

# NEWS RELEASE

## SUPERIOR COURT OF CALIFORNIA

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## **SAN FRANCISCO SUPERIOR COURT CORRECTS 92 PERCENT OF FINDINGS BEFORE RELEASE OF AOC AUDIT**

**SAN FRANCISCO** -- San Francisco Superior Court Executive Officer T. Michael Yuen today assured the Judicial Council that 92 percent of the issues identified in an audit of Court operations in 2005-2008 have been addressed since the comprehensive report was completed in May 2010.

Yuen, who was appointed by the San Francisco Superior Court Bench to serve as CEO 10 months ago, thanked the Administrative Office of the Courts' Internal Audit Services team for its thorough review of Court administration, cash controls, court revenue and expenditure and general operations. The Judicial Council voted to accept the audit during today's meeting.

"We are continuing to address all of the issues that are in our audit report – to the extent that our budget allows us to make these improvements," Yuen said. "Internal Audit Services has done an excellent job bringing forth all of these issues, and I am committed to professionalize and bring positive change to the Court. While we have corrected 92 percent of the issues, I recognize that we can do better, and we will."

The audit identified 26 instances of noncompliance, including eight that were contained in

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the first AOC audit conducted in Fiscal Year 2004-05. The audit reviewed compliance with California Rules of Court, the *Trial Court Financial Policies and Procedure Manual* (FIN Manual) and the Financial Integrity and State Manager's Accountability Act (FISMA), as well as other policies.

The audit noted "numerous examples" of Court compliance with the FIN Manual and FISMA, including a "well-documented system of authorization and recordkeeping for revenues and expenditures that provides effective accounting control." It also commended the Court for an "organizational plan that provides for an effective segregation of duties to properly safeguard assets, including money from its collection to deposit."

Yuen added that he proactively sought from the audit team a determination on two areas to advance changes related to the civil grand jury and indigent defense management. In his former capacity as Chief Financial Officer from June 2008 to August 2010, Yuen was seeking to transfer these functions back to the County or seek reimbursement from the County for managing these responsibilities on an annual basis.

The audit justified Yuen's efforts, which led in the past 10 months to the collection of \$73,241 in civil grand jury reimbursement costs from the County for Fiscal Year 2010-2011. The Court also has been reimbursed \$193,805 from the County to cover the Court's costs of managing indigent defense for the current fiscal year. These reimbursements will continue in subsequent years.

With regard to corrective action taken in response to the audit, the Court has:

- Eliminated the night shift at the Hall of Justice that was responsible for among other duties, collecting bail. This change has saved the Court \$67,856. In February 2010, the Court transitioned overnight, weekend, and holiday bail collection to the Sheriff's Department.
- Corrected cash collections items and enhanced collection of Court-ordered debt. In March 2010, the Court hired two collection agencies to collect this debt and has been actively working with AOC experts to implement the other audit recommendations to improve

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Court-ordered collections.

- Addressed payroll issues identified in the audit to the extent possible given the Court's reliance on an antiquated County payroll system.
- Tightened up procurement and contracting processes to ensure documentation is complete, competitive bidding is practiced, and payment requirements are met.
- Resolved the DMV-related issues to the extent possible given the obstacles of reprogramming the 30-year-old traffic case management system to improve its interface with the DMV.
- Corrected accounts payable issues by requiring that all general and travel expense claim payments have complete documentation and approvals.

"I take pride in the changes we have made already and look forward to using this comprehensive audit to continue making our Court more efficient, responsible and a model of best practices in all regards," Yuen said. "I would be happy to report back to the Judicial Council in the future to provide an update on our continued progress."

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