Audit Objectives and the Methods Used to Address Them

	AUDIT OBJECTIVE	METHOD
1	Determine whether the judicial contracting manual is consistent with the requirements set forth in the judicial contract law.	• Reviewed changes to the Public Contract Code, SAM, and SCM that occurred from July 2021 through June 2023 and identified significant changes that affect the Judicial Council. • Compared the significant changes we identified in the Public Contract Code, SAM, and SCM to the contracting manual and determined whether the contracting manual is consistent with requirements set forth in the judicial contract law.
2	Determine whether the Judicial Council's local manual conforms to the contracting manual.	• Reviewed revisions to the Judicial Council's local manual that occurred from July 2021 through June 2023 to determine whether these revisions conflict with requirements in the contracting manual. • Reviewed these same revisions to the local manual to verify whether applicable updates to the contracting manual that occurred from July 2021 through June 2023 were incorporated into the local manual.
3	Assess the Judicial Council's internal controls over procurement practices and determine whether it complied with those controls and other key requirements—including requirements related to competitive bidding and sole-source contracting—when completing its procurements.	• Reviewed the contracting manual, the Judicial Council's local manual, and the Judicial Council's procedures and interviewed staff to assess the Judicial Council's internal controls for contracting and procurement. • Using data from FI$Cal, identified procurements from July 2021 through June 2023, selected 40 of those procurements—15 contracts, 20 purchase orders, and five contract amendments—and tested them for compliance with requirements of the judicial contracting manual and the Judicial Council's local manual. These requirements included those relating to procurement approval, segregation of duties, competitive bidding, and other key controls.
4	Assess the Judicial Council's internal controls over payment practices and determine whether the entity complied with those controls.	• Reviewed the contracting manual, the Judicial Council's local manual, and the Judicial Council's procedures and interviewed staff to assess the Judicial Council's internal controls for payments. • Selected one invoice payment from each of the 40 procurements we selected to address Objective 3, and tested for compliance with the requirements about invoice approval, proper authorizations, and segregation of duties.
5	Evaluate the Judicial Council's contracts to determine whether the Judicial Council inappropriately split any contracts to avoid necessary approval or competitive bidding requirements.	• Identified a provision in the contracting manual that prohibits Judicial Branch entities from splitting transactions costing more than $10,000 into multiple transactions costing less than $10,000 to avoid competitive bidding requirements. • Reviewed the contracting manual and the Judicial Council's plans for training staff to identify the controls used—or that it plans to use—to prevent contract splitting. • Using data from FI$Cal, identified vendors from which the Judicial Council made multiple procurements of less than $10,000 from July 2021 through June 2023. • Reviewed procurement documentation to determine whether any of those multiple procurements should have been a single competitively bid procurement.
6	Assess the reliability of the Judicial Council's contract and payment data recorded in FI$Cal to ensure the accuracy and completeness of the data and to establish testing selections.	• Obtained FI$Cal data from the Judicial Council for July 2021 through June 2023. • Selected hard copy procurement files and searched for those procurements in FI$Cal to determine whether the procurements existed in the system and were accurate. • Compared information from the payment invoices selected as part of Objective 4 to the FI$Cal data to determine whether the invoices existed in the system and were accurate.

Source: Audit workpapers.