

BUTTE COUNTY

Audit Report

COURT REVENUES

July 1, 2017, through June 30, 2021



BETTY T. YEE
California State Controller

June 2022



BETTY T. YEE
California State Controller

June 28, 2022

Graciela Gutierrez, Auditor-Controller
Butte County
25 County Center Drive, Suite 120
Oroville, CA 95965

Sharif Elmallah, Court Executive Officer
Superior Court of California, Butte County
1 Court Street
Oroville, CA 95965

Dear Ms. Gutierrez and Mr. Elmallah:

The State Controller's Office (SCO) audited the propriety of the court revenues remitted by Butte County to the State Treasurer for the period of July 1, 2017, through June 30, 2021.

Our audit found that the county underremitted \$145,270 in court revenues to the State Treasurer because it underremitted the State Trial Court Improvement and Modernization Fund (Government Code section 77205) by \$86,664 and the State Court Facilities Construction Fund (GC section 70372[a]) by \$58,606.

We also found that the court made incorrect distributions related to fish and game, health and safety, proof of financial responsibility, domestic violence, speeding, red-light, speeding traffic violator school, and red-light traffic violator school violations.

The county should remit \$145,270 to the State Treasurer via the Report to State Controller of Remittance to State Treasurer (TC-31), and include the Schedule of this audit report. On the TC-31, the county should specify the account name identified on the Schedule of this audit report and state that the amounts are related to the SCO audit period of July 1, 2017, through June 30, 2021.

The county should not combine audit finding remittances with current revenues on the TC-31. A separate TC-31 should be submitted for the underremitted amounts for the audit period. For your convenience, the TC-31 and directions for submission to the State Treasurer's Office are located at https://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html.

The underremitted amounts are due no later than 30 days after receipt of this final audit report. The SCO will add a statutory 1.5% per month penalty on the applicable delinquent amounts if payment is not received within 30 days of issuance of this final audit report.

Once the county has paid the underremitted amounts, the Tax Programs Unit will calculate interest on the underremitted amounts and bill the county in accordance with Government Code sections 68085, 70353, and 70377.

Please mail a copy of the TC-31 and documentation supporting the corresponding adjustments to the attention of the following individual:

Tax Programs Unit Supervisor
Bureau of Tax, Administration, and Government Compensation
Local Government Programs and Services Division
State Controller's Office
Post Office Box 942850
Sacramento, CA 94250

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 by 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.

Sincerely,

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

KT/ls

cc: Bill Connelly, Chair
Butte County Board of Supervisors
Grant Parks, Manager
Internal Audit Services
Judicial Council of California
Lynda Gledhill, Executive Officer
California Victim Compensation Board
Anita Lee, Senior Fiscal and Policy Analyst
Legislative Analyst's Office
Sandeep Singh, Manager
Local Government Policy Unit
State Controller's Office
Jennifer Montecinos, Manager
Tax Administration Section
State Controller's Office

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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 Butte County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2017, through June 30, 2021.

Our audit found that the county underremitted \$145,270 in court revenues to the State Treasurer because it underremitted the State Trial Court Improvement and Modernization Fund (Government Code [GC] section 77205) by \$86,664 and the State Court Facilities Construction Fund (GC section 70372[a]) by \$58,606.

We also found that the court made incorrect distributions related to fish and game, health and safety, proof of financial responsibility, domestic violence, speeding, red-light, speeding traffic violator school (TVS), and red-light TVS violations.

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 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 the court revenues remitted to the State Treasurer pursuant to the TC-31 process.

The audit period was July 1, 2017, through June 30, 2021.

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 criteria that were significant to our audit objective.
- We interviewed county personnel regarding the monthly TC-31 remittance process, the revenue distribution process, the case management system, and the MOE calculation.
- We reviewed documents supporting the transaction flow.
- We scheduled the 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 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 four 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. We contacted entities that did not remit the required parking surcharges and reviewed their required distributions.
- We performed a risk evaluation of the county and 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 46 cases for 10 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 underremittances and 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 financial statements of the county, the court, or the various agencies that issue parking citations. 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. We found that the county underremitted \$145,270 in state court revenues to the State Treasurer because it underremitted the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$86,664 and the State Court Facilities Construction Fund (GC section 70372[a]) by \$58,606.

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

In addition, we found that the court made incorrect distributions related to fish and game, health and safety, proof of financial responsibility, domestic violence, speeding, red-light, speeding TVS, and red-light TVS violations. These non-monetary instances of noncompliance are described in the Findings and Recommendations section.

The county should remit \$145,270 to the State Treasurer.

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, 2006, through June 30, 2014, issued December 16, 2016.

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.

**Views of
Responsible
Officials**

We issued a draft audit report on April 19, 2022. Graciela Gutierrez, Auditor-Controller, responded by email dated April 19, 2022, agreeing with the audit results. In addition, Sharif Elmallah, Court Executive Officer, responded by letter dated April 27, 2022, agreeing with the audit results. The court's response is included as an attachment to this audit report.

Restricted Use

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

June 28, 2022

Schedule—
Summary of Audit Findings Affecting Remittances to the State Treasurer
July 1, 2017, through June 30, 2021

Finding ¹	Fiscal Year				Total	Reference ²
	2017-18	2018-19	2019-20	2020-21		
Underremitted 50% excess of qualified revenues State Trial Court Improvement and Modernization Fund – GC §77205	\$ 3,658	\$ 32,574	\$ 31,760	\$ 18,672	\$ 86,664	Finding 1
Incorrect distribution of red-light TVS and speeding TVS violations State Court Facilities Construction Fund – GC §70372(a)	58,606	-	-	-	58,606	Finding 2
Total amount underremitted to the State Treasurer	<u>\$ 62,264</u>	<u>\$ 32,574</u>	<u>\$ 31,760</u>	<u>\$ 18,672</u>	<u>\$ 145,270</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— Underremitted the 50% excess of qualified revenues

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 underremitting the 50% excess of qualified revenues by \$86,664 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 provided by the court. We noted that the county incorrectly excluded the revenues collected for the city base fines (Vehicle Code [VC] section 42007[c]) and Emergency Medical Services Fund (GC section 76104) from its calculation of the TVS fee (VC section 42007) during the audit period.

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 understated qualified revenues by \$174,723 for the audit period.

The county understated qualified revenues because it:

- Incorrectly excluded revenues collected for the city base fines (VC section 42007[c]) from its calculation of the TVS fee (VC section 42007), resulting in an understatement of \$110,178; and
- Incorrectly excluded revenues collected for the Emergency Medical Services Fund (GC section 76104) from its calculation, resulting in an understatement of \$109,672.

In addition, as noted in Finding 2, the court did not distribute revenues from the TVS fee (VC section 42007) to the State Court Facilities Construction Fund (GC section 70372[a]). The error resulted in an overstatement of \$45,127 in qualified revenues for the TVS fee line item (VC section 42007).

The following table shows the audit adjustments to qualified revenues:

	Fiscal Year				Totals
	2017-18	2018-19	2019-20	2020-21	
Qualified revenues reported	\$ 1,320,563	\$ 1,320,450	\$ 1,215,656	\$ 2,166,039	\$ 6,022,708
Audit adjustments:					
VC section 42007(c) adjustment	23,477	33,444	38,979	14,278	110,178
GC section 76104 adjustment	28,966	31,703	25,937	23,066	109,672
VC section 42007 adjustment	(45,127)	-	-	-	(45,127)
Total	7,316	65,147	64,916	37,344	174,723
Adjusted qualified revenues	<u>\$ 1,327,879</u>	<u>\$ 1,385,597</u>	<u>\$ 1,280,572</u>	<u>\$ 2,203,383</u>	<u>\$ 6,197,431</u>

As a result of miscalculating the qualified revenues, the county underremitted the 50% excess of qualified revenues by \$86,664 for the audit period.

The following table shows the excess qualified revenues, and—by comparing the 50% excess amount due the State to the county’s actual remittances—the county’s underremittance 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
2017-18	\$ 1,327,879	\$ 1,217,052	\$ 110,827	\$ 55,414	\$ 51,756	\$ 3,658
2018-19	1,385,597	1,217,052	168,545	84,273	51,699	32,574
2019-20	1,280,572	1,217,052	63,520	31,760	-	31,760
2020-21	2,203,383	1,217,052	986,331	493,166	474,494	18,672
Total						<u>\$ 86,664</u>

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

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:

- Remit \$86,664 to the State Treasurer and report on the TC-31 form an increase 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.

County’s Response

The county agreed with the finding.

FINDING 2— Incorrect distribution of red-light TVS and speeding TVS violations

During our testing of FY 2017-18 red-light TVS and speeding TVS cases, we found that the court did not properly distribute revenues to the State Court Facilities Construction Fund (GC section 70372[a]). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The court corrected the errors related to speeding TVS cases in March 2018, and it corrected the error related to red-light TVS cases in May 2018.

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. During our testing, we found that the court did not distribute revenues from the TVS

fee (VC section 42007) to the State Court Facilities Construction Fund (GC section 70372[a]); instead, revenues were incorrectly distributed to the county’s general fund.

The distribution errors caused an overstatement to the TVS fee (VC section 42007), resulting in an overstatement of \$45,127 (\$58,606 × 77%) in qualified revenues for the MOE calculation.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State Court Facilities Construction Fund – GC §70372(a)	\$ 58,606
County General Fund	\$ (58,606)

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 county remit \$58,606 to the State Treasurer and report on the TC-31 an increase to the State Court Facilities Construction Fund (GC section 70372[a]).

We recommend that the court continue to monitor its case management system to ensure that the amount of the TVS fee attributed to GC section 70372 is transferred to the State Court Facilities Construction Fund in accordance with statutory requirements.

County’s Response

The county agreed with the finding.

Court’s Response

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

**FINDING 3—
Incorrect
distributions to the
State Trial Court
Improvement and
Modernization Fund**

During our testing of FY 2017-18 speeding, fish and game, health and safety, and proof of financial responsibility cases, we found that the court did not properly distribute revenues to the State Trial Court Improvement and Modernization Fund (2% Automation – GC section 68090.8). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The court corrected the errors related to regular speeding, proof of financial responsibility, and fish and game cases in December 2017; and it corrected the error related to health and safety cases in March 2018. 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. During our testing, we found that the court did not properly distribute 2% of revenues for the State Court Facilities Construction Fund (GC section 70372[a]) and the Immediate and Critical Needs Account of the State Court Facilities Construction Fund (GC section 70372[a]) to the State Trial Court Modernization and Improvement Fund (GC section 68090.8).

We performed an analysis of the State Court Facilities Construction Fund (GC section 70372[a]) 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 into the State Trial Court Improvement and Modernization Fund to be used exclusively to pay the costs of automated systems for the trial courts.

Recommendation

As noted in the finding, the court corrected the errors related to regular speeding, proof of financial responsibility, and fish and game cases in December 2017; and it corrected the error related to health and safety cases in March 2018.

We recommend that the court continue to monitor its case management system to ensure that 2% of all fines, penalties, and forfeitures is distributed to the State Trial Court Improvement and Modernization Fund (GC section 68090.8) in accordance with statutory requirements.

Court's Response

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of these distributions.

FINDING 4— Incorrect distribution of domestic violence fee

During our testing of domestic violence cases, we found that the court did not properly distribute the domestic violence fee. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its 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. During our testing, we found that the court incorrectly distributed \$335.00 to the county instead of \$333.33 as required by statute.

We performed an analysis of the Domestic Violence Training and Education Fund (Penal Code [PC] section 1203.097) 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 1203.097(a)(5) requires that two-thirds of the domestic violence fees collected be posted to the county's Domestic Violence Fund and the remaining one-third is remitted to the State Treasurer. Furthermore, the remaining one-third should be split evenly between the State Domestic Violence Restraining Order Reimbursement Fund and the State Domestic Violence Training and Education Fund.

Recommendation

We recommend that the court 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.

Court's Response

The Court agrees with the finding and has made the necessary corrections to its case management system to ensure that two-thirds of the domestic violence fee (\$333.33) is reflected as a County distribution and that the remaining one-third of the fee (\$166.67) is reflected as a State distribution per Penal Code section 1203.097(a)(5). The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

FINDING 5— Inconsistent assessment of criminal laboratory analysis fee

During our testing of health and safety violation cases, we found that the court did not consistently assess the criminal laboratory analysis fee (Health and Safety Code [HSC] section 11372.5). The error occurred because the court did not consistently order the fee.

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. During our testing, we found that the court did not consistently assess the criminal laboratory analysis fee (HSC section 11372.5). Upon further review, we found that the court did not consistently order the fee.

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

HSC section 11372.5(a) requires defendants convicted of violating specific sections regulating controlled substances to pay a \$50 criminal laboratory analysis fee for each separate offense, and requires the court to increase the total fine as necessary to include the increment.

Recommendation

We recommend that the court ensure the criminal laboratory analysis fee (HSC section 11372.5) is ordered on applicable health and safety violation cases.

Court's Response

The Court agrees with the finding and has shared this information internally to address this issue.

**FINDING 6—
Incorrect distribution
of red-light violations**

During our testing of the red-light violation cases, we found that the court did not properly distribute revenues to the Red-light Allocation Fund (PC section 1463.11) for a city case in FY 2017-18. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The court corrected the error in March 2018.

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. During testing, we found that the court did not distribute 30% of revenues from the State Court Facilities Construction Fund (GC section 70372[a]) and the Immediate and Critical Needs Account (GC section 70372[a]) to the city Red-light Allocation Fund (PC section 1463.11).

We performed an analysis of the red-light allocation fund (PC section 1463.11) 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 1463.11 requires that the first 30% of red-light violation base fines, state penalties, and county penalties (PC sections 1463 and 1464, and GC section 76000, respectively) collected be distributed to the General Fund of the county or city where the violation occurred.

Recommendation

As noted in the finding, the court corrected the error in March 2018.

We recommend that the court continue to monitor its case management system to ensure that the first 30% of red-light violation base fines, state penalties, and county penalties (PC sections 1463 and 1464, and GC section 76000) collected is distributed to the general fund of the county or city where the violation occurred, in accordance with statutory requirements.

Court's Response

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

**FINDING 7—
Incorrect distribution
to the Criminal
Justice Facilities
Construction Fund**

During our testing of FY 2017-18 speeding TVS and red-light TVS cases, we found that the court did not properly distribute revenues to the Criminal Justice Facilities Construction Fund (GC section 76101). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The court corrected the errors related to speeding TVS cases in March 2018, and it corrected the error related to red-light TVS cases in May 2018.

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. During our testing of the FY 2017-18 county speeding TVS case, we found that the court incorrectly distributed \$0.50 to the Criminal Justice Facilities Construction Fund (GC section 76101) instead of the required \$1.00. In addition, during our testing of the FY 2017-18 red-light TVS cases, we found that the court incorrectly distributed \$0.39 to the Criminal Justice Facilities Construction Fund (GC section 76101) instead of the required \$1.00.

We performed an analysis of the Criminal Justice Facilities Construction Fund (GC section 76101) 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(b)(1) requires \$1.00 to be deposited in each fund established in accordance with GC section 76100 or GC section 76101.

Recommendation

As noted in the finding, the court corrected the errors related to speeding TVS cases in March 2018, and it corrected the errors related to red-light TVS cases in May 2018.

We recommend that the court continue to monitor its case management system to ensure that \$1.00 is deposited into the Criminal Justice Facilities Construction Fund (GC section 76101) on each TVS case in accordance with statutory requirements.

Court's Response

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

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



SUPERIOR COURT OF CALIFORNIA, COUNTY OF BUTTE

April 27, 2022

STEPHEN E. BENSON, JUDGE
MICHAEL P. CANDELA, JUDGE
CORIE J. CARAWAY, JUDGE
MICHAEL R. DEEMS, JUDGE
PHILIP H. HEITHECKER, JUDGE
CLARE KEITHLEY, JUDGE
KRISTEN A. LUCENA, JUDGE
SANDRA L. MCLEAN, JUDGE
KIMBERLY MERRIFIELD, JUDGE
TAMARA L. MOSBARGER, JUDGE
JESUS A. RODRIGUEZ, JUDGE

Lisa Kurokawa
Chief, Compliance Audits Bureau
California State Controller – Division of Audits
P.O. Box 942850
Sacramento, CA 94250-5874

Re: Response to Draft Audit Report for Court Revenues

KURT W. WORLEY,
COURT COMMISSIONER

Dear Ms. Kurokawa,

VIRGINIA L. GINGERY,
COURT COMMISSIONER

On April 19, 2022, the Superior Court of California, County of Butte received the draft audit report of Court revenues for the period of July 1, 2017 through June 30, 2021. The Court is providing a response to each Court-related finding as noted below:

SHARIF ELMALLAH,
COURT EXECUTIVE OFFICER

- Finding 2: Incorrect distribution of red-light TVS and speeding TVS violations

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

JARROD ORR,
DEPUTY COURT EXECUTIVE
OFFICER

- Finding 3: Incorrect distributions to the State Trial Court Improvement and Modernization Fund

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of these distributions.

PLEASE REPLY TO:

☐ Butte County Courthouse
One Court Street
Oroville, CA 95965
Tel: (530) 532-7013
Fax: (530) 538-8867

- Finding 4: Incorrect distribution of domestic violence fee

The Court agrees with the finding and has made the necessary corrections to its case management system to ensure that two-thirds of the domestic violence fee (\$333.33) is reflected as a County distribution and that the remaining one-third of the fee (\$166.67) is reflected as a State distribution per Penal Code section 1203.097(a)(5). The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

☐ North Butte County Courthouse
1775 Concord Avenue
Chico, CA 95928
Tel: (530) 532-7013
Fax: (530) 538-8867

- Finding 5: Inconsistent assessment of criminal analysis fee

The Court agrees with the finding and has shared this information internally to address this issue.

- Finding 6: Incorrect distribution of red-light violations

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

- Finding 7 Incorrect distribution to the Criminal Justice Facilities Construction Fund

The Court agrees with the finding, and as already noted, the error was corrected expediently when discovered by the Court prior to this audit. The Court will continue to monitor its case management system through routine internal audits to ensure the accuracy of this distribution.

It was a pleasure to work with your staff that conducted the audit, and the Court appreciates the assistance in ensuring the processes audited are implemented correctly. We look forward to receiving the final audit report.

Sincerely,



Sharif Elmallah
Court Executive Officer

SE/jo

cc: Graciela Gutierrez, Butte County Auditor-Controller

**State Controller's Office
Division of Audits
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