

SAN MATEO COUNTY

Final Audit Report

COURT REVENUES

July 1, 2019, through June 30, 2023



MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

March 2026



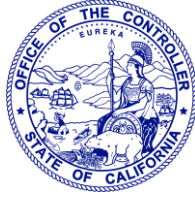
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MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

March 6, 2026

The Honorable Juan Raigoza, Auditor-Controller
San Mateo County
555 County Center, Floor 4
Redwood City, CA 94063

Chad L. Peace, Court Executive Officer
Superior Court of California, San Mateo County
400 County Center
Redwood City, CA 94063

Dear Auditor-Controller Raigoza and Mr. Peace:

The State Controller's Office audited San Mateo County's (the county) court revenues for the period of July 1, 2019, through June 30, 2023.

Our audit found that the county overremitted a net of \$2,036,045 in state court revenues to the State Treasurer because it:

- Overremitted the State Trial Court Improvement and Modernization Fund (Government Code section 77205) by \$2,019,716;
- Overremitted the State's Domestic Violence Restraining Order Reimbursement Fund (Penal Code section 1203.097) by \$15,433;
- Overremitted the State's Domestic Violence Training and Education Fund (Penal Code section 1203.097) by \$15,433; and

Mr. Juan Raigoza
Mr. Chad L. Peace
March 6, 2026
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- Underremitted the State's General Fund (Health and Safety Code section 11502) by \$14,537.

In addition, we found that the Superior Court of California, San Mateo County made incorrect distributions related to red-light and domestic violence violations. Furthermore, we found that the county's probation department made incorrect distributions related to red-light violations and red-light violations with traffic violator school.

The county should reduce subsequent remittances to the State Treasurer by \$2,036,045.

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.

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

Sincerely,

Original signed by
Kimberly A. Tarvin, CPA
Chief, Division of Audits

Mr. Juan Raigoza

Mr. Chad L. Peace

March 6, 2026

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Copy: The Honorable David J. Canepa, President

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SUMMARY

The State Controller's Office (SCO) audited the propriety of court revenues remitted to the State of California by San Mateo County (the county) on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2019, through June 30, 2023.

Our audit found that the county overremitted a net of \$2,036,045 in state court revenues to the State Treasurer.

We also found that the Superior Court of California, San Mateo County (the court) made incorrect distributions related to red-light and domestic violence violations. Furthermore, we found that the county's probation department made incorrect distributions related to red-light violations and red-light violations with traffic violator school (TVS).

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, 2019, through June 30, 2023. 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 the county's personnel regarding the monthly TC-31 remittance process, the revenue distribution process, and the MOE calculation.
- We interviewed the court's personnel regarding the revenue distribution process and the case management system (CMS).

- 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 CMS 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 percent 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 four installment payments to verify priority. No errors were identified.
- 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 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 90 cases for 11 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 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 the county overremitted a net of \$2,036,045 in state court revenues to the State Treasurer because it:

- Overremitted the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$2,019,716;
- Overremitted the State's Domestic Violence Restraining Order Reimbursement Fund by \$15,433;
- Overremitted the State's Domestic Violence Training and Education Fund by \$15,433; and
- Underremitted the State's General Fund by \$14,537.

In addition, we found that the court made incorrect distributions related to red-light and domestic violence violations. Furthermore, we found that the county's probation department made incorrect distributions related to red-light violations and red-light violations with TVS. These instances of noncompliance are non-monetary; they are described in the Findings and Recommendations section.

The county should reduce subsequent remittances to the State Treasurer by \$2,036,045.

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, 2014, through June 30, 2018, issued on June 9, 2020, with the exception of Finding 1 of this audit report. The implementation status of corrective actions is described in the Appendix.

VIEWS OF RESPONSIBLE OFFICIALS

We discussed our audit results with the county and the court's representatives during an exit conference conducted on December 2, 2025. At the exit conference, the county and the court's representatives agreed with the audit results. The county and the court's representatives responded by email on December 8, 2025, requesting to bypass the draft audit report. The county representative responded by letter on December 16, 2025, agreeing with the audit results. The court representative responded by letter on December 12, 2025, agreeing with the audit results. This final report includes the county and court's responses as Attachments A and B.

RESTRICTED USE

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

Original signed by

Kimberly A. Tarvin, CPA

Chief, Division of Audits

March 6, 2026

SCHEDULE—SUMMARY OF AUDIT FINDINGS AFFECTING REMITTANCES TO THE STATE TREASURER

July 1, 2019, through June 30, 2023

The following table provides a summary of the audit findings affecting remittances to the State Treasurer:

Finding	Fiscal Year (FY) 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Finding 1 – Overremitted 50 percent excess of qualified revenues State Trial Court Improvement and Modernization Fund – GC section 77205	-\$213,319	\$0	-\$1,497,700	-\$308,697	-\$2,019,716
Finding 2 – Incorrect distribution of revenues from domestic violence violations					
The State's Domestic Violence Restraining Order Reimbursement Fund – Penal Code (PC) section 1203.097(a)(5)	-4,505	-3,665	-6,342	-921	-15,433
The State's Domestic Violence Training and Education Fund – PC section 1203.097(a)(5)	-4,505	-3,665	-6,342	-921	-15,433
Total Finding 2	-9,010	-7,330	-12,684	-1,842	-30,866
Finding 3 – Incorrect distribution of revenues from bail bond forfeitures					
The State's General Fund – Health and Safety Code (HSC) section 11502	7,280	7,257	0	0	14,537
Net amount overremitted to the State Treasurer	-\$215,049	-\$73	-\$1,510,384	-\$310,539	-\$2,036,045

FINDINGS AND RECOMMENDATIONS

Finding 1—Incorrect Calculation of 50 Percent Excess of Qualified Revenues (Repeat Finding)

During our recalculation of the 50 percent excess of qualified revenues, we found that the county had used an incorrect revenue amount in its calculation for each fiscal year. As a result of these errors, the county overremitted the 50 percent excess of qualified revenues by a net of \$2,019,716 for the audit period. The county incorrectly calculated the 50 percent excess of qualified revenues because it misinterpreted the instructions regarding required calculations.

The county provided support for its calculations of the 50 percent excess of qualified revenues during the audit period. We reviewed the county's calculations 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 a net of \$5,284,079 for the audit period as follows:

- The county overstated qualified revenues by \$6,860,061 because it miscalculated the qualified revenues for the county general fund (GC section 76000[c]) for each fiscal year of the audit period;
- The county understated qualified revenues by \$45,222 for the audit period because it miscalculated revenues for the county base fines (PC section 1463.001);
- The county overstated qualified revenues by \$1,368,970 for the audit period because it incorrectly calculated the revenues collected for the TVS fee (Vehicle Code [VC] section 42007); and

- The county incorrectly excluded the following revenues from its calculation of the TVS fee (VC section 42007):
 - Courthouse Construction Fund (GC section 76100) – \$41,125;
 - Criminal Justice Facilities Construction Fund (GC section 76101) – \$41,126;
 - Emergency Medical Services Fund (GC section 76104) – \$635,199;
 - Maddy Emergency Medical Services Fund (GC section 76000.5) – \$634,771; and
 - City base fines (VC 42007) – \$1,550,128.

In addition, as noted in Finding 3, the court incorrectly distributed revenues on bail bond forfeiture cases. The error resulted in an overstatement of \$2,619 ($\$3,491 \times 75$ percent) in qualified revenues for the county base fines (PC section 1463.001) line item.

The following table shows the audit adjustments to qualified revenues:

Revenue Analysis	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Qualified revenues reported	\$6,344,963	\$3,996,399	\$8,300,394	\$5,922,390	\$24,564,146
Audit adjustments:					
GC section 76000 (c) overstatement	488	-25,552	-3,990,696	-2,844,301	-6,860,061
PC section 1463.001 understatement	599	0	41,827	2,796	45,222
PC section 1463.001 overstatement	-1,748	-871	0	0	-2,619
VC section 42007 understatement	-425,978	614,177	741,890	603,290	1,533,379
Total audit adjustments	-426,639	587,754	-3,206,979	-2,238,215	-5,284,079
Adjusted qualified revenues	\$5,918,324	\$4,584,153	\$5,093,415	\$3,684,175	\$19,280,067

As a result of the miscalculation of qualified revenues, the county overremitted the 50 percent excess of qualified revenues by \$2,019,716 for the audit period.

The following table shows the excess qualified revenues, and—by comparing the 50 percent excess amount due the State to the county’s actual remittance—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 Over-remittance to the State Treasurer
2019-20	\$5,918,324	\$5,304,995	\$613,329	\$306,665	-\$519,984	-\$213,319
2020-21	4,584,153	5,304,995	-720,842	0	0	0
2021-22	5,093,415	5,304,995	-211,580	0	-1,497,700	-1,497,700
2022-23	3,684,175	5,304,995	-1,620,820	0	-308,697	-308,697
Total						<u>-\$2,019,716</u>

As discussed in Finding 1 of our prior audit report, dated June 9, 2020, the county did not properly identify all qualified revenues. This is a repeat finding; however, the qualified revenues discussed in this report were misreported for different reasons.

GC section 77205 requires the county to remit 50 percent of the qualified revenues that exceed the amount specified in GC section 77201.1(b)(2) for 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 \$2,019,716 and report on the TC-31 a decrease to the State Trial Court Improvement and Modernization Fund; 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

We agree with this finding and have implemented the recommendation.

Finding 2—Incorrect Distribution of Revenues from Domestic Violence Violations

During our review and reconciliation of the TC-31 remittances, we found that a portion of domestic violence revenues were incorrectly included in the TC-31 remittances, resulting in an overremittance to the State Treasurer. The error occurred because the county's probation department misinterpreted the *Distribution Guidelines*.

During our review of the county's probation department's revenue collection reports, we noted that the county's probation department incorrectly distributed two-thirds of the domestic violence revenues to the State rather than the required one-third collected. We performed a revenue analysis of the TC-31 revenues to determine the fiscal effect of the error and determined that the revenues for the State's Domestic Violence Restraining Order Reimbursement Fund (PC section 1203.097) were overremitted by \$15,433, the revenues for the State's Domestic Violence Training and Education Fund (PC section 1203.097) were overremitted by \$15,433, and the revenues for the county's Domestic Violence Program Special Fund (PC section 1203.097) were underremitted by \$30,866.

The incorrect distribution had the following effect:

Account Title	Underremitted/ Overremitted
The State's Domestic Violence Restraining Order Reimbursement Fund – PC section 1203.097(a)(5)	-\$15,433
The State's Domestic Violence Training and Education Fund – PC section 1203.097(a)(5)	-15,433
Total	-30,866
The County's Domestic Violence Program Special Fund – PC section 1203.097	\$30,866

PC section 1203.097(a)(5)(A) requires that two-thirds of the domestic violence fee collected be posted to the county's domestic violence programs special fund. This section further requires that the remaining one-third be split evenly between the State's Domestic Violence Restraining Order Reimbursement Fund (one-sixth) and the State's Domestic Violence Training and Education Fund (one-sixth).

Recommendation

We recommend that the county's probation department offset subsequent remittances to the State Treasurer by \$30,866 and report on the TC-31 a decrease to the State's Domestic Violence Restraining Order Reimbursement Fund (PC section 1203.097) by \$15,433 and the State's Domestic Violence Training and Education Fund (PC section 1203.097) by \$15,433.

We also recommend that the county's probation department:

- Ensure that the domestic violence fee (PC section 1203.097) is properly distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

We agree with this finding and have implemented the recommendation.

Finding 3—Incorrect Distribution of Revenues from Bail Bond Forfeitures

During testing of bail bond forfeiture cases, we found that the court did not properly distribute the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its CMS.

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

In four of 22 bail bond forfeiture cases tested, we found the following errors:

- For a FY 2019-20 case involving a Health and Safety Code and Penal Code violation, the court incorrectly distributed two percent of the revenues collected to the State Trial Court Improvement and Modernization Fund (GC section 68090.8), then distributed the remainder to the county base fines (PC section 1463.001) and city base fines (PC section 1463.002).

The court should have distributed two percent of the revenues collected to the State Trial Court Improvement and Modernization Fund (GC section 68090.8), then distributed one-half of the remainder to the State's General Fund (HSC section 11502) and city's general fund (HSC section 11502) and other one-half of the remainder to the county base fines (PC section 1463.001) and city base fines (PC section 1463.002).

The remainder portion distributed to the State's General Fund (HSC section 11502) and city's general fund (HSC section 11502) should have been further allocated as follows: 75 percent to the State's General Fund (HSC section 11502) and 25 percent to the city's general fund (HSC section 11502).

The remainder portion distributed to the county base fines (PC section 1463.001) and city base fines (PC section 1463.002) should have been further allocated in accordance with the percentages listed in PC section 1463.002.

- For a FY 2020-21 case involving two Health and Safety Code violations and one Penal Code violation, the court incorrectly distributed two percent of the revenues collected to the State Trial Court Improvement and Modernization Fund (GC section 68090.8), then distributed the remainder to the county base fines (PC section 1463.001) and city base fines (PC section 1463.002).

The court should have distributed two percent of the revenues collected to the State Trial Court Improvement and Modernization Fund (GC section 68090.8), then distributed two-thirds of the remainder to the State's General Fund (HSC section 11502) and city's general fund (HSC section 11502) and one-third of the remainder to the county base fines (PC section 1463.001) and city base fines (PC section 1463.002).

The portion distributed to the State's General Fund (HSC section 11502) and the city's general fund (HSC section 11502) should have been further allocated as follows: 75 percent to the State's General Fund (HSC section 11502) and 25 percent to the city's general fund (HSC section 11502).

The portion distributed to the county base fines (PC section 1463.001) and city base fines (PC section 1463.002) should have been further distributed in accordance with the percentages listed in PC section 1463.002.

- For two cases involving a Health and Safety Code violation, the court incorrectly distributed 79 percent of the revenues to the State's General Fund (HSC section 11502) instead of distributing the required 75 percent.

We performed an analysis of the distribution errors to determine the fiscal effect and determined that they resulted in an underremittance of \$14,537 to the State.

The distribution errors also caused an overstatement of \$3,491 to the county base fines (PC section 1463.001), resulting in an overstatement of \$2,619 ($\$3,491 \times 75$ percent) in qualified revenues for the MOE calculation (see Finding 1).

The incorrect distributions had the following effect:

Account Title	Underremitted/ Overremitted
State's General Fund – HSC section 11502	\$14,537
County Base Fines – PC section 1463.001	-\$3,491
Daly City General Fund – HSC section 11502	2,427
Daly City Base Fines – PC section 1463.002	-7,377
Total adjustments	-\$4,950

Account Title	Underremitted/ Overremitted
City of South San Francisco General Fund – HSC section 11502	2,418
City of South San Francisco Base Fines – PC section 1463.002	-8,514
Total adjustments	<u><u>-\$6,096</u></u>

HSC section 11502(a) requires all money, forfeited bail, or fines received by the court under Division 10 of the Health and Safety Code to be distributed in the following manner: 75 percent to the State Treasurer and 25 percent to the county or city in which the prosecution is conducted.

PC section 1463.001(b)(3) requires those base fines resulting from city arrests that are not included in a specific distribution to be transferred to the proper funds of the county in accordance with the percentages set forth in PC section 1463.002.

Recommendation

We recommend that the county remit \$14,537 to the State Treasurer and report on the TC-31 an increase of \$14,537 to the State’s General Fund (HSC section 11502).

We also recommend that the court:

- Correct its CMS 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.

Court’s Response

We agree with this finding and have implemented the recommendation or are in the process of implementing the recommendations by January 15, 2026.

Finding 4—Incorrect Distribution of Revenues from Red-Light Violations

During our testing of red-light violations, 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 CMS.

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

We tested four red-light violations and found that revenues in two of the cases were distributed incorrectly. For both cases, rather than allocating funds to the 30 percent red-light allocation (PC section 1463.11), the court allocated funds to the 30 percent railroad allocation (PC section 1463.12).

Based on our discussion with the court's Finance Director, we noted that the court incorrectly labeled the fee code. The Finance Director also informed us that both the 30 percent red-light allocation (PC section 1463.11) and the 30 percent railroad allocation (PC section 1463.12) are to be distributed to the same entity, either a city or county. We did not measure this error because it does not result in any over/underremittances to the State Treasurer.

PC section 1463.11 requires that the first 30 percent of red-light violation base fines, state penalties, and county penalties (PC sections 1463 and 1464, and GC section 76100, respectively) collected be distributed to the general fund of the county or city in which the violation occurred. The emergency medical air transportation penalty is referenced in this statute as part of the State's penalty portion within PC section 1464.

Recommendation

We recommend that the court:

- Correct its CMS 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.

Court's Response

We agree with this finding and have implemented this recommendation.

Finding 5—Incorrect Distribution of Revenues from Domestic Violence Violations

During our testing of domestic violence violations, we found that the court had not assessed the domestic violence fee (PC section 1203.097) or properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its CMS.

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

In three of four cases tested, we found that the court failed to assess the \$500 domestic violence fee (PC section 1203.097).

We did not determine the effect of the error because it cannot be reversed, as the court cannot retroactively pursue collection from defendants.

In addition, during our review of the court's revenue collection reports, we noted that the court incorrectly distributed two-thirds of the revenues to the State rather than the required one-third of the domestic violence revenues collected. Upon further analysis, we determined the distribution errors to be immaterial due to the low number of affected cases.

PC section 1203.097(a)(5) 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 it must state on record the reason for doing so.

PC section 1203.097(a)(5)(A) requires that two-thirds of the domestic violence fee collected be posted to the county's domestic violence programs special fund. This section further requires that the remaining one-third be split evenly between the State's Domestic Violence Restraining Order Reimbursement Fund (one-sixth) and the State's Domestic Violence Training and Education Fund (one-sixth).

Recommendation

We recommend that the court:

- Ensure that the domestic violence fee (PC section 1203.097) is consistently imposed and revenues are distributed in accordance with statutory requirements; and
- Periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

We agree with this finding and are in the process of implementing the recommendation.

Finding 6—Incorrect Distribution of Revenues from Red-Light Violations

During our testing of red-light violations, we found that the county's probation department had not properly distributed the related revenues. The error occurred because the county's probation department misinterpreted the *Distribution Guidelines* and incorrectly configured its CMS.

We verified, on a sample basis, distributions made by the county's probation department using its CMS. For the sample case, we recomputed the distributions and compared them to the actual distributions. For the one case tested, we found that the department failed to distribute 30 percent of the following revenues collected to the red-light allocation (PC section 1463.11):

- County base fines (PC section 1463.001);
- City base fines (PC section 1463.002);
- The State Penalty Fund (PC section 1464);
- The county's Courthouse Construction Fund (GC section 76100);
- The county's Criminal Justice Facilities Construction Fund (GC section 76101);
- The county's Emergency Medical Services (EMS) Fund (GC section 76104);
- The State's Emergency Medical Air Transportation (EMAT) and Children's Coverage Fund (GC section 76000.10[c]);
- The State's Court Facilities Construction Fund – Immediate and Critical Needs Account (GC section 70372[a]); and
- The State's Court Facilities Construction Fund (GC section 70372[a]).

Additionally, the department did not collect sufficient funds for the county's EMS Fund (GC section 76104) and the State's Court Facilities Construction Fund (GC section 70372[a]).

After analyzing the distribution errors, we determined that the distribution errors are immaterial due to the low number of affected cases during the audit period.

PC section 1463.11 requires the first 30 percent of red-light violation base fines, state penalties, and county penalties (PC sections 1463 and 1464, and GC section 76100, respectively) collected to be distributed to the general fund of the county or city in which the violation occurred. The State's EMAT and Children's Coverage Fund penalty is referenced in this statute as part of the State's penalty portion within PC section 1464.

GC section 70372 (a) (1) requires that a state court construction penalty be levied, in the amount of \$5 for every \$10, or part of \$10, upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses, including, but not limited to, all offenses involving a violation of a section of the Fish and Game Code, the Health and Safety Code, or the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code.

Recommendation

We recommend that the county's probation department:

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

County's Response

We agree with this finding and have implemented the recommendation.

Finding 7—Incorrect Distribution of Revenues from Red-Light Violations with Traffic Violator School

During testing of the county’s probation department cases, we found that the county’s probation department incorrectly distributed revenues from red-light with TVS cases. The errors occurred because the county’s probation department misinterpreted the *Distribution Guidelines* and incorrectly configured its CMS.

We verified, on a sample basis, distributions made by the probation department using its CMS. For the sample case, we recomputed the distributions and compared them to the actual distributions.

In both of the red-light with TVS cases tested, we found that the county’s probation department:

- Failed to distribute to the 30 percent of the following revenues collected to the red-light allocation (VC section 42007.3):
 - County base fines (VC section 42007);
 - City base fines (VC section 42007[c]);
 - The State Penalty Fund (PC section 1464);
 - The State’s DNA Identification Fund (GC section 76104.6);
 - The county DNA Identification Fund (GC section 76104.6);
 - The State’s DNA Identification Fund (GC section 76104.7);
 - The county’s Courthouse Construction Fund (GC section 76100);
 - The county’s Criminal Justice Facilities Construction Fund (GC section 76101);

- The county's EMS Fund (GC section 76104);
 - The county's Automated Fingerprint Identification and Digital Image Photographic Suspect Booking Identification System Fund (GC section 76102);
 - The State's EMAT and Children's Coverage Fund (GC section 76000.10[c]);
 - The State's Court Facilities Construction Fund – Immediate and Critical Needs Account (GC section 70372[a]); and
 - The State's Court Facilities Construction Fund (GC section 70372[a]).
- Did not distribute the city base fines (VC section 42007[c]) between the county base fine (VC section 42007) and city base fine (VC section 42007[c]) accounts.

After analyzing the distribution errors, we determined that the distribution errors are immaterial due to the low number of affected cases.

VC section 42007.3 requires that the first 30 percent of red-light violation base fines, state penalties, and county penalties (PC sections 1463 and 1464, and GC section 76100, respectively) collected to be distributed to the general fund of the county or city in which the violation occurred. The State's EMAT and Children's Coverage Fund penalty is referenced in this statute as part of the State's penalty portion. The balance of the amount collected shall be deposited by the county treasurer under section 42007.

VC section 42007(c) requires that for fees resulting from city arrests, an amount equal to the amount of base fines that would have been deposited in the treasury of the appropriate city pursuant to PC section 1463.001(b)(3) shall be deposited in the treasury of the appropriate city.

Recommendation

We recommend that the county's probation department:

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

County's Response

We agree with this finding and have implemented the recommendation.

APPENDIX—SUMMARY OF PRIOR AUDIT FINDINGS

The following table shows the implementation status of San Mateo County's corrective actions related to the findings contained in our prior audit report dated June 9, 2020.

Prior Audit Finding	Status
Finding 1— Underremitted 50 Percent Excess of Qualified Revenues (Repeat Finding)	Not implemented; see Finding 1
Finding 2— Underremitted TVS Fees	Fully implemented
Finding 3— Underremitted State DNA Penalties	Fully implemented
Finding 4— Incorrect Calculation of 50 Percent Excess of Qualified Revenues (Repeat Finding)	Not implemented; see Finding 1
Finding 5— Incorrect Distribution of Base Fines on DUI Cases	Fully implemented
Finding 6— Incorrect Distribution of Red-light TVS Violations	Fully implemented
Finding 7— Incorrect Distribution of Fines in TVS Cases Involving Speeding	Fully implemented

Prior Audit Finding	Status
Finding 8— Incorrect Remittance of Parking Penalties	Fully implemented

ATTACHMENT A—SAN MATEO COUNTY’S RESPONSE TO AUDIT FINDINGS



Juan Raigoza
Controller
Kristie Silva
Assistant Controller
Kim-Anh Le
Deputy Controller
Patrick Enriquez
Dept Director of Automation
County Government Center
555 County Center, 4th Floor
Redwood City, CA 94063
650-363-4777
<https://smcgov.org/controller>

December 16, 2025

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

RE: Court Revenue Audit of County of San Mateo
For the period July 1, 2019 through June 30, 2023

Dear Ms. Kurokawa,

The County of San Mateo (County) has reviewed the State Controller's Office (SCO) audit findings in the Court Revenue Audit for the period July 1, 2019 to June 30, 2023. The County agrees with the report and provides responses below to the SCO's audit findings and recommendations.

Responses to Findings 3 – 5 will be provided separately by the Superior Court of San Mateo County (Court). The County concurs with the Court's responses and will assist as needed.

Finding 1– Incorrect calculation of 50 percent excess of qualified revenues (County)

Response: We agree with this finding and have implemented the recommendation.

Finding 2– Incorrect distribution of revenues from domestic violence violations (Probation)

Response: We agree with this finding and have implemented the recommendation.

Finding 3– Incorrect distribution of revenues from bail bond forfeitures (Court)

Response: Please see the attached response provided separately by the Court.

Finding 4– Incorrect distribution of revenues from red-light violations (Court)

Response: Please see the attached response provided separately by the Court.

Finding 5– Incorrect distribution of revenues from domestic violence violations (Court)

Response: Please see the attached response provided separately by the Court.

Finding 6– Incorrect distribution of revenues from red-light violations (Probation)

Response: We agree with this finding and have implemented the recommendation.

Finding 7– Incorrect distribution of revenues from red-light violations with TVS (Probation)

Response: We agree with this finding and have implemented the recommendation.

The County would like to thank the State Controller's Office – Division of Audits for their expertise and assistance during this audit.

Sincerely,



Kristie Silva, Asst. Controller

for

Juan Raigoza
Controller

Cc: Steven Chang, Director of Finance, Court
Hong Liu, Deputy Director, Probation
Michael Bolander, Principal Management Analyst, CEO

ATTACHMENT B—SUPERIOR COURT OF CALIFORNIA, SAN MATEO COUNTY'S RESPONSE TO AUDIT FINDINGS



SAN MATEO COUNTY SUPERIOR COURT
400 County Center
Redwood City, CA 94063

CHAD L. PEACE
COURT EXECUTIVE OFFICER
CLERK & JURY COMMISSIONER

(650) 261-5016
cpeace@sanmateocourt.org

December 12, 2025

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

RE: Court Revenue Audit of Superior Court of California, County of San Mateo (period: 7/1/19-6/30/23)

Dear Ms. Kurokawa,

The Superior Court of California, County of San Mateo (Court) has reviewed the State Controller's Office (SCO) audit findings in the Court Revenue Audit for the period July 1, 2019 to June 30, 2023. The Court agrees with the report and provides responses below to the SCO's audit findings and recommendations.

Responses to Findings 1, 2, 6, and 7 will be provided separately by the County of San Mateo. The Court concurs with the County's responses and will assist if and as needed.

Finding 3 – Incorrect distribution of revenues from bail bond forfeitures (Court)

Response: We agree with this finding and have implemented the recommendation or are in the process of implementing the recommendations by January 15, 2026.

Finding 4 – Incorrect distribution of revenues from red-light violations (Court)

Response: We agree with this finding and have implemented the recommendation.

Finding 5 – Incorrect distribution of revenues from domestic violence violations (Court)

Response: We agree with this finding and are in the process of implementing the recommendation.

The Court appreciates the SCO's Division of Audits for bringing the various findings to the Court's attention.

Sincerely,



Chad L. Peace
Court Executive Officer

Cc: Juan Raigoza, Controller, County of San Mateo