

MODOC COUNTY

Audit Report

COURT REVENUES

July 1, 2016, through June 30, 2020



BETTY T. YEE
California State Controller

February 2022



BETTY T. YEE
California State Controller

February 11, 2022

The Honorable Stephanie Wellemeyer,
Auditor/Clerk
Modoc County
108 East Modoc Street
Alturas, CA 96101

Brandy Malcolm, Court
Executive Officer
Superior Court of California, Modoc County
205 S. East Street
Alturas, CA 96101

Dear Ms. Wellemeyer and Ms. Malcolm:

The State Controller's Office audited the propriety of the court revenues remitted by Modoc County to the State Treasurer for the period of July 1, 2016, through June 30, 2020.

Our audit found that the county overremitted \$1,408 in state court revenues to the State Treasurer because it:

- Overremitted the State Domestic Violence Restraining Order Reimbursement Fund (Penal Code section 1203.097[a][5]) by \$704; and
- Overremitted State Domestic Violence Training and Education Fund (Penal Code section 1203.097[a][5]) by \$704.

In addition, we found that the county used incorrect qualified revenue amounts in its calculation of the 50% excess of qualified revenues. We also found that the court made incorrect distributions related to domestic violence and health and safety violations. Additionally, the court incorrectly prioritized distributions of installment payments.

We also identified a deficiency that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the court incorrectly assessed the local penalty.

The county should reduce subsequent remittances to the State Treasurer by \$1,408.

The Honorable Stephanie Wellemeyer, -2-
Auditor/Clerk
Brandy Malcolm, Interim Court Executive Officer

February 11, 2022

If you have questions regarding the audit findings, please contact Lisa Kurokawa, Chief,
Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

KT/lis

cc: Chester Robertson, County Administrative Officer
Administration Department
Modoc County
Lisa Phillips, Assistant Auditor/Clerk
Auditor Department
Modoc County
Tacie Wheeler, Accountant Auditor II
Auditor Department
Modoc County
The Honorable Ned Coe, Chair
Board of Supervisors
Modoc County
Rebekah Ingraham, Account Clerk II
Superior Court of California
Modoc County
Grant Parks, Manager
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Anita Lee, Senior Fiscal and Policy Analyst
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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 Modoc County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2016, through June 30, 2020.

Our audit found that the county overremitted \$1,408 in state court revenues to the State Treasurer because it:

- Overremitted the State Domestic Violence Restraining Order Reimbursement Fund (Penal Code [PC] section 1203.097[a][5]) by \$704; and
- Overremitted State Domestic Violence Training and Education Fund (PC section 1203.097[a][5]) by \$704.

In addition, we found that the county used incorrect qualified revenue amounts in its calculation of the 50% excess of qualified revenues. We also found that the court made incorrect distributions related to domestic violence and health and safety violations. Additionally, the court incorrectly prioritized distributions of installment payments.

We also identified a deficiency that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the court incorrectly assessed the local penalty.

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 under the authority of GC section 68103, which requires 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 court revenues remitted by Modoc County to the State Treasurer pursuant to the TC-31 process.

The audit period was July 1, 2016, through June 30, 2020.

To achieve our objective, we performed the following procedures:

General

- We gained an understanding of the county and court's revenue collection and reporting processes, and of the relevant criteria.
- We interviewed county personnel regarding the monthly TC-31 remittance process, the revenue distribution process, the case management system, and the maintenance-of-effort calculation.
- We interviewed court personnel regarding the revenue distribution process and the case management system.
- 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.

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 maintenance-of-effort 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 six installment payments to verify priority. Errors found were not projected to the intended (total) population.

- We performed a risk evaluation of the county and court, and identified violation types that are prone to errors due to either their complexity and/or statutory changes during the audit period. Based on the risk evaluation, we haphazardly selected a non-statistical sample of 111 cases for eight violation types.¹ Then, we:
 - Recomputed the sample case distributions and compared them to the actual distributions; and
 - Calculated the total dollar amount of significant overremittances to the State and county.

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

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.

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

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 the county overremitted \$1,408 in state court revenues to the State Treasurer because it:

- Overremitted the State Domestic Violence Restraining Order Reimbursement Fund (PC section 1203.097[a][5]) by \$704; and
- Overremitted State Domestic Violence Training and Education Fund (PC section 1203.097[a][5]) by \$704.

In addition, we found that the county used incorrect qualified revenue amounts in its calculation of the 50% excess of qualified revenues. We also found that the court made incorrect distributions related to domestic violence and health and safety violations. Additionally, the court incorrectly prioritized distributions of installment payments.

These instances of noncompliance are quantified in the Schedule and described in the Findings and Recommendations section of this audit report.

¹ We were not able to identify the case population due to the inconsistent timing of when tickets are issued versus when they are paid, and the multitude of entities that remit collections to the county for remittance to the State.

We also identified a deficiency that is not significant to our audit objective, but warrants the attention of management. Specifically, we found that the court incorrectly assessed the local penalty. This instance of noncompliance is described in the Observation and Recommendation section.

The county should reduce subsequent remittances to the State Treasurer by \$1,408.

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, 2008, through June 30, 2013, issued April 29, 2014, with the exception of Findings 1 and 4 of this audit report. See the Appendix for a summary of the prior audit findings.

Views of Responsible Officials

We issued a draft audit report on December 15, 2021. Stephanie Wellemeyer, Auditor/Clerk, Modoc County, responded via letter dated December 28, 2021, agreeing with Finding 1 and the Observation.

In addition, Brandy Malcolm, Court Executive Officer, Modoc County Superior Court, responded via email on January 4, 2022, agreeing with Findings 2, 3, and 4.

The county and court's responses are included as Attachments A and B to this audit report.

Restricted Use

This audit report is solely for the information and use of Modoc County; Superior Court of California, Modoc County; the Judicial Council of California (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 TARVIN, CPA
Chief, Division of Audits

February 11, 2022

**Schedule—
Summary of Audit Findings Affecting Remittances to the State Treasurer
July 1, 2016, through June 30, 2020**

Finding ¹	Fiscal Year				Total	Reference ²
	2016-17	2017-18	2018-19	2019-20		
Overremitted domestic violence fees						
State Domestic Violence Restraining Order Reimbursement Fund – PC §1203.097	\$ (93)	\$ (253)	\$ (177)	\$ (181)	\$ (704)	
State Domestic Violence Training and Education Program – PC §1203.097	(93)	(253)	(177)	(181)	(704)	
Amount overremitted to the State Treasurer	<u>\$ (186)</u>	<u>\$ (506)</u>	<u>\$ (354)</u>	<u>\$ (362)</u>	<u>\$ (1,408)</u>	Finding 2

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—
Incorrect calculation
of 50% excess of
qualified fines, fees,
and penalties (repeat
finding)**

During our recalculation of the 50% excess of qualified revenues, we found that the county used incorrect qualified revenue amounts in its calculation. However, these errors did not result in an underremittance to the State Treasurer, as the qualified revenues were below the base amount for the audit period.

For the audit period, the county provided support for its calculation of the 50% excess of qualified revenues. We reviewed the county's calculation and reconciled the qualified revenues to revenue collection reports provided by the court. We noted that the county incorrectly excluded revenues collected for the Maddy Emergency Medical Services Fund (GC section 76000.5), and city base fines (Vehicle Code [VC] section 42007[c]) from the calculation of the Traffic Violator School (TVS) Fee (VC section 42007) during the audit period. As a result, the qualified revenues for the TVS Fee (VC section 42007) line item were understated.

Additionally, we noted that the county incorrectly applied 30% to the county's 30% share of state penalty (PC section 1464) amounts. The county also incorrectly applied 49% to the county's 49% (\$24.01) share of the \$49 TVS fee (VC section 42007.1). These errors resulted in an understatement in qualified revenues for the state penalty (PC section 1464) line item and the \$49 TVS fee (VC section 42007.1) line item.

Furthermore, we noted that the county included incorrect amounts from revenue collection reports provided by the court. Inclusion of these incorrect amounts resulted in an understatement of qualified revenues for the base fines (PC section 1463.001) line item and the administrative screening fees (PC section 1463.07) line item.

We recalculated the county's 50% excess of qualified revenues based on actual court revenues collected for each fiscal year. We found that the county had understated qualified revenues for each fiscal year under audit. However, the adjusted qualified revenues were less than the county's base amount in all four fiscal years. As a result, we found no underremittance related to the 50% excess of qualified revenues calculation.

The 50% excess of qualified revenues was incorrectly calculated because the county misinterpreted the calculation guidelines.

As discussed in Finding 1 of our prior audit report dated April 29, 2014, the county underremitted 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 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 1998-99, and each fiscal year thereafter, to the State Trial Court Improvement and Modernization Fund.

Recommendation

We recommend that the county:

- Correct the formulas in its 50% excess of qualified revenues calculation worksheets; and
- Ensure that the proper accounts are included in the calculation of each line item on the 50-50 Excess Split Revenue Computation Form.

County’s Response

The county concurs with this finding, and will move to correct the formula and ensure that the proper accounts are included in the calculation of the 50-50 Excess Split Revenue Computation Form.

**FINDING 2—
Overremitted
domestic violence fee**

During our testing of domestic violence violations, we found that the court overremitted the Domestic Violence Restraining Order Reimbursement Fund and Domestic Violence Training and Education Fund by \$1,408 for the audit period.

We verified, on a sample basis, distributions that were manually computed by the court. For each sample case, we recomputed the distributions and compared them to the actual distributions. We found that the court incorrectly allocated two-thirds of all domestic violence fees to the State instead of the required one-third.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State Domestic Violence Restraining Order Reimbursement Fund – PC §1203.097(a)(5)	\$ (704)
State Domestic Violence Training and Education Fund – PC §1203.097(a)(5)	(704)
Total	<u>(1,408)</u>
County Domestic Violence Fund	<u>\$ 1,408</u>

The error occurred because the court misinterpreted the distribution guidelines.

Table 7, PC 1203.097(a)(5) – Domestic Violence Fee, of the SCO’s *Distribution Guidelines* (revision 30; January 1, 2020) requires that two-thirds of the domestic violence fees collected be applied to the County Domestic Violence Programs Special Fund, and the remaining one-third be transferred to the State Controller’s Office for deposit equally in the Domestic Violence Restraining Order Reimbursement Fund and Domestic Violence Training and Education Fund.

Recommendation

We recommend that the court:

- Offset subsequent remittances to the State Treasurer by \$1,408 and report on the TC-31 decreases of \$704 to the State Domestic Violence Restraining Order Reimbursement Fund and \$704 to the State Domestic Violence Training and Education Fund;
- Ensure that the domestic violence fees (PC section 1203.097[a][5]) are manually distributed one-third to the State and two-thirds to the county;
- Review its distributions for accuracy and completeness before remittance to the county's auditor/clerk; and
- Periodically verify the accuracy of its distributions using the JCC's distribution worksheets.

Court's Response

The Court concurs and will implement the recommendations set forth by the SCO. Specifically, the Court indicated that it will offset subsequent remittances to the State Treasurer by \$1,408 and report on the TC-31 decreases of \$704 to the State Domestic Violence Restraining Order Reimbursement Fund and \$704 to the State Domestic Violence Training and Education Fund, ensure that the domestic violence fees (PC section 1203.097[a][5]) are manually distributed one-third to the State and two-thirds to the county, review its distributions for accuracy and completeness before remittance to the county's Auditor/Clerk, and periodically verify the accuracy of its distributions using the JCC's distribution worksheets.

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

During our review of health and safety violations, we found that the court did not properly distribute uniform controlled substances fines (Health and Safety Code [HSC] section 11502). Additionally, the court did not consistently assess the criminal laboratory analysis fee (HSC section 11372.5) and drug program fee (HSC section 11372.7) for the violations that require them. Moreover, the court incorrectly reported revenues for uniform controlled substances fines (HSC section 11502) on TC-31s.

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. We found that the court did not consistently assess the \$50 criminal laboratory analysis fee (HSC section 11372.5) and the \$150 drug program fee (HSC section 11372.7) for the violations that require them.

These fees are accounted for as fines, and are subject to the state penalty (PC section 1464), local penalty (GC section 76000), state surcharge (PC section 1465.7), DNA identification penalty (GC section 76104.6), DNA additional penalty (GC section 76104.7), state court construction penalty (GC section 70372), and 2% state automation fee (GC section 68090.8). As a result, these penalties and fees were understated.

We also found that the court incorrectly allocated 25% of the uniform controlled substances fines (HSC section 11502) to the State General Fund, and 75% to the county and city. Therefore, the State received less revenues than it should have received.

Additionally, we found that the court incorrectly reported revenues from uniform controlled substances fines (HSC section 11502) to asset forfeitures (HSC section 11489) on TC-31. The court also did not report revenues from criminal laboratory analysis fee (HSC section 11372.5) on TC-31.

We performed an analysis of the revenues from health and safety violations to determine the fiscal effect of each error. We found that these errors did not contribute to a material effect on the revenues remitted to the State. The errors occurred because the court misinterpreted the distribution guidelines and incorrectly configured its case management system.

Table 4, H&S 11372.5 – Criminal Laboratory Analysis Fee, of the SCO’s *Distribution Guidelines* requires that the specific violations be subject to a \$50 fee per conviction, to be distributed to the county’s Criminalistics Laboratory Fund if the laboratory is operated or contracted by the county, or to the State General Fund if the county is served by a Department of Justice criminalistics laboratory.

Table 4, H&S 11372.7 – Drug Program Fee, of the SCO’s *Distribution Guidelines* requires that the specific violations be subject to a fee of up to \$150 per conviction, to be distributed to the county’s Drug Program Fund.

Table 4, H&S 11502 – General Distribution of Uniform Controlled Substances Moneys, Forfeited Bail, or Fines, of the SCO’s *Distribution Guidelines* requires that 75% of this fine be transferred to the State, and 25% to the city if the offense occurred in the city or 25% to the county if the offense occurred in the county.

Recommendation

We recommend that the court:

- Ensure that the criminal laboratory analysis fee (HSC section 11372.5) and drug program fee (HSC section 11372.7) are assessed and distributed for the violations that require them;
- Ensure that the 75% of uniform controlled substances fines (HSC section 11502) is distributed to the State General Fund and 25% to the entity where the offense occurred;
- Review its distributions for accuracy and completeness before remittance to the county’s auditor/clerk;
- Periodically verify the accuracy of its distributions using the JCC’s distribution worksheets; and
- Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements.

Court's Response

The Court concurs and will implement the recommendations set forth by the SCO. Specifically, the Court indicated that it will ensure that the criminal laboratory analysis fee (HSC section 11372.5) and drug program fee (HSC section 11372.7) are assessed and distributed for the violations that require them, ensure that the 75% of uniform controlled substances fines (HSC section 11502) is distributed to the State General Fund and 25% to the entity where the offense occurred, review its distributions for accuracy and completeness before remittance to the county's Auditor/Clerk, periodically verify the accuracy of its distributions using the JCC's distribution worksheets, and correct its case management system to ensure that revenues are distributed in accordance with statutory requirements.

**FINDING 4—
Incorrect
prioritization of
installment payments
(repeat finding)**

During testing of various violations, we found that the court incorrectly prioritized distributions of installment payments.

We verified, on a sample basis, distributions made by the court using its case management system for installment payments. For each sample case, we reviewed the distributions to determine whether the court correctly prioritized the distributions of installment payment according to PC section 1203.1d. During testing, we found that the court incorrectly prorated priority-four distributions before fully distributing all the priority-three revenues. We did not measure the effect of the errors because it would be impractical and difficult to redistribute revenues on every case involving installment payments.

The error occurred because the court misinterpreted the distribution guidelines and incorrectly configured its case management system. As discussed in Finding 3 of our prior audit report dated April 29, 2014, the court did not fully correct the distribution priority of installment payments.

“Priority of Installment Payments,” on page 5 of the SCO's *Distribution Guidelines*, begins:

PC [Penal Code] 1203.1d establishes mandatory priorities in the distribution of criminal and traffic court-ordered debt installment payments, as follows:

1. Restitution orders to victims (PC 1202.4[f]).
2. 20% State surcharge (PC 1465.7).
3. Any fines, penalty assessments, and restitution fines (PC 1202.4[b]). Payment of each of these items shall be made on a proportional basis to the total amount levied for all of these items.
4. Other reimbursable costs.

Recommendation

We recommend that the court:

- Ensure that the payments are distributed for all priority-three fines and penalties before priority-four fines and penalties; and
- Correct its case management system to ensure that revenues are distributed in accordance with statutory priority requirements.

Court's Response

The Court concurs and will implement the recommendations set forth by the SCO. Specifically, the Court indicated that it will ensure that the payments are distributed for all priority-three fines and penalties before priority-four fines and penalties, and correct its case management system to ensure that revenues are distributed in accordance with statutory priority requirements.

Observation and Recommendation

OBSERVATION— Incorrect assessment of local penalty

During our testing of various violations, we found that the court incorrectly assessed a local penalty of \$7.00, instead of the required penalty of \$4.98.

According to JCC's information, Modoc County has no remaining bond indebtedness and transferred 57.65% of responsibility for court facilities to the State (JCC). Therefore, the local penalty should have been reduced to \$4.98, or \$3.50 (the amount listed in GC section 76000[e]) plus \$1.48 ($42.35\% \times \3.50).

We did not measure the monetary impact of this error because it was not a distribution error that resulted in overremitted funds to the State Treasurer. Rather, the court overcharged the defendants on each case, meaning that the excess revenues collected were actually owed to the defendants. However, we believe it would be impractical and difficult for the court to return the overcharged amounts to each defendant. The error occurred because the county and court misinterpreted the required distributions.

Table 6, GC 76000(a) and (e) – Local Penalties; Criminal Offenses, of the SCO's *Distribution Guidelines* states that if there is partial transfer of court facilities and no remaining bond indebtedness, the penalty shall be reduced to the amount listed in GC section 76000(e) for that county, plus an amount that is equal to the percentage of court facilities retained by the county times the previous local courthouse construction penalty.

Recommendation

We recommend that:

- The county specify the allocation of the local penalty (GC section 76000) by a resolution adopted by the county's board of supervisors to ensure that the local penalty (GC section 76000) is assessed in accordance with statutory requirements; and
- The court correct its case management system to ensure that the local penalty (GC section 76000) is assessed and allocated in accordance with statutory requirements and board of supervisors' resolution.

County's Response

The county concurs with this observation and will work on an updated resolution adopted by the board of supervisors.

Appendix— Summary of Prior Audit Findings

The following table shows the implementation status of Modoc County's corrective actions related to the findings contained in the county's prior audit report dated April 29, 2014.

Prior Audit Finding Number	Prior Audit Finding Title	Implementation Status
1	Underremitted excess of qualified fines, fees, and penalties	Partially implemented – see current Finding 1
2	Inappropriate distribution of missing persons DNA fees, disposition of human remains fees, and marriage record fees	Fully implemented
3	Erroneous distribution priority	Partially implemented – see current Finding 4

**Attachment A—
County's Response to Draft Audit Report**



COUNTY OF MODOC

Auditor/Clerk
108 E. Modoc Street
ALTURAS, CALIFORNIA 96101

(530) 233-6204 Office
(530) 233-6666 Fax

STEPHANIE WELLEMAYER
Auditor, Clerk,
Registrar of Voters & Payroll

December 28, 2021

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

Re: Modoc County Audit Report – Court Revenues (July 1, 2016 thru June 30, 2020)

Dear Ms. Kurokawa,

In regards to the above mentioned audit, it looks like the county needs to respond to two items.

Finding 1: The county concurs with this finding, and will move to correct the formula and ensure that the proper accounts are included in the calculation of the 50-50 Excess Split Revenue Computation Form.

Observation and Recommendation: The county concurs with this observation and will work on an updated resolution adopted by the board of supervisors.

Please let me know if you need anything else.

Sincerely,

Stephanie Wellemeyer
Modoc County Auditor/Clerk

**Attachment B—
Superior Court's Response to Draft Audit Report**

Superior Court of California County of Modoc

ROBERT A. BARCLAY JUSTICE CENTER
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Telephone (530)233-6516 ext 1201 - Facsimile (530) 233-6500

FRANCIS W. BARCLAY
PRESIDING JUDGE

WENDY J. DIER
SUPERIOR COURT JUDGE

BRANDY L. MALCOLM
EXECUTIVE OFFICER

STATE CONTROLLERS OFFICE AUDIT OF THE
SUPERIOR COURT OF CALIFORNIA
COUNTY OF MODOC

FINDING 2

Overremitted domestic violence fee

Court Response to Recommendation

The Court concurs. And will implement the recommendations set forth by the SCO as follows. Offset subsequent remittances to the State Treasurer by \$1,408 and report on the TC-31 decreases of \$704 to the State Domestic Violence Restraining Order Reimbursement Fund and \$704 to the State Domestic Violence Training and Education Fund. Ensure that the domestic violence fees (PC section 1203.097[a][5]) are manually distributed one-third to the State and two-thirds to the county; Review its distributions for accuracy and completeness before remittance to the county's Auditor/Clerk; and Periodically verify the accuracy of its distributions using the JCC's distribution worksheets.

FINDING 3

Incorrect distribution and remittance of revenues from health and safety violations

Court Response to Recommendation

The Court concurs. And will implement the recommendations set forth by the SCO as follows. Ensure that the criminal laboratory analysis fee (HSC section 11372.5) and drug program fee (HSC section 11372.7) are assessed and distributed for the violations that require them; Ensure that the 75% of uniform controlled substances fines (HSC section 11502) is distributed to the State General Fund and 25% to the entity where the offense occurred; Review its distributions for accuracy and completeness before remittance to the county's Auditor/Clerk; Periodically verify the accuracy of its distributions using the JCC's distribution worksheets; and Correct its case management system to ensure that revenues are distributed in accordance with statutory requirements.

FINDING 4

Incorrect prioritization of installment payments (repeat finding)

Court Response to Recommendation

The Court concurs. And will implement the recommendations set forth by the SCO as follows. Ensure that the payments are distributed for all priority-three fines and penalties before priority-four fines and penalties; and correct its case management system to ensure that revenues are distributed in accordance with statutory priority requirements.



Brandy L. Malcolm
Court Executive Officer

**State Controller's Office
Division of Audits
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