

TUOLUMNE COUNTY

Audit Report

COURT REVENUES

July 1, 2018, through June 30, 2022



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

January 2025



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

January 16, 2025

Dear County, Court, and Department Representatives:

The State Controller's Office audited Tuolumne County's (the county's) court revenues for the period of July 1, 2018, through June 30, 2022.

Our audit found that the county overremitted \$23,512 in state court revenues to the State Treasurer because it overremitted the State Trial Court Improvement and Modernization Fund (Government Code section 77205) by \$23,512.

We also found that the Superior Court of California, Tuolumne County made incorrect distributions related to DUI, health and safety, proof of financial responsibility, fish and game, and proof of correction violations; and to red-light violations with traffic violator school. In addition, we found that the county's Office of Revenue Recovery made incorrect distributions related to health and safety, fish and game, red light, proof of financial responsibility, proof of correction, domestic violence, and DUI violations; and to speeding and red-light violations with traffic violator school.

We also identified an instance of noncompliance that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the California Department of Parks and Recreation imposed and collected incorrect parking surcharges for the audit period.

The county should reduce subsequent remittances to the State Treasurer by \$23,512.

If you have questions regarding payments, TC-31s, or interest and penalties, please contact Jennifer Montecinos, Manager, Tax Administration Section, by telephone at 916-324-5961, or email at lgpsdtaxaccounting@sco.ca.gov.

County, Court, and Department Representatives

January 16, 2025

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If you have any questions regarding the audit findings, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at 916-327-3138, or email at lkurokawa@sco.ca.gov. Thank you.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

KAT/ac

Attachment—Recipient Addresses

Copy: David Goldemberg, Chair
Tuolumne County Board of Supervisors
Dawn Tomita, Audit Manager
Audit Services
Judicial Council of California
Lynda Gledhill, Executive Officer
California Victim Compensation Board
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The Honorable Donny McNair, Auditor-Controller
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Audit Report

Summary

The State Controller's Office (SCO) performed an audit to determine the propriety of court revenues remitted to the State of California by Tuolumne County (the county) on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2018, through June 30, 2022.

Our audit found that the county overremitted \$23,512 in state court revenues to the State Treasurer.

We also found that the Superior Court of California, Tuolumne County (the court) made incorrect distributions related to DUI, health and safety, proof of financial responsibility, fish and game, and proof of correction violations; and to red-light violations with traffic violator school. In addition, we found that the county's Office of Revenue Recovery (the ORR) made incorrect distributions related to health and safety, fish and game, red-light, proof of financial responsibility, proof of correction, domestic violence, and DUI violations; and to speeding and red-light violations with traffic violator school.

We also identified an instance of noncompliance that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the California Department of Parks and Recreation imposed and collected incorrect parking surcharges for the audit period.

Background

State statutes govern the distribution of court revenues, which include fines, penalties, assessments, fees, restitutions, bail forfeitures, and parking surcharges. Whenever the State is entitled to receive a portion of such money, the court is required by Government Code (GC) section 68101 to deposit the State's portion of court revenues with the County Treasurer as soon as is practical and provide the County Auditor with a monthly record of collections. This section further requires that the County Auditor transmit the funds and a record of the money collected to the State Treasurer at least once a month.

The SCO publishes the *Trial Court Revenue Distribution Guidelines (Distribution Guidelines)* to provide direction on the distribution of fines, fees, forfeitures, penalties, and assessments. The Distribution Guidelines group code sections that share similar exceptions, conditions, or distributions into a series of nine tables.

The Judicial Council of California (JCC) provides forms and worksheets to ensure the proper calculation and distribution of fines, fees, forfeitures, penalties, and assessments. The guidance includes forms used to compute the annual maintenance-of-effort (MOE) calculation and worksheets to verify the more complex revenue distributions.

Audit Authority

We conducted this audit in accordance with GC section 68103, which authorizes the SCO to review the county's reports and records to ensure that all fines and forfeitures have been transmitted. In addition, GC section 68104 authorizes the SCO to examine records maintained by the court. Furthermore, GC section 12410 provides the SCO with general audit authority to superintend the fiscal concerns of the State.

Objective, Scope, and Methodology

Our audit objective was to determine the propriety of the court revenues remitted to the State Treasurer pursuant to the TC-31 process during the period of July 1, 2018, through June 30, 2022. To achieve our objective, we performed the following procedures.

General

- We gained an understanding of the county and the court's revenue collection and reporting processes, and of the criteria that were significant to our audit objective.
- We interviewed county personnel regarding the monthly TC-31 remittance process and the MOE calculation.
- We interviewed county and court personnel regarding the revenue distribution process and the case management systems.
- We reviewed documents supporting the transaction flow.
- We scheduled monthly TC-31 remittances prepared by the county and the court showing court revenue distributions to the State.
- We performed a review of the complete TC-31 remittance process for revenues collected and distributed by the county and the court.
- We assessed the reliability of data from the case management systems based on interviews and our review of documents supporting the transaction flow. We determined that the data was sufficiently reliable for purposes of this report.

Cash Collections

- We scheduled monthly cash disbursements prepared by the county and the court showing court revenue distributions to the State, county, and cities for all fiscal years in the audit period.
- We performed analytical procedures using ratio analysis for state and county revenues to assess the reasonableness of the revenue distributions based on statutory requirements.
- We recomputed the annual MOE calculation for all fiscal years in the audit period to verify the accuracy and completeness of the 50% excess of qualified revenues remitted to the State.

Distribution Testing

- We assessed the priority of installment payments by haphazardly selecting a non-statistical sample of two installment payments to

verify priority. Errors found were not projected to the intended (total) population.

- We scheduled parking surcharge revenues collected from entities that issue parking citations within the county to ensure that revenues were correct, complete, and remitted in accordance with state statutory requirements. No monetary errors were identified.
- We performed a risk evaluation of the county and the court, and identified violation types that are prone to errors due to either their complexity or statutory changes during the audit period.

Based on the risk evaluation, we haphazardly selected a non-statistical sample of 65 cases for 10 violation types. We were not able to identify the case population due to the inconsistent timing of when tickets were issued versus when they were paid, and the multitude of entities that remit collections to the county for remittance to the State. We tested the sample as follows:

- We recomputed the sample case distributions and compared them to the actual distributions.
- We calculated the total dollar amount of significant underremittances and overremittances to the State and the county.

Errors found were not projected to the intended (total) population.

We did not review any court revenue remittances that the county or the court may be required to make under GC sections 70353 and 77201.1(b), included in the TC-31.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Conclusion

As a result of performing the audit procedures, we found instances of noncompliance with the requirements described in our audit objective. Specifically, we found that \$23,512 in state court revenues was overremitted to the State Treasurer because the county overremitted the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$23,512.

This instance of noncompliance is quantified in the Schedule and described in the Findings and Recommendations section.

We also found that the court made incorrect distributions related to DUI, health and safety, proof of financial responsibility, fish and game, and proof of correction violations; and to red-light violations with traffic violator school. In addition, we found that the ORR made incorrect distributions related to health and safety, fish and game, red-light, proof of

financial responsibility, proof of correction, domestic violence, and DUI violations; and to speeding and red-light violations with traffic violator school. These instances of noncompliance are non-monetary; they are described in the Findings and Recommendations section.

We also identified an instance of noncompliance that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the California Department of Parks and Recreation imposed and collected incorrect parking surcharges for the audit period. This instance of noncompliance is non-monetary; it is described in the Observation and Recommendation section.

The county should reduce subsequent remittances to the State Treasurer by \$23,512.

Follow-up on Prior Audit Findings

The county has satisfactorily resolved the findings noted in our prior audit report for the period of July 1, 2010, through June 30, 2017, issued on September 6, 2019, with the exception of Findings 1, 7, 11, 14, and 15 of this audit report. The implementation status of corrective actions is described in the Appendix.

Views of Responsible Officials

We issued a draft audit report on October 16, 2024. The county's representative responded by letter dated October 28, 2024, agreeing with the audit findings. The court's representative responded by email dated October 31, 2024, agreeing with the audit findings. The county's response is included as an attachment to this final audit report.

Restricted Use

This audit report is solely for the information and use of the county, the court, the California Department of Parks and Recreation, 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 distribution of this audit 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

January 16, 2025

**Schedule—
Summary of Audit Findings Affecting Remittances to the State Treasurer
July 1, 2018, through June 30, 2022**

Finding ¹	Fiscal Year				Total	Reference ²
	2018-19	2019-20	2020-21	2021-22		
Overremitted 50% excess of qualified revenues State Trial Court Improvement and Modernization Fund – GC §77205	\$ (517)	\$ (3,658)	\$ (11,652)	\$ (7,685)	\$ (23,512)	Finding 1
Total amount overremitted to the State Treasurer	<u>\$ (517)</u>	<u>\$ (3,658)</u>	<u>\$ (11,652)</u>	<u>\$ (7,685)</u>	<u>\$ (23,512)</u>	

¹The identification of state revenue account titles should be used to ensure proper recording when preparing the TC-31.

²See the Findings and Recommendations section.

Findings and Recommendations

**FINDING 1—
Overremitted the
50% excess of
qualified revenues
(repeat finding)**

During our recalculation of the 50% excess of qualified revenues, we found that the county had used incorrect qualified revenue amounts in its calculation for each fiscal year. These errors resulted in the county overremitting the 50% excess of qualified revenues by \$23,512 during the audit period. The 50% excess of qualified revenues was incorrectly calculated because the county misinterpreted the required calculations.

The county provided support for its calculation of the 50% excess of qualified revenues during the audit period. We reviewed the county’s calculation and reconciled the qualified revenues to revenue collection reports.

We recalculated the county’s qualified revenues based on actual court revenues collected for each fiscal year. After our recalculation, we found that the county had overstated qualified revenues by \$47,026 for the audit period.

The county overstated net qualified revenues because:

- It incorrectly excluded revenues collected for the city base fines (Vehicle Code [VC] section 42007[c]) from its calculation of the traffic violator school (TVS) fee (VC section 42007) line item, resulting in an understatement of \$3,167.
- For TVS cases, it incorrectly excluded revenues collected for the county’s Emergency Medical Services Fund (GC section 76104) from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$31,531.
- It incorrectly included the revenues collected for the county’s red-light allocation fund (Penal Code [PC] section 1463.11) in its calculation of the county base fines (PC section 1463.001) line item, resulting in an overstatement of \$5,394.
- It incorrectly reported the amounts collected for the county’s general fund (GC section 76000[c]) in its calculation of the county general fund (GC section 76000[c]) line item, resulting in an overstatement of \$76,330.

The table on the next page shows the audit adjustments to qualified revenues.

	Fiscal Year				Totals
	2018-19	2019-20	2020-21	2021-22	
Qualified revenues reported	\$ 574,887	\$ 569,447	\$ 442,598	\$ 399,077	\$ 1,986,009
Audit adjustments:					
VC §42007(c) understatement	1,586	819	201	561	3,167
GC §76104 understatement	10,714	10,583	5,351	4,883	31,531
PC §1463.001 overstatement	(1,463)	(1,681)	(1,269)	(981)	(5,394)
GC §76000(c) overstatement	(11,871)	(17,038)	(27,587)	(19,834)	(76,330)
Total	(1,034)	(7,317)	(23,304)	(15,371)	(47,026)
Adjusted qualified revenues	\$ 573,853	\$ 562,130	\$ 419,294	\$ 383,706	\$ 1,938,983

As a result of miscalculating its qualified revenues, the county overremitted the 50% excess of qualified revenues by \$23,512 for the audit period.

The following table shows the excess qualified revenues, and—by comparing the 50% excess amount due to the State to the county’s actual remittances—the county’s overremittance to the State Treasurer.

Fiscal Year	Qualifying Revenues	Base Amount	Excess Amount Above the Base	50% Excess Amount Due the State	County Remittance to the State Treasurer	County Underremittance to the State Treasurer ¹
2018-19	\$ 573,853	\$ 361,665	\$ 212,188	\$ 106,094	\$ 106,611	\$ (517)
2019-20	562,130	361,665	200,465	100,233	103,891	(3,658)
2020-21	419,294	361,665	57,629	28,815	40,467	(11,652)
2021-22	383,706	361,665	22,041	11,021	18,706	(7,685)
Total						\$ (23,512)

¹Should be identified on the TC-31 as State Trial Court Improvement and Modernization Fund – GC section 77205

As discussed in Finding 1 of our prior audit report dated September 6, 2019, the county overremitted the 50% excess of qualified revenues. This is a repeat finding because the county did not correct the distribution errors noted in our prior audit report.

GC section 77205(a) requires the county to remit 50% of the qualified revenues that exceed the amount specified in GC section 77201.1(b)(2) for fiscal year (FY) 1998-99, and each fiscal year thereafter, to the State Trial Court Improvement and Modernization Fund.

Recommendation

We recommend that the county:

- Offset subsequent remittances to the State Treasurer by \$23,512 and report on the TC-31 form a decrease to the State Trial Court Improvement and Modernization Fund; and
- Ensure that the proper accounts are included in the calculations of each line item on the 50-50 Excess Split Revenue Computation Form.

We also recommend that the court establish a separate account for the county’s Emergency Medical Services Fund (GC section 76104) revenues collected on TVS cases.

**FINDING 2—
Incorrect distribution
of revenues to the
State Trial Court
Improvement and
Modernization Fund**

During our testing of DUI, health and safety, proof of financial responsibility, and fish and game cases, we found that the court had not properly distributed revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8; 2% deposit for automation). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The

error was corrected in July 2020 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In one of four DUI cases tested, two of four health and safety cases tested, and one of four proof of financial responsibility cases tested, we found that the court had not properly distributed 2% of the State's Restitution Fund (PC section 1202.4[b]) revenues to the State Trial Court Modernization and Improvement Fund (GC section 68090.8). In two of four fish and game cases tested, we found that the court had not properly distributed 2% of the State's Fish and Game Preservation Fund (Fish and Game Code [FGC] section 12021) revenues to the State Trial Court Modernization and Improvement Fund (GC section 68090.8).

We performed an analysis of the State's Restitution Fund (PC section 1202.4[b]) and the State's Fish and Game Preservation Fund (FGC section 12021) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

GC section 68090.8(b) requires the county treasurer, prior to making any other required distribution, to transmit 2% of all fines, penalties, and forfeitures collected in criminal cases to the State Trial Court Improvement and Modernization Fund to be used exclusively to pay the costs of automated systems for the trial courts.

Recommendation

We recommend that the court:

- Continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

FINDING 3— Incorrect distribution of revenues from health and safety violations

During our testing of health and safety violation cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The error was corrected in July 2020 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In two of four cases tested, we found the following errors:

- For a FY 2018-19 county case, the court incorrectly distributed 100% of base fines to the county's general fund (Health and Safety Code [HSC] section 11502) instead of distributing 75% of base fines to the State's General Fund (HSC section 11502) and 25% of base fines to the county's general fund (HSC section 11502). In addition, the court understated the revenues collected for the State's General Fund (HSC section 11502), the county's general fund (HSC section 11502), and the State Trial Court Improvement and Modernization Fund (GC section 68090.8); and it overstated the revenues collected for the following funds:
 - State Penalty Fund (PC section 1464);
 - State's DNA Identification Fund (GC sections 76104.6 and 76104.7);
 - County's Criminal Justice Facilities Construction Fund (GC section 76101);
 - County's Emergency Medical Services Fund (GC section 76104);
 - State Court Facilities Construction Fund (GC section 70372[a]); and
 - State's General Fund (PC section 1465.7).
- For a FY 2018-19 city case, the court incorrectly distributed 23% of base fines to the State's General Fund (HSC section 11502), 61% to the city's general fund (HSC section 11502), and 16% to the county's general fund (HSC section 11502) instead of distributing 75% of base fines to the State's General Fund (HSC section 11502) and 25% of base fines to the city's general fund (HSC section 11502). In addition, the court overstated the revenues collected for the State's General Fund (HSC section 11502), the county's general fund (HSC section 11502), and the city's general fund (HSC section 11502); and it understated the revenues collected for the following funds:
 - State Penalty Fund (PC section 1464);
 - State's DNA Identification Fund (GC sections 76104.6 and 76104.7);
 - County's Criminal Justice Facilities Construction Fund (GC section 76101);
 - County's Emergency Medical Services Fund (GC section 76104);
 - State Court Facilities Construction Fund (GC section 70372[a]);
 - State's General Fund (PC section 1465.7); and
 - State Trial Court Improvement and Modernization Fund (GC section 68090.8).

We performed an analysis of the criminal laboratory analysis fee (HSC section 11372.5) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found

that the errors did not have a material impact on the revenues remitted to the State.

HSC section 11502(a) requires fines received by the court under Division 10 of the Health and Safety Code to be distributed as follows: 75% to the State Treasurer and 25% to the county or city in which the prosecution is conducted.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the court:

- Continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

FINDING 4— Incorrect distribution of revenues from DUI violations

During our testing of DUI cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The error was corrected in July 2020 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In one of four DUI cases tested, we found that the county base fines (PC section 1463.001) were understated and the revenues collected for the following funds were overstated:

- State Penalty Fund (PC section 1464);
- State's DNA Identification Fund (GC sections 76104.6 and 76104.7);
- County's Criminal Justice Facilities Construction Fund (GC section 76101);
- County's Emergency Medical Services Fund (GC section 76104);
- State Court Facilities Construction Fund (GC section 70372[a]);
- State's General Fund (PC section 1465.7); and
- State Trial Court Improvement and Modernization Fund (GC section 68090.8).

We performed an analysis of the State's Restitution Fund (PC section 1463.18) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found

that the errors did not have a material impact on the revenues remitted to the State.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the court:

- Continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

FINDING 5— Incorrect distribution of revenues from red- light violations with traffic violator school

During our testing of red-light TVS cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The error was corrected in July 2020 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In two of four cases tested, we found the following errors:

- For a FY 2018-19 county case, the court incorrectly distributed revenues to the following funds instead of converting the amounts collected for the funds to the TVS fee (VC section 42007):
 - County base fines (PC section 1463.001);
 - State Penalty Fund (PC section 1464);
 - State's DNA Identification Fund (GC sections 76104.6 and 76104.7);
 - Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]);
 - State Court Facilities Construction Fund (GC section 70372[a]); and
 - State Trial Court Improvement and Modernization Fund (GC section 68090.8).

In addition, the court incorrectly distributed \$5 for every \$10 of base fine to the Criminal Justice Facilities Construction Fund (GC section 76101). The court then distributed 30% of the Criminal Justice Facilities Construction Fund (GC section 76101) revenues to the county's red light allocation fund (VC section 42007.3) and 2% of the Criminal Justice Facilities Construction Fund (GC section 76101) revenues to the State Trial Court Improvement and Modernization

Fund (GC section 68090.8). The court should have distributed \$1 to the Criminal Justice Facilities Construction Fund (GC section 76101).

The court also incorrectly distributed 30% of the county's Emergency Medical Services Fund (GC section 76104) revenues to the county's red light allocation fund (VC section 42007.3) and 2% of the county's Emergency Medical Services Fund (GC section 76104) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8). The court should have distributed \$2 for every \$10 of base fine to the county's Emergency Medical Services Fund (GC section 76104) without performing any additional distributions.

- For a FY 2018-19 city case, the court incorrectly distributed 30% of the county's Emergency Medical Services Fund (GC section 76104) revenues and 30% of the State Court Facilities Construction Fund (GC section 70372[a]) revenues to the TVS fee (VC section 42007). The court should have distributed \$2 for every \$10 of base fine to the county's Emergency Medical Services Fund (GC section 76104) and \$5 for every \$10 of base fine to the State Court Facilities Construction Fund (GC section 70372[a]) without performing any additional distributions.

We performed an analysis of the red-light allocation fund (VC section 42007.3) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

VC section 42007(a)(1) requires the court to collect a fee, in an amount equal to the total bail set forth on the uniform countywide bail schedule, from every person ordered or permitted to attend traffic violator school. As defined in this section, total bail includes all assessments, surcharges, and penalty amounts.

VC section 42007(b)(1) requires \$1 to be deposited in each fund established in accordance with GC section 76100 or GC section 76101.

VC section 42007(b)(2) requires the \$2 for every \$7 that would have been collected pursuant to GC section 76000 to be deposited in the county's Emergency Medical Services Fund.

VC section 42007(b)(3) requires the amount of the TVS fee attributed to GC section 70372 to be transferred to the State Court Facilities Construction Fund.

Recommendation

We recommend that the court:

- Continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements; and

- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

**FINDING 6—
Incorrect distribution
of revenues from
proof of correction
violations**

During our testing of proof of correction cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The error was corrected in July 2020 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

One of the four proof of correction cases that we tested involved two citations. In that case, we found that the court had incorrectly distributed the first \$20 of the transaction fee to the State Penalty Fund (VC section 40611) and the county's general fund (VC section 40611), and the remaining \$30 to the State Court Facilities Construction Fund (VC section 40611). To comply with VC section 40611, the court should have distributed the first \$10 of the transaction fee to the State Penalty Fund and the county's general fund; and it should have distributed the remaining \$40 to the State Court Facilities Construction Fund (VC section 40611).

We performed an analysis of the State Court Facilities Construction Fund (VC section 40611) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

VC section 40611 requires a \$25 transaction fee upon proof of correction of an alleged violation of VC sections 12500, 12951, or 40610; or upon submission of evidence of financial responsibility pursuant to VC section 16028(e). For each citation, the first \$10 should be allocated as follows:

- 33% to the county or city general fund of the local government entity within whose jurisdiction the citation was issued;
- 34% to the State Treasury for deposit in the State Penalty Fund; and
- 33% to the county's general fund.

VC section 40611 requires that the remainder of the fees collected on each citation be deposited in the State Court Facilities Construction Fund.

Recommendation

We recommend that the court:

- Continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements; and

- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

**FINDING 7—
Incorrect distribution
of revenues from
health and safety
violations (repeat
finding)**

During our testing of health and safety cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the office misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In three of three cases tested, we found the following errors:

- For a FY 2018-19 county case, the ORR incorrectly distributed 100% of base fines to the county's general fund (HSC section 11502) instead of distributing 75% of base fines to the State's General Fund (HSC section 11502) and 25% of base fines to the county's general fund (HSC section 11502). In addition, the ORR incorrectly assessed \$3.93 per every \$10.00 of base fine for the State's DNA Identification Fund (GC section 76104.7) instead of assessing the required \$4.00 per every \$10.00 base fine. We also found that the State's General Fund (PC section 1465.7; 20% state surcharge) was overstated by \$2.80.
- For a FY 2018-19 city case, the ORR incorrectly distributed 76% of base fines to the city's general fund (HSC section 11502) and 24% of base fines to the county's general fund (HSC section 11502) instead of distributing 75% of base fines to the State's General Fund (HSC section 11502) and 25% of base fines to the city's general fund (HSC section 11502). In addition, the ORR incorrectly assessed \$3.78 per every \$10.00 of base fine for the State's DNA Identification Fund (GC section 76104.7) instead of assessing the required \$4.00 per every \$10.00 of base fine. We also found that the State's General Fund (PC section 1465.7; 20% state surcharge) was overstated by \$2.80.
- For a FY 2021-22 county case, the ORR incorrectly distributed 100% of base fines to the county's general fund (HSC section 11502) instead of distributing 75% of base fines to the State's General Fund (HSC section 11502) and 25% of base fines to the county's general fund (HSC section 11502). In addition, the ORR incorrectly assessed \$3.29 per every \$10.00 of base fine for the State's DNA Identification Fund (GC section 76104.7) instead of assessing the required \$4.00 per every \$10.00 of base fine. We also found that the State's General Fund (PC section 1465.7; 20% state surcharge) was overstated by \$2.00.

We performed an analysis of the criminal laboratory analysis fee (HSC section 11372.5) revenues collected by the ORR to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

As discussed in Finding 2 of our prior audit report dated September 6, 2019, the ORR did not collect the proper amount for the State's DNA Identification Fund (GC section 76104.7). This is a repeat finding, as the ORR did not correct the distribution errors noted in our prior audit report.

HSC section 11502(a) requires fines received by the court under Division 10 of the Health and Safety Code to be distributed as follows: 75% to the State Treasurer and 25% to the county or city in which the prosecution is conducted.

GC section 76104.7(a) requires the court to levy an additional penalty of \$4 for every \$10 (or fraction thereof) upon each fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses.

PC section 1465.7(a) requires the court to levy a state surcharge of 20% on the base fine used to calculate the state penalty assessment.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from health and safety violations in accordance with statutory requirements.

FINDING 8— Incorrect distribution of revenues from fish and game violations

During our testing of fish and game cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In three of three cases tested, we found the following errors:

- For a FY 2018-19 case, the ORR incorrectly distributed 100% of base fines to the county base fines (PC section 1463.001) instead of distributing one-half of base fines to the State's Fish and Game Preservation Fund (FGC section 13003) and one-half to the county's Fish and Wildlife Propagation Fund (FGC section 13003).
- For a FY 2018-19 case, the ORR incorrectly distributed 4% of the revenues collected for the county's Fish and Wildlife Propagation Fund (FGC section 13003) to the State Trial Court Modernization and

Improvement Fund (GC section 68090.8) instead of distributing 2% of the revenues collected for the county's Fish and Wildlife Propagation Fund (FGC section 13003) to the State Trial Court Modernization and Improvement Fund (GC section 68090.8).

- For a FY 2021-22 case, the ORR overstated the county's Fish and Wildlife Propagation Fund (FGC section 13003) by \$3.

We performed an analysis of the revenues collected by the ORR for the county's Fish and Wildlife Propagation Fund (FGC section 13003) to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

FGC section 13003 requires all fines and forfeitures imposed or collected for Fish and Game Code violations to be distributed as follows: 50% to the State's Fish and Game Preservation Fund and 50% to the county in which the offense was committed.

GC section 68090.8(b) requires the county treasurer, prior to making any other required distribution, to transmit 2% of all fines, penalties, and forfeitures collected in criminal cases to the State Trial Court Improvement and Modernization Fund to be used exclusively to pay the costs of automated systems for the trial courts.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from fish and game violations in accordance with statutory requirements.

FINDING 9— Incorrect distribution of revenues from red- light violations

During our testing of red-light cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In four of four cases tested, we found the following errors:

- For a FY 2018-19 county case, the ORR did not distribute 30% of the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]) revenues to the county’s red-light allocation fund (PC section 1463.11).

In addition, the ORR understated revenues collected for the State’s DNA Identification Fund (GC sections 76104.6 and 76104.7), the State’s General Fund (PC section 1465.7), and the State Trial Court Improvement and Modernization Fund (GC section 68090.8); and it overstated the revenues collected for the following funds:

- County red-light allocation fund (PC section 1463.11);
 - County base fines (PC section 1463.001);
 - State Penalty Fund (PC section 1464);
 - County’s Criminal Justice Facilities Construction Fund (GC section 76101);
 - County’s Emergency Medical Services Fund (GC section 76104); and
 - State Court Facilities Construction Fund (GC section 70372[a]).
- For a FY 2018-19 city case, the ORR did not distribute 30% of the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]) revenues to the city’s red-light allocation fund (PC section 1463.11).

In addition, the ORR understated revenues collected for the city’s red-light allocation fund (PC section 1463.11), the State’s DNA Identification Fund (GC sections 76104.6 and 76104.7), the State’s General Fund (PC section 1465.7), and the State Trial Court Improvement and Modernization Fund (GC section 68090.8); and it overstated the revenues collected for the following funds:

- County base fines (PC section 1463.001);
 - City base fines (PC section 1463.002);
 - State Penalty Fund (PC section 1464);
 - County’s Criminal Justice Facilities Construction Fund (GC section 76101);
 - County’s Emergency Medical Services Fund (GC section 76104); and
 - State Court Facilities Construction Fund (GC section 70372[a]).
- For a FY 2021-22 county case, the ORR understated revenues collected for the county’s red-light allocation fund (PC section 1463.11), the State’s DNA Identification Fund (GC sections 76104.6 and 76104.7), the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]), the State’s General Fund (PC section 1465.7), and the State Trial Court Improvement and Modernization Fund (GC

section 68090.8); and it overstated the revenues collected for the following funds:

- County base fines (PC section 1463.001);
 - State Penalty Fund (PC section 1464);
 - County's Criminal Justice Facilities Construction Fund (GC section 76101);
 - County's Emergency Medical Services Fund (GC section 76104); and
 - State Court Facilities Construction Fund (GC section 70372[a]).
- For a FY 2021-22 county case, the ORR did not distribute 30% of the revenues collected for the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) to the county's red-light allocation fund (PC section 1463.11).

In addition, the ORR understated revenues collected for the county's red-light allocation fund (PC section 1463.11), the State's DNA Identification Fund (GC sections 76104.6 and 76104.7), the State's General Fund (PC section 1465.7), and the State Trial Court Improvement and Modernization Fund (GC section 68090.8); and it overstated the revenues collected for the following funds:

- County base fines (PC section 1463.001);
- State Penalty Fund (PC section 1464);
- County's Criminal Justice Facilities Construction Fund (GC section 76101);
- County's Emergency Medical Services Fund (GC section 76104); and
- State Court Facilities Construction Fund (GC section 70372[a]).

We performed an analysis of the revenues collected by the ORR for the red-light allocation fund (PC section 1463.11) to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

PC section 1463.11(a) requires that the first 30% of red-light violation base fines, state and county penalties (PC sections 1463 and 1464, and GC sections 76000 and 76000.10, respectively) collected be distributed to the general fund of the county or city where the violation occurred.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from red-light violations in accordance with statutory requirements.

**FINDING 10—
Incorrect distribution
of revenues from
proof of financial
responsibility
violations**

During our testing of proof of financial responsibility cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In three of three cases tested, we found the following errors:

- For a FY 2018-19 county case and a FY 2021-22 county case, the ORR collected excessive amounts for the county base fines (PC section 1463.001).
- For a FY 2018-19 city case, the ORR collected excessive amounts for the county base fines (PC section 1463.001) and the city base fines (PC section 1463.002).

We did not measure this error because it is not a distribution error that results in overremitted funds to the State Treasurer. Rather, the ORR overcharged the defendants on each case, meaning that the excess revenues collected are actually owed to the defendants. However, we believe that it would be impractical and difficult for the ORR to return the overcharged amounts to each defendant.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from proof of financial responsibility violations in accordance with statutory requirements.

**FINDING 11—
Incorrect distribution
of revenues from
speeding violations
with traffic violator
school (repeat
finding)**

During our testing of speeding TVS cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In four of four cases tested, we found the following errors:

- For three FY 2018-19 cases, the ORR incorrectly distributed revenues to the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) instead of converting the amounts collected for the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) to the TVS fee (VC section 42007).

The ORR also understated the TVS fee (VC section 42007) and it overstated the revenues collected for the following funds:

- County's Emergency Medical Services Fund (GC section 76104);
- State Court Facilities Construction Fund (GC section 70372[a]); and
- State's General Fund (PC section 1465.7).
- For a FY 2021-22 case, the ORR incorrectly distributed revenues to the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) instead of converting the amounts collected for the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) to the TVS fee (VC section 42007). The ORR also did not collect sufficient amounts for the TVS fee (VC section 42007).

We performed an analysis of the TVS fee (VC section 42007) revenues collected by the ORR to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

As discussed in Finding 7 of our prior audit report dated September 6, 2019, the ORR did not convert the amounts collected for the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) to the TVS fee (VC section 42007). This is a repeat finding, as the ORR did not correct the distribution errors noted in our prior audit report.

VC section 42007(a)(1) requires the court to collect a fee, in an amount equal to the total bail set forth on the uniform countywide bail schedule, from every person ordered or permitted to attend traffic violator school. As defined in this section, total bail includes all assessments, surcharges, and penalty amounts.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from speeding violations in accordance with statutory requirements.

FINDING 12— Incorrect distribution of revenues from proof of correction violations

During our testing of proof of correction cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

One of the four proof of correction cases that we tested involved two citations. In that case, we found that the ORR had incorrectly distributed the first \$20 of the transaction fee to the State Penalty Fund (VC section 40611) and the county's general fund (VC section 40611); and it distributed the remaining \$30 to the State Court Facilities Construction Fund (VC section 40611). To comply with VC section 40611, the ORR should have distributed the first \$10 of the transaction fee to the State Penalty Fund and the county's general fund; and it should have distributed the remaining \$40 to the State Court Facilities Construction Fund (VC section 40611).

We performed an analysis of the revenues collected by the ORR for the State Court Facilities Construction Fund (VC section 40611) to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

VC section 40611 requires a \$25 transaction fee upon proof of correction of an alleged violation of VC sections 12500, 12951, 40610; or upon submission of evidence of financial responsibility pursuant to VC section 16028(e). For each citation, \$10 should be allocated as follows:

- 33% to the county or city general fund of the local government entity within whose jurisdiction the citation was issued;
- 34% to the State Treasury for deposit in the State Penalty Fund; and
- 33% to the county's general fund.

VC section 40611 requires that the remainder of the fees collected on each citation are be deposited in the State Court Facilities Construction Fund.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from proof of correction violations in accordance with statutory requirements.

FINDING 13— Improper amount collected for the domestic violence fee

During our testing of domestic violence cases, we found that the ORR had not collected the proper amount for the domestic violence fee. The error occurred because the court and the ORR misinterpreted the *Distribution Guidelines*. As a result, the court did not order and the ORR did not collect the statutorily required \$500 domestic violence fee.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In both of the two cases that we tested, we found that the ORR had incorrectly imposed a domestic violence fee of \$400 instead of the required \$500.

We did not determine the effect of the error because it cannot be reversed; the ORR cannot retroactively pursue collection from defendants.

PC section 1203.097(a)(5)(A) requires defendants to pay a minimum domestic violence fee of \$500, unless the court finds that the defendant is unable to pay. The court may reduce or waive the fee, but must state the reason on the record.

Recommendation

We recommend that the ORR and the court work together to ensure that the statutorily required \$500 domestic violence fee is assessed and collected.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from [domestic violence] violations in accordance with statutory requirements.

**FINDING 14—
Incorrect distribution
of revenues from red-
light violations with
traffic violator school
(repeat finding)**

During our testing of red-light TVS cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In both of the two red-light TVS violation cases that we tested, we found that the ORR had incorrectly distributed revenues to the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) instead of converting the amounts collected for that fund to the TVS fee (VC section 42007). We also found that the ORR had understated the county's red light allocation fund (VC section 42007.3) and overstated the revenues collected for the following funds:

- TVS fee (VC section 42007);
- County's Emergency Medical Services Fund (GC section 76104);
- State Court Facilities Construction Fund (GC section 70372[a]); and
- State's General Fund (PC section 1465.7).

We performed an analysis of the TVS fee (VC section 42007) revenues collected by the ORR to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

As discussed in Finding 7 of our prior audit report dated September 6, 2019, the ORR did not convert the amounts collected for the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) to the TVS fee (VC section 42007). This is a repeat finding, as the ORR did not correct the distribution errors noted in our prior audit report.

VC section 42007(a)(1) requires the court to collect a fee, in an amount equal to the total bail set forth on the uniform countywide bail schedule, from every person ordered or permitted to attend traffic violator school.

As defined in this section, total bail includes all assessments, surcharges, and penalty amounts.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from [red-light violations with traffic violator school] in accordance with statutory requirements.

FINDING 15— Incorrect priority of installment payments (repeat finding)

During our testing of ORR cases, we found that the ORR had not properly distributed revenues in accordance with the order of priority stated in PC section 1203.1d, subparagraph (b). The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In both of two cases that we tested, we found that the ORR had incorrectly programmed the State's DNA Identification Fund (GC sections 76104.6 and 76104.7) and the criminal conviction assessment (GC section 70373) revenues as priority-two distributions instead of programming the State's DNA Identification Fund (GC sections 76104.6 and 76104.7) revenues as priority-three distributions and the criminal conviction assessment (GC section 70373) revenues as priority-four distributions.

We did not measure the effect of the error because it would be impractical and difficult to redistribute revenues on every case involving installment payments.

As discussed in Finding 6 of our prior audit report dated September 6, 2019, the ORR did not properly distribute revenues in accordance with the order of priority stated in PC section 1203.1d, subparagraph (b). This is a repeat finding, as the ORR did not correct the distribution errors noted in our prior audit report.

PC section 1203.1d, subparagraph (b) requires that installment payments be disbursed in the following order of priority:

1. Restitution ordered to victims (PC section 1202.4[f]);
2. State surcharge (PC section 1465.7);
3. Fines, penalty assessments, and restitution fines (PC section 1202.4[b]);
and
4. Other reimbursable costs.

Recommendation

We recommend that the ORR correct its case management system to ensure that installment revenues are distributed in accordance with statutory priority requirements.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from [installment payments] in accordance with statutory requirements.

FINDING 16— Incorrect distributions on DUI violations

During our testing of DUI cases, we found that the ORR had not properly distributed the related revenues. The error occurred because the ORR misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the ORR using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

In four of four cases tested, we found the following errors:

- For two city cases (one each from FY 2018-19 and FY 2021-22), the ORR collected excessive amounts for the county base fines (PC section 1463.001) and city base fines (PC section 1463.002).
- For a FY 2021-22 county case, the ORR collected excessive amounts for the county base fines (PC section 1463.001).
- For a FY 2018-19 county case, the ORR collected excessive amounts for the following funds:
 - State Penalty Fund (PC section 1464);
 - State's DNA Identification Fund (GC sections 76104.6 and 76104.7);
 - County's Criminal Justice Facilities Construction Fund (GC section 76101);
 - County's Emergency Medical Services Fund (GC section 76104);
and
 - State Court Facilities Construction Fund (GC section 70372[a]).

We did not measure this error because it is not a distribution error that results in overremitted funds to the State Treasurer. Rather, the ORR overcharged the defendants on each case, meaning that the excess revenues collected are actually owed to the defendants. However, we believe that it would be impractical and difficult for the ORR to return the overcharged amounts to each defendant.

PC section 1463.001 requires the state and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

Recommendation

We recommend that the ORR:

- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County has updated [its] receipting software to appropriately distribute the revenues from [DUI] violations in accordance with statutory requirements.

Observation and Recommendation

**OBSERVATION—
Incorrect remittance of
county parking
surcharges**

During our analysis of parking surcharges remitted to the county, we found that the California Department of Parks and Recreation had imposed and collected incorrect parking surcharges. The error occurred because the department was unaware of the statutory requirements relating to parking surcharges.

External parking agencies are required to collect revenues for parking violations and remit the revenues to the county. Revenues are remitted to the county on a monthly basis and collection reports are included to support the remitted revenues. During our analysis of the collection reports, we found that the California Department of Parks and Recreation had incorrectly collected a total of \$12.50 in state and county parking surcharges on every parking violation instead of the required \$11.00.

The county paid off the bonded indebtedness for its court facilities. Therefore, entities in the county should not have collected \$2.50 for the county's Courthouse Construction Fund (GC section 76100). Instead, parking entities should have collected only \$1.00 for the county's Courthouse Construction Fund (GC section 76100). The \$1.00 should have then been deposited in the county's general fund in accordance with GC section 76000(c).

GC section 76000(b) requires each parking agency to pay the county treasurer \$2.50 for each fund established in accordance with GC section 76100 or 76101 for each parking violation.

GC section 76000(c) requires the county treasurer to deposit \$1.00 of every \$2.50 collected for the county's Courthouse Construction Fund and the county's Criminal Justice Facilities Construction Fund into the county's general fund.

GC section 76000(d) states that, upon the transfer of responsibility for court facilities from the county to the JCC, the authority to impose the \$2.50 penalty from the county's Courthouse Construction Fund shall be reduced to \$1.00.

GC section 70372(b) requires the issuing agencies to collect a state surcharge of \$4.50 in the State Court Facilities Construction Fund for every parking fine or forfeiture.

During the audit period, GC section 70372(f) required that one-third of the \$4.50 be deposited in the State Court Facilities Construction Fund and two-thirds be deposited in the Immediate and Critical Needs Account. GC section 70372 was amended by Statutes of 2021, Chapter 79, which abolished the Immediate and Critical Needs Account and made various changes to the existing law.

GC section 76000.3 requires that parking agencies pay to the State Treasurer a state surcharge of \$3 on each parking violation, for deposit in the State's Trial Court Trust Fund.

Recommendation

We recommend that the California Department of Parks and Recreation collect and remit the required state and county parking surcharges, totaling \$11 per infraction, to the county.

Appendix— Summary of Prior Audit Findings

The following table shows the implementation status of Tuolumne County's corrective actions related to the findings contained in our prior audit report dated September 6, 2019.

Prior Audit Finding Number	Prior Audit Finding Title	Implementation Status
1	Overremitted 50% excess of qualified fines, fees, and penalties	Not implemented— see current Finding 1
2	Underremitted State DNA Identification Fund	Not implemented— see current Finding 7
3	Underremitted bail bond forfeitures	Not verified— the court did not process any bail bond forfeiture cases during the audit period
4	Underremitted state parking surcharges	Fully implemented
5	Overremitted State Court Facilities Construction Fund from TVS bail	Fully implemented
6	Incorrect distribution priority for installment payments	Not implemented— see current Finding 15
7	Overremitted Emergency Medical Air Transportation penalties from TVS bail	Not implemented— see current Findings 11 and 14

**Attachment—
Tuolumne County’s Response to Draft Audit Report**



OFFICE OF THE AUDITOR-CONTROLLER

"Proudly Serving the Financial Needs of Tuolumne County"

Donald McNair, CPA
Clerk & Auditor-Controller

October 28, 2024

Lisa Kurokawa
Chief, Compliance Audits Bureau
Division of Audits
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250

RE: Response to Draft Audit Report of Court Revenues for the period of July 1, 2018, through June 30, 2022

Dear Lisa Kurokawa,

The County of Tuolumne has reviewed the accuracy of the audit findings from the provided Court Revenue Audit. The County agrees with the report and provides the below responses to the State's audit findings and recommendations.

Finding 7 – Incorrect distribution of revenues from health and safety violations
County Response – The County has updated our receipting software to appropriately distribute the revenues from health and safety violations in accordance with statutory requirements.

Finding 8 – Incorrect distribution of revenues from fish and game violations
County Response - The County has updated our receipting software to appropriately distribute the revenues from fish and game violations in accordance with statutory requirements.

Finding 9 – Incorrect distribution of revenues from red-light violations
County Response - The County has updated our receipting software to appropriately distribute the revenues from red-light violations in accordance with statutory requirements.

Finding 10 – Incorrect distribution of revenues from proof of financial responsibility violations
County Response - The County has updated our receipting software to appropriately distribute the revenues from proof of financial responsibility violations in accordance with statutory requirements.

Finding 11 – Incorrect distribution from speeding violations with traffic violator school

County Response - The County has updated our receipting software to appropriately distribute the revenues from speeding violations with traffic violator school in accordance with statutory requirements.

Finding 12 – Incorrect distribution of revenues from proof of correction violations

County Response - The County has updated our receipting software to appropriately distribute the revenues from proof of correction violations in accordance with statutory requirements.

Finding 13 – Improper amount collected for the domestic violence fee

County Response - The County has updated our receipting software to appropriately distribute the revenues from proof of correction violations in accordance with statutory requirements.

Finding 14 – Incorrect distribution of revenues from red-light violations with traffic violator school

County Response - The County has updated our receipting software to appropriately distribute the revenues from proof of correction violations in accordance with statutory requirements.

Finding 15 – Incorrect priority of installment payments

County Response - The County has updated our receipting software to appropriately distribute the revenues from proof of correction violations in accordance with statutory requirements.

Finding 16 – Incorrect distributions on DUI violations

County Response - The County has updated our receipting software to appropriately distribute the revenues from proof of correction violations in accordance with statutory requirements.

Best,



Donald McNair
Clerk & Auditor -Controller

**State Controller's Office
Division of Audits
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