorded into the accounting system for financial reporting. Our procedures included tests of recorded transaction details and of accounting internal controls.

- We tested revenue transactions and account balances in the General Fund and the Special Revenue Fund to determine whether revenue accounting was consistent with Government Code, properly supported by documentation, and recorded correctly in the accounting system.
- We selected all material revenue accounts that exceeded 4% of total revenues, and determined that the TCTF, the Memorandum of Understanding (MOU) Reimbursements Account, and the Other Judicial Council Grants Account were material for testing. We tested accounts through sampling and analytical procedures.
- Although they were not material, we selected various revenue accounts for additional testing. These accounts included:
 - The Court Interpreter Account;
 - The Other Miscellaneous Account;
 - The Enhanced Collections Account;
 - The County Program – Restricted Account; and
 - The Reimbursement Other Account.
- We tested \$178,230,376 of \$195,568,114, or 91% of total revenues.

We found one accrual-related error in the recording of a Jury Fee reimbursement transaction, for the amount of \$42,123, recorded in the MOU Reimbursements Account. Schedule 1—Summary of Revenues and Revenue Test Results presents, by account, revenues and related amounts tested.

Expenditure Testing Procedures

We designed our expenditure testing to verify the Court's adherence to prescribed accounting control procedures, and to verify that transactions were correctly recorded in the accounting system for financial reporting. Our procedures included tests of recorded transaction details and of accounting internal controls.

- We tested expenditure transactions and account balances in the General Fund and the Special Revenue Fund to determine whether expenditures were incurred pursuant to Government Code, consistent with the funds' purposes, properly authorized, adequately supported, and accurately recorded in the accounting records.
- We tested all material expenditure accounts that exceeded 4% of total expenditures. Material accounts included two payroll-related accounts (the Salaries – Permanent Account and the Staff Benefits Account) and the non-payroll Contracted Services Account.

- Although they are not material, we selected the Consulting and Professional Services Account and the Information Technology Account for additional testing.
- For material payroll-related accounts, we selected two monthly bi-weekly pay periods in November 2021 and May 2022 to review. We reconciled the salary and benefit expenditures shown on the payroll registers to the general ledger and examined supporting records of benefit charges. We then selected 15 of 1,353 employees from the payroll registers and verified that:
 - Employee timesheets included supervisory approval;
 - Regular earnings and supplemental pay were supported by salary schedules and personnel forms;
 - Employer retirement contributions and payroll taxes were entered into the general ledger accurately; and
 - Health insurance premiums shown on the payroll register agreed to the employees' benefit election forms.
- For selected non-payroll accounts, we selected samples to test key internal control activities and the accuracy of recorded transactions, and traced expenditures recorded in the general ledger to supporting documentation. We considered transactions in excess of \$300,000 as individually significant. Our test included the following expenditures:
 - Contracted services – We tested 12 of 7,483 transactions. No recorded transactions were considered individually significant.
 - Consulting and professional services – We tested six of 495 transactions. Of the six transactions, two were considered individually significant.
 - Information technology – We tested eight of 93 transactions. Of the eight transactions, one was considered individually significant.
- We tested \$3,228,914 of \$191,900,231, or 1.7% of total expenditures.

We found no errors in the recording of transactions. Schedule 2—Summary of Expenditures and Expenditure Test Results presents, by account, expenditures and related amounts tested.

Fund Balance Testing Procedures

We designed our fund balance testing to verify the Court's adherence to prescribed accounting control procedures, and to verify that transactions were correctly recorded in the accounting system for financial reporting. Our procedures included review of fund classifications and accounting internal controls.

- We judgmentally selected the General Fund and the Special Revenue Fund because these funds had revenue and expenditure accounts with significant balances.

- We tested revenue and expenditure transactions in these funds to determine whether transactions were reported based on the Legal/Budgetary basis of accounting and maintained in accordance with fund accounting principles (see Schedules 1 and 2);
- We verified the accuracy of individual fund balances in the Court's financial supporting documentation.

We recalculated sampled funds to ensure that fund balances as of June 30, 2022, were accurate and in compliance with applicable criteria.

We found that fund balances for the tested funds were properly reported. Schedule 3—Summary of Fund Balances and Fund Balance Test Results presents, by Fund, total balances and changes in fund balances.

We limited our review of the court's internal controls to gaining an understanding of the significant internal controls within the context of the audit objective. We did not audit the court's financial statements.

We conducted this performance audit 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Conclusion

We found that the Court substantially complied with governing statutes, rules, regulations, and policies for revenues, expenditures, and fund balances. However, we identified an accounting error and an internal control deficiency that warrants the attention of management. Specifically, we found reimbursable jury fee revenues that were not accrued at year-end. We also found a deficiency of internal control regarding inconsistencies in the deactivation of employee access to information technology systems on employment separation and termination.

Follow-up on Prior Audit Finding

We have not previously conducted an audit of the Court's revenues, expenditures, and fund balances.

Views of Responsible Officials

We issued a draft report on January 10, 2025. The Court's representative responded by letter dated January 24, 2025. The Court agreed with the audit results. This final audit report includes the Court's response as an attachment.

Restricted Use

This report is solely intended for the information and use of the Court, the JCC, and the SCO; it is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

June 30, 2025

Schedule 1— Summary of Revenues and Revenue Test Results July 1, 2021, through June 30, 2022

Revenue Accounts	Revenues Reported ¹		Revenues Tested ¹		Error
	Total	Percentage	Amount	Percentage	Amount ²
<u>State Financing Sources</u>					
Trial Court Trust Fund ^{3,4}	\$ 165,278,010	84.5%	\$ 165,278,010	100.0%	\$ -
Improvement and Modernization Fund	739,225	0.4%	-	0.0%	-
Court Interpreter ^{4,5}	6,108,915	3.1%	6,108,915	100.0%	-
Civil Coordination Reimbursements	14,170	0.0%	-	0.0%	-
Memorandum of Understanding					
Reimbursements ^{4,5}	3,836,574	2.0%	2,573,505	67.1%	42,123
Other Miscellaneous ⁵	3,096,933	1.6%	3,096,933	100.0%	-
Subtotal – State financing sources	179,073,827		177,057,363		42,123
<u>Grants</u>					
Assembly Bill 1058					
Commissioner/Facilitator	3,969,712	2.0%	-	0.0%	-
Other Judicial Council Grants ^{4,5}	419,081	0.2%	197,108	47.0%	-
Non-Judicial Council Grants	-	0.0%	-	0.0%	-
Subtotal – Grants	4,388,793		197,108		-
<u>Other Financing Sources</u>					
Interest Income	220,784	0.1%	-	0.0%	-
Local Fees	2,296,977	1.2%	-	0.0%	-
Non-Fee Revenues	82,973	0.0%	-	0.0%	-
Enhanced Collections ^{4,5}	6,464,979	3.3%	204,355	3.2%	-
Escheatment	15,168	0.0%	-	0.0%	-
Prior Year Revenue	(226,308)	-0.1%	-	0.0%	-
County Program - Restricted ^{4,5}	2,695,383	1.4%	708,356	26.3%	-
Reimbursement Other ^{4,5}	500,520	0.3%	63,194	0.0%	-
Other Miscellaneous	55,017	0.0%	-	0.0%	-
Subtotal – Other financing sources	12,105,494		975,905		-
Total Revenues	\$ 195,568,114	100.0%	\$ 178,230,376	91.1%	\$ 42,123

¹ Differences due to rounding² See Findings and Recommendations: Finding 1, Unaccrued year-end revenues³ Material account⁴ Tested internal controls⁵ Additional tested account

Schedule 2— Summary of Expenditures and Expenditure Test Results July 1, 2021, through June 30, 2022

Expenditure Accounts	Expenditures Reported ¹		Expenditures Tested ¹		Error
	Total	Percentage	Amount	Percentage	Amount
<u>Payroll</u>					
Salaries - Permanent ^{2,3}	\$ 87,583,242	45.6%	\$ 95,679	0.1%	\$ -
Temp Help	547,101	0.3%	-	0.0%	-
Overtime ³	857,917	0.4%	1,937	0.0%	-
Staff Benefits ^{2,3}	71,960,091	37.5%	40,790	0.1%	-
Subtotal	160,948,350		138,406		-
<u>Operating Expenses and Equipment</u>					
General Expense	3,706,886	1.9%	-	0.0%	-
Printing	595,029	0.3%	-	0.0%	-
Telecommunications	527,323	0.3%	-	0.0%	-
Postage	1,210,113	0.6%	-	0.0%	-
Insurance	127,181	0.1%	-	0.0%	-
In-State Travel	53,337	0.0%	-	0.0%	-
Out-of-State Travel	6,989	0.0%	-	0.0%	-
Training	149,187	0.1%	-	0.0%	-
Security Services	616,325	0.3%	-	0.0%	-
Facility Operations	71,995	0.0%	-	0.0%	-
Contracted Services ^{2,3}	9,816,467	5.1%	578,552	5.9%	-
Consulting and Professional Services ^{2,3}	6,216,791	3.2%	843,915	13.6%	-
Information Technology ^{2,3}	6,637,224	3.5%	1,668,041	25.1%	-
Major Equipment	472,846	0.2%	-	0.0%	-
Other Items of Expense	133,439	0.1%	-	0.0%	-
Subtotal	30,341,132		3,090,508		-
<u>Special Items of Expense</u>					
Grand Jury	652,860	0.3%	-	0.0%	-
Judgments, Settlements, and Claims	2,441	0.0%	-	0.0%	-
Other	84,120	0.0%	-	0.0%	-
Internal Cost Recovery	-	0.0%	-	0.0%	-
Prior Year Expense Adjustment	(128,672)	-0.1%	-	0.0%	-
Subtotal	610,749		-		-
Total Expenditures	<u>\$ 191,900,231</u>	100.0%	<u>\$ 3,228,914</u>	1.7%	<u>\$ -</u>

¹ Differences due to rounding² Material account³ Tested internal controls

Schedule 3—

Summary of Fund Balances and Fund Balance Test Results

July 1, 2021, through June 30, 2022

Balance	General Fund ¹	Special Revenue Fund Non-Grant¹	Special Revenue Fund Grant ¹	Total ¹
Beginning Balance	\$ 6,546,006	\$ 10,886,871	\$ -	\$ 17,432,877
Revenues	180,328,861	10,850,460	4,388,793	195,568,114
Expenditures	(176,014,077)	(10,601,145)	(5,285,009)	(191,900,231)
Transfers In	-	-	-	-
Transfers Out	(1,653,192)	756,976	896,216	-
Ending Balance	<u>\$ 9,207,598</u>	<u>\$ 11,893,162</u>	<u>\$ -</u>	<u>\$ 21,100,760</u>
 Errors Noted ²				
Revenues	\$ 42,123	\$ -	\$ -	\$ 42,123
Expenditures	-	-	-	-
Total	<u>\$ 42,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,123</u>

¹ Differences due to rounding

² See Findings and Recommendations: Finding 1, Unaccrued year-end revenues

Findings and Recommendations

FINDING 1— Unaccrued year- end revenue

Our audit found \$42,123 in FY 2021-22 reimbursements for civil jury expenses that were not accrued at year-end. The reimbursements were received and recorded as an adjustment to prior year revenues in FY 2022-2023.

Our procedures included comparing TCTF distributions with the Court's general ledger revenue accounts during the course of the fiscal year. While conducting the comparison, we noted a distribution of \$42,123 for MOU Jury Reimbursements into general ledger Account Number 832011, which was received in the final distribution to courts, Distribution Number 14. This annual distribution occurs every August after the courts record their year-end accruals.

The Court clarified that this variance was the result of civil jury expenditures that become uncollectible from parties to a case and may be waived by a judge. The Court also explained that waived fees are reimbursed by the JCC and recorded for accrual in the Court's revenue account at year-end. The corresponding jury-related expenditure accounts that are subject to reimbursement showed entries for waived fees recorded on a monthly basis. Given that the Court anticipated reimbursement for these expenditures and recorded them each month during the fiscal year, the amounts were measurable and should have been accrued at year-end. As a result, the Court's fiscal year revenues from reimbursements, reported as of June 30, 2022, were understated by \$42,123.

We confirmed the recordation process with staff members in the JCC's Branch Accounting and Procurement Unit; they stated that the accrual had been overlooked in FY 2022-23. Staff members also informed us that, beginning with FY 2023-24, the JCC provided instructions to the courts for self-recording year-end accruals.

Policy Number FIN 5.01, section 6.8 "Year-End Procedures," of the JCC's FIN Manual (11th edition, June 2020) states, in part:

Trial courts are required to adjust their financial statements at year-end to account for revenues not yet received or expenditures not yet paid as of the last day of the fiscal year (June 30). Trial courts must follow the procedures outlined in this section and additional year-end instructions that the Judicial Council of California may issue.

6.8.1 Year-End Revenue and Reimbursement Accruals

During year-end closing, the court must:

1. Review all revenue accounts, including entitlements and local revenues, and accrue revenues that may not have been received, but which are both measurable and available;
2. Review all reimbursement accounts including state, local, and federal grants; MOUs with state and local entities; and other reimbursable items and accrue reimbursements for expenditures incurred, but not invoiced as of June 30; and

3. Reverse all revenue and reimbursement accruals in the first month of the new fiscal year. . . .

Recommendation

We recommend that the Court review its accounting practices pertaining to year-end closing to ensure that all year-end accruals are accurately reflected in the general ledger. Estimates should be used to accrue unbilled transactions remaining at year-end. Adjusting (true-up) entries may be necessary for differences between estimated and actual revenues received in the following accounting period of the new fiscal year.

Court's Response

During the audit scope period (FY 2021-22) and at the time of the booking entry, accrual responsibility fell on the Judicial Council. The court was not responsible for the entry until FY 2023-24, after the audited period. In accordance with longstanding policy and practice, the court relied upon the expertise of the JCC for certain booking entries. This specific finding was acknowledged by the JCC to be an error in their closing process.

SCO Comment

Although the Court recognizes the error and did not disagree, the Court is ultimately responsible for its accounting and financial statements.

FINDING 2— Internal control deficiency – Access control policies

During our audit of the Court's management of computer access, we observed inconsistencies in the deactivation of user account access. We found that employees' access was not immediately deactivated after employees' termination, reassignment, or transfer.

We analyzed 13 user accounts that suggested a change in status, and identified four accounts belonging to individuals who had left court employment. Our review of employee files, Computer Services Registration Forms, Phoenix Access Request Forms, and email correspondence between Court management and its IT Department revealed inconsistencies regarding when network and software access was revoked. The records revealed that two employees' accounts were not deactivated until approximately a week after the employees' separation dates, and another two employee accounts that were not deactivated until one to three months after the employees' separation dates.

When we inquired, Court representatives could not explain the two shorter delays; however, they explained that the longer delays resulted because one employee worked on an intermittent schedule before retiring from state service, and the other employee's separation involved personnel issues. We inquired with the Court's representatives regarding the Court's policies and procedures on computer access management, and learned that no such policies and procedures are in place.

Policy Number FIN 1.03, subsection 6.3.3, “Control Activities,” of the JCC’s FIN Manual states, in part:

1. In implementing appropriate controls, courts must incorporate internal control concepts in establishing policies and procedures that help ensure that management directives are carried out. Control activities can be categorized as the establishment, preparation, completion, or performance of the following . . .
 - d. Safeguarding—Limiting access to and controlling the use of assets and records are ways to safeguard those assets and records. . . .
3. From an overall perspective, the trial court’s control activities are affected by . . .
 - f. The establishment of adequate safeguards to prevent unauthorized access to or destruction of documents, records, and assets.
 - g. The establishment of policies for controlling access to programs and data files. If access security software, operating system software, and/or application software is used to control access to system programs and data, an information security function must be in place and responsible for monitoring compliance within formation security policies and procedures. . . .

Policy Number 1.1, “Scope,” of the JCC’s *Information Systems Controls Framework* (version 2.0, December 1, 2018 [*Controls Framework*]) states, in part:

This framework of information systems controls has been developed for the establishment of a standard security approach within the Judicial Branch of California. In order to produce this framework, input was solicited from multiple courts ranging from small to large in size so that a comprehensive framework could be developed that is suitable to all entities within the judicial branch. This framework is designed to set a direction, identify and address areas of concern expressed by entities within the judicial branch, and to document policies and practices that can assist judicial branch entities with their concerns by providing a framework for creating entity-specific information security policies and procedures. . . .

Policy Number 5.1, “Access Control Policies and Procedures,” of the JCC’s *Controls Framework* states:

Control: The judicial branch entity:

- a. Develops, documents, and disseminates to all workforce members:
 1. An access control policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and
 2. Procedures to facilitate the implementation of the access control policy and associated access controls; and
- b. Reviews and updates the current:
 1. Access control policy on an annual basis; and
 2. Access control procedures on an annual basis.

Recommendations: This control addresses the establishment of policy and procedures for the effective implementation of selected security controls in the AC [Access Control] family. Policy and procedures reflect applicable federal and state laws, Executive Orders, directives, regulations, policies, standards, and guidance. Security program policies and procedures at the judicial branch entity level may make the need for system-specific policies and procedures unnecessary. The policy can be included as part of the general information security policy for judicial branch entities or, conversely, can be represented by multiple policies reflecting the complex nature of certain judicial branch entities. The procedures can be established for the security program in general and for particular information systems, if needed. The organizational risk management strategy is a key factor in establishing policy and procedures.

Policy Number 17.4, “Personnel Termination,” of the JCC’s *Controls Framework* states, in part:

Control: The judicial branch entity, upon termination of individual employment:

- a. Disables information system access immediately/within 24 hours;
- b. Terminates/revokes any authenticators/credentials associated with the individual;
- c. Conducts exit interviews that include a discussion of judicial branch entity-defined information security topics;
- d. Retrieves all security-related organizational information system-related property;
- e. Retains access to organizational information and information systems formerly controlled by [the] terminated individual; and
- f. Notifies judicial branch entity-defined personnel or roles within judicial branch entity-defined time period. . . .

Policy Number 17.5, “Personnel Transfer,” of the JCC’s *Controls Framework* states, in part:

Control: The judicial branch entity:

- a. Reviews and confirms ongoing operational need for current logical and physical access authorizations to information systems/facilities when individuals are reassigned or transferred to other positions within the judicial branch entity;
- b. Initiates judicial branch entity-defined transfer or reassignment actions within judicial branch entity-defined time period following the formal transfer action;
- c. Modifies access authorization as needed to correspond with any changes in operational need due to reassignment or transfer; and
- d. Notifies judicial branch entity-defined personnel or roles within judicial branch entity-defined time period. . . .

Recommendation

We recommend that the Court:

- Strengthen internal controls over information system access by establishing access policies based on intended usage;
- Align account management processes with personnel termination and transfer processes; and
- Model its policies and procedures on guidance provided in the JCC's *Controls Framework*.

Court's Response

The Court agrees with the finding and is in the process of developing a policy.

SCO Comment

The SCO concurs with Court's response to the finding.

**Attachment—
Superior Court of California, County of San Diego's
Response to Draft Audit Report**

The Superior Court of California

COUNTY OF SAN DIEGO

EXECUTIVE OFFICE OF THE COURT

MICHAEL M. RODDY
Executive Officer and Clerk
Jury Commissioner

Post Office Box 122724
San Diego, California 92112-2724
(619) 844-2500

January 24, 2025

Joel James, Chief
Office of State Controller Malia M. Cohen
Division of Audits | Financial Audits Bureau
Post Office Box 942850
Sacramento, CA 94250

Re: Superior Court of California, County of San Diego
SCO ID S25-TCA-0001: Draft Report

Dear Mr. James:

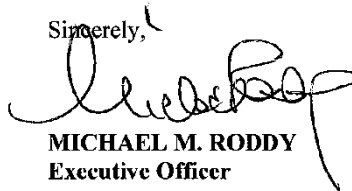
This letter is in response to the State Controller's Office audit of the Superior Court of California, County of San Diego ("Court") for period of July 1, 2021, through June 20, 2022. Below is the Court's response to each finding.

Finding 1 - Unaccrued Year End Revenue: During the audit scope period (FY 2021-22) and at the time of the booking entry, accrual responsibility fell on the Judicial Council ("JCC"). The court was not responsible for the entry until FY 2023-24, after the audited period. In accordance with longstanding policy and practice, the court relied upon the expertise of the JCC for certain booking entries. This specific finding was acknowledged by the JCC to be an error in their closing process.

Finding 2 - Access Control Policies: The Court agrees with this finding and is in the process of developing a policy.

If you have any questions, please do not hesitate to contact our office.

Sincerely,



MICHAEL M. RODDY
Executive Officer

cc: John Mellas, CPA, Audit Manager
Office of State Controller Malia M. Cohen
Division of Audits | Financial Audits Bureau

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Division of Audits
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www.sco.ca.gov