

# **AMADOR COUNTY**

Audit Report

## **COURT REVENUES**

*July 1, 2014, through June 30, 2018*



**BETTY T. YEE**  
California State Controller

August 2021



**BETTY T. YEE**  
**California State Controller**

August 24, 2021

The Honorable Tacy Oneto Rouen,  
Auditor-Controller  
Amador County  
810 Court Street  
Jackson, CA 95642

Dawn Harmon, Court Executive Officer  
Superior Court of California,  
Amador County  
500 Argonaut Lane  
Jackson, CA 95642

Dear Ms. Rouen and Ms. Harmon:

The State Controller's Office (SCO) audited the propriety of court revenues remitted by Amador County to the State Treasurer for the period of July 1, 2014, through June 30, 2018.

Our audit found that the county underremitted a net of \$63,795 in state court revenues to the State Treasurer because it:

- Underremitted the State Trial Court Improvement and Modernization Fund (Government Code [GC] section 77205) by \$56,372;
- Underremitted the State Penalty Fund (Penal Code [PC] section 1464) by \$23,630;
- Underremitted the State DNA Identification Fund (GC section 76104.6) by \$772;
- Underremitted the State DNA Identification Fund (GC section 76104.7) by \$77,558;
- Underremitted the State Court Facilities Construction Fund—Immediate and Critical Needs Account (GC section 70372[a]) by \$9,470;
- Overremitted the State Court Facilities Construction Fund (GC section 70372[a]) by \$76,899;
- Overremitted the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) by \$27,208;
- Underremitted the State Restitution Fund (PC section 1463.18—Indemnification of Victims, Driving Under the Influence) by \$7,115;
- Overremitted the State Restitution Fund (PC section 1202.4[b]—Adult Restitution Required Fine) by \$7,115; and
- Underremitted the State Trial Court Improvement and Modernization Fund (GC section 68090.8) by \$100.

Our audit also found that the county incorrectly calculated its 50% excess of qualified revenues and bail bond forfeiture distribution.

The Honorable Tacy Oneto Rouen,  
Auditor-Controller  
Dawn Harmon, Court Executive Officer

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August 24, 2021

In addition, we found that the court made incorrect distributions related to driving under the influence, red-light violations, red-light traffic violator school, speeding violations, speeding traffic violator school, proof of financial responsibility, fish and game violations, and health and safety violations.

The county should remit \$63,795 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, 2014, through June 30, 2018.

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](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 one-and-a-half percent (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 Accounting Unit Supervisor  
Local Government Programs and Services Division  
Bureau of Tax, Administration, and Government Compensation  
State Controller's Office  
Post Office Box 942850  
Sacramento, CA 94250

The Honorable Tacy Oneto Rouen,  
Auditor-Controller  
Dawn Harmon, Court Executive Officer

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If you have 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/ac

cc: The Honorable Frank Axe, Chairman  
Amador County Board of Supervisors  
Lynda Gledhill, Executive Officer  
California Victim Compensation Board  
Grant Parks, Manager  
Internal Audit Services  
Judicial Council of California  
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 Amador County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2014, through June 30, 2018.

Our audit found that the county underremitted a net of \$63,795 in state court revenues to the State Treasurer.

Our audit also found that the county incorrectly calculated its 50% excess of qualified revenues and bail bond forfeiture distribution.

In addition, we found that the court made incorrect distributions related to driving under the influence (DUI), red-light violations, red-light traffic violator school (TVS), speeding, speeding TVS, proof of financial responsibility, fish and game violations, and health and safety 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 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.

## Audit Authority

We conducted this audit under the authority of GC section 68103, which requires the SCO to review the 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 to the State Treasurer pursuant to the TC-31 process.

The audit period was July 1, 2014, through June 30, 2018.

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 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 four installment payments to verify priority. No errors were identified.
- 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, haphazardly selected a non-statistical sample of 72 cases for 11 violation types.<sup>1</sup> 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

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<sup>1</sup> 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.

reasonable basis for our findings and conclusions based on our audit objective.

We did not audit the county and 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 underremitted a net of \$63,795 in state court revenues to the State Treasurer as follows:

- Underremitted the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$56,372;
- Underremitted the State Penalty Fund (Penal Code [PC] section 1464) by \$23,630;
- Underremitted the State DNA Identification Fund (GC section 76104.6) by \$772;
- Underremitted the State DNA Identification Fund (GC section 76104.7) by \$77,558;
- Underremitted the State Court Facilities Construction Fund—Immediate and Critical Needs Account (ICNA) (GC section 70372[a]) by \$9,470;
- Overremitted the State Court Facilities Construction Fund (GC section 70372[a]) by \$76,899;
- Overremitted the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) by \$27,208;
- Underremitted the State Restitution Fund (PC section 1463.18—Indemnification of Victims, Driving under the Influence) by \$7,115;
- Overremitted the State Restitution Fund (PC section 1202.4[b]—Adult Restitution Required Fine) by \$7,115; and
- Underremitted the State Trial Court Improvement and Modernization Fund (GC section 68090.8) by \$100.

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

Our audit also found that the county incorrectly calculated its 50% excess of qualified revenues and bail bond forfeiture distribution. In addition, we found that the court made incorrect distributions related to DUI, red-light violations, red-light TVS, speeding violations, speeding TVS, proof of financial responsibility, fish and game violations, and health and safety violations. These instances of noncompliance are described in the Findings and Recommendations section of this audit report.

The county should remit \$63,795 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, 2004, through June 30, 2011, issued October 31, 2012, with the exception of Finding 8 of this audit report. See the Appendix for the summary schedule of the prior audit findings.

**Views of  
Responsible  
Officials**

We issued a draft audit report on May 25, 2021. Tacy Oneto Rouen, Auditor-Controller, Amador County, responded by letter dated June 2, 2021 (Attachment A), agreeing with the audit results. In addition, Dawn Harmon, Court Executive Officer, Superior Court, Amador County, responded by letter dated June 3, 2021 (Attachment B), agreeing with the audit results.

**Restricted Use**

This audit report is solely for the information and use of Amador County; Superior Court of California, Amador County; the Judicial Council of California (JCC); and 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](http://www.sco.ca.gov).

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

August 24, 2021

## Schedule—

# Summary of Audit Findings Affecting Remittances to the State Treasurer

## July 1, 2014, through June 30, 2018

Finding <sup>1</sup>	Fiscal Year				Total	Reference <sup>2</sup>
	2014-15	2015-16	2016-17	2017-18		
Underremitted 50% Excess of Qualified Revenues State Trial Court Improvement and Modernization Fund – GC §77205	\$ 12,520	\$ 13,656	\$ 15,509	\$ 14,687	\$ 56,372	Finding 1
Underremitted State Penalties						
State Penalty Fund – PC §1464	4,758	5,386	6,626	6,860	23,630	
State DNA Identification Fund – GC §76104.6	152	180	208	232	772	
State DNA Identification Fund – GC §76104.7	20,741	19,168	17,463	20,186	77,558	
State Court Facilities Construction Fund (ICNA) – GC §70372(a)	2,068	2,311	1,984	3,107	9,470	
State Court Facilities Construction Fund – GC §70372(a)	(18,359)	(18,411)	(18,851)	(21,278)	(76,899)	
Total	9,360	8,634	7,430	9,107	34,531	Finding 2
Overremitted the Emergency Medical Air Transportation Penalty						
Emergency Medical Air Transportation and Children’s Coverage Fund – GC §76000.10(c)	(6,692)	(6,268)	(6,692)	(7,556)	(27,208)	Finding 3
Incorrect distribution of State Restitution Fund						
Indemnification of Victims; Driving Under the Influence – PC §1463.18	1,921	1,823	1,921	1,450	7,115	
Adult Restitution Required Fine – PC §1202.4(b)	(1,921)	(1,823)	(1,921)	(1,450)	(7,115)	
Total	-	-	-	-	-	Finding 4
Unremitted Cost of Automating Record Keeping for Bail Bond Forfeitures						
State Trial Court Improvement and Modernization Fund – GC §68090.8	100	-	-	-	100	Finding 5
Net amount underremitted to the State Treasurer	<u>\$ 15,288</u>	<u>\$ 16,022</u>	<u>\$ 16,247</u>	<u>\$ 16,238</u>	<u>\$ 63,795</u>	

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

<sup>2</sup>See the Findings and Recommendations section.

# Findings and Recommendations

## **FINDING 1— Underremitted 50% excess of qualified fines, fees, and penalties**

During our recalculation of the 50% excess of qualified revenues, we found that the county used incorrect qualified revenue amounts in its calculation for each fiscal year. As a result of these errors, the county underremitted the 50% excess of qualified revenues by \$56,372 for the audit period. The 50% excess of qualified revenues was incorrectly calculated because the county misinterpreted the calculation guidelines.

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 the revenues collected for the Courthouse Construction Fund (GC section 76100), the Criminal Justice Facilities Construction Fund (GC section 76101), the Maddy Emergency Medical Services Fund (GC section 76104), and city base fines (VC section 42007[c]) from its calculation of the Uniform Fee for Attending Traffic Violator School (VC section 42007) for the audit period. Additionally, the county incorrectly included the revenues for Traffic Violator School for Red Light Violations (VC section 42007.3) in its calculation of the TVS fee (VC section 42007) for FY 2017-18. Furthermore, the county incorrectly excluded the revenues for General Distribution of Base Fines (PC section 1463.001) collected for bail bond forfeitures from calculation of the 50% excess of qualified revenues.

During our testing of court cases, we found that the court did not correctly distribute state and local penalties. The incorrect distributions led to an understatement in the State Penalty Fund (PC section 1464). In addition, we found that the court did not distribute the required \$4 of the Emergency Medical Air Transportation Penalty (GC section 76000.10[c]) to the TVS fee (VC section 42007). Both of these errors caused misstatements in the county's qualified revenue calculation.

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 understated qualified revenues by \$112,740 for the audit period.

Qualified revenues were understated for the following reasons:

- The county overstated qualified revenues by \$133 for FY 2017-18 because it incorrectly included the revenues collected for Traffic Violator School for Red Light Violations (VC section 42007.3) to the calculation of the TVS fee (VC section 42007).
- The county understated qualified revenues by \$5,238 for the audit period because it incorrectly excluded the revenues collected for the Courthouse Construction Fund (GC section 76100) from its calculation of the Uniform Fee for Attending Traffic Violator School (VC section 42007).

- The county understated qualified revenues by \$5,238 for the audit period because it incorrectly excluded the revenues collected for the Criminal Justice Facilities Construction Fund (GC section 76101) from its calculation of the Uniform Fee for Attending Traffic Violator School (VC section 42007).
- The county understated qualified revenues by \$45,115 for the audit period because it incorrectly excluded the revenues collected for the Maddy Emergency Medical Services Fund (GC section 76104) from its calculation of the Uniform Fee for Attending Traffic Violator School (VC section 42007).
- The county understated qualified revenues by \$21,408 for the audit period because it incorrectly excluded the revenues collected for the city base fines (VC section 42007[c]) from its calculation of the Uniform Fee for Attending Traffic Violator School (VC section 42007).
- As noted in Finding 5, the county incorrectly excluded the revenues for General Distribution of Base Fines (PC section 1463.001) collected for bail bond forfeitures from its calculation of qualified revenues. These errors resulted in an understatement of \$4,594 ( $\$6,125 \times 75\%$ ) in qualified revenues for the base fines and forfeitures (PC section 1463.001) line item.
- As noted in Finding 2, the court did not correctly distribute state and local penalties. These errors resulted in an understatement of \$10,330 in qualified revenues for the State Penalty Fund (PC section 1464) line item;
- As noted in Finding 3, the court did not distribute the required \$4 of the Emergency Medical Air Transportation Penalty (GC section 76000.10[c]) to the TVS fee (VC section 42007). These errors resulted in an understatement of \$20,950 ( $\$27,208 \times 77\%$ ) in qualified revenues for the VC section 42007 TVS fee line item.

The following table shows the audit adjustments to the qualified revenues:

	Fiscal Year				
	2014-15	2015-16	2016-17	2017-18	Total
Qualified revenues reported	\$ 340,486	\$ 323,082	\$ 330,300	\$ 363,841	\$ 1,357,709
Audit adjustment:					
PC § 1463.001 understatement	919	-	3,675	-	4,594
PC § 1464 understatement	2,098	2,357	2,896	2,979	10,330
VC § 42007 understatement	5,153	4,826	5,153	5,818	20,950
VC § 42007 overstatement	-	-	-	(133)	(133)
GC § 76100 understatement	1,288	1,207	1,288	1,455	5,238
GC § 76101 understatement	1,288	1,207	1,288	1,455	5,238
GC § 76104 understatement	11,170	10,702	11,183	12,060	45,115
VC § 42007(c) understatement	3,123	7,012	5,534	5,739	21,408
Total	25,039	27,311	31,017	29,373	112,740
Audited revenues	\$ 365,525	\$ 350,393	\$ 361,317	\$ 393,214	\$ 1,470,449

The incorrect qualified revenues resulted in the county underremitting the 50% excess of qualified revenues by \$56,372 for the audit period.

The following table summarizes the underremittance of 50% excess of qualified revenues by fiscal year:

Fiscal Year	Qualified Revenues	Revenue Base	Excess Amount Above the Base	50% of Excess Due the State	Remitted	Underremitted <sup>1</sup>
2014-15	\$ 365,525	\$ 265,707	\$ 99,818	\$ 49,909	\$ (37,389)	\$ 12,520
2015-16	350,393	265,707	84,686	42,343	(28,687)	13,656
2016-17	361,317	265,707	95,610	47,805	(32,296)	15,509
2017-18	393,214	265,707	127,507	63,754	(49,067)	14,687
Total						<u>\$ 56,372</u>

<sup>1</sup>When remitted to the State Treasurer, this amount should be identified on the TC-31 as State Trial Court Improvement and Modernization Fund–GC §77205

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:

- Remit \$56,372 to the State Treasurer and report on the TC-31 an increase 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

The county agrees with this finding.

**FINDING 2—  
Incorrect distribution  
to state and local  
penalties**

During our distribution testing of various violation cases, we found that the court did not properly distribute revenues to state and local penalties, resulting in a net underremittance of \$34,531 to the State. These errors 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 sampled case, we recomputed the distributions and compared them to the actual distributions. During the testing, we found that the court did not properly distribute the revenues to

state and local penalties. The incorrect distribution resulted in underremittances and overremittances of the following funds:

- State Penalty Fund (PC section 1464)
- DNA Identification Fund (GC section 76104.6)
- DNA Identification Fund (GC section 76104.7)
- State Court Facilities Construction Fund (GC section 70372[a])
- State Court Facilities Construction Fund–ICNA (GC section 70372[a])
- Courthouse Construction Fund (GC section 76100)
- Criminal Justice Facilities Construction Fund (GC section 76101)
- Maddy Emergency Medical Services Fund (GC section 76104)
- Automated Fingerprint Identification Fund and Digital Image Photographic Suspect Identification Fund (GC section 76102)

We discussed these errors with the court, and performed a revenue analysis to determine the impact on the state and county funds. After performing the analysis, we determined that the distribution errors resulted in a net underremittance of \$34,531 to the State.

The *Trial Court Revenue Distribution Guidelines*, PC section 1464, State Penalty, require that a penalty of \$10 per \$10 (or fraction) upon every fine, penalty, or forfeiture imposed and collected. The penalty is assessed on criminal offenses and Vehicle Code or local ordinance violations. Parking violations are excluded.

The *Trial Court Revenue Distribution Guidelines*, GC section 76104.6, DNA Identification Penalty, require that an additional penalty of \$1 per \$10 (or fraction) upon every fine, penalty, or forfeiture be imposed and collected. The penalty is assessed on criminal offenses.

The *Trial Court Revenue Distribution Guidelines*, GC section 76104.7, DNA Additional Penalty, require that an additional penalty of \$4 per \$10 (or fraction) upon every fine, penalty, or forfeiture be imposed and collected. The penalty is assessed on criminal offenses and Vehicle Code or local ordinance violations.

The *Trial Court Revenue Distribution Guidelines*, GC section 70372(a), State Court Construction Penalty; Criminal Offenses, requires that an additional penalty of \$5 per \$10 (or fraction) upon every fine, penalty, or forfeiture be imposed and collected. The penalty is assessed on criminal offenses.

The *Trial Court Revenue Distribution Guidelines*, GC sections 76000(a) and 76000(e), Local Penalties; Criminal Offenses, require that an additional penalty of \$7 per \$10 (or fraction) upon every fine, penalty, or forfeiture be imposed and collected if there is no transfer of court facilities, or there is remaining bonded indebtedness after transfer. The penalty is

assessed on criminal offenses and Vehicle Code or local ordinance violations.

The incorrect distributions had the following effect:

<u>Account Title</u>	<u>Underremitted/ (Overremitted)</u>
State Penalty Fund – PC § 1464	\$ 23,630
DNA Identification Fund – GC § 76104.6	772
DNA Identification Fund – GC § 76104.7	77,558
State Court Facilities Construction Fund – ICNA – GC § 70372(a)	9,470
State Court Facilities Construction Fund – GC § 70372(a)	(76,899)
Total underremittance to the State	<u>\$ 34,531</u>
State Penalty Fund – PC § 1464	\$ 10,330
DNA Identification Fund – GC § 76104.6	2,314
Courthouse Construction Fund – GC § 76100	554
Criminal Justice Facilities Construction Fund – GC § 76101	305
Maddy Emergency Medical Services Fund – GC § 76104	(50,945)
Automated Fingerprint Identification Fund – GC § 76102	2,911
Total overremittance to the County	<u>\$ (34,531)</u>

### Recommendation

We recommend that the county remit \$34,531 to the State Treasurer and report on the TC-31:

- A \$23,630 increase to the State Penalty Fund (PC section 1464);
- A \$772 increase to the DNA Identification Fund (GC section 76104.6);
- A \$77,558 increase to the DNA Identification Fund (GC section 76104.7);
- A \$9,470 increase to the State Court Facilities Construction Fund–ICNA (GC section 70372[a]); and
- A \$76,899 decrease to the State Court Facilities Construction Fund (GC section 70372[a]).

We also recommend that the court:

- Review the distributions for accuracy and completeness before remittance to the county;
- 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.

### County and Court’s Response

The county and the court both agree with this finding.

**FINDING 3—  
Overremitted  
Emergency Medical  
Air Transportation  
Penalty**

During our distribution testing of TVS cases, we found that the court overremitted Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]) revenues by \$27,208 for the audit period. Revenues were overremitted 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 testing, we found that the court did not distribute the required \$4 of the Emergency Medical Air Transportation Penalty (GC section 76000.10[c]) to the TVS fee (VC section 42007).

The distribution errors caused an underremittance of \$27,208 to the County General Fund (VC section 42007) and an overremittance of \$27,208 to the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]). Furthermore, the errors caused an understatement of \$20,950 ( $\$27,208 \times 77\%$ ) in the qualified revenues used for the county’s 50% excess of qualified revenues calculation.

The *Trial Court Revenue Distribution Guidelines*, VC section 42007, Uniform Fee for Attending Traffic School, requires that the TVS fee equal the total amount of bail, which includes the base fine, the State Penalty, the Local Penalties, the DNA Identification Penalty, the Additional DNA Penalty, the Additional Emergency Medical Services Penalty, the State Court Construction Penalty, and the Emergency Medical Air Transportation Penalty.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
Emergency Medical Air Transportation and Children’s Coverage Fund – GC §76000.10 (c)	\$ (27,208)
Country General Fund – VC §42007	\$ 27,208

Recommendation

We recommend that the county offset subsequent remittances to the State Treasurer by \$27,208 and report on the TC-31 decreases of \$27,208 to the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]).

We also recommend that the court:

- Correct its case management system to ensure that the TVS fees (VC section 42007) are distributed in accordance with statutory requirements;
- Review the distributions for accuracy and completeness before remittance to the county; and
- Periodically verify the accuracy of its distributions using the JCC’s distribution worksheets.



County and Court’s Response

The county and the court both agree with this finding.

**FINDING 4—  
Incorrect distribution  
of revenues to the  
State Restitution  
Fund**

During our distribution testing of DUI cases, we found that the court incorrectly distributed the revenues to State Restitution Fund. The distribution errors caused an underremittance of \$7,115 to the State Restitution Fund–PC section 1463.18 and an overremittance of \$7,115 to the State Restitution Fund–PC section 1202.4[b]. 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 the testing, we found that the court incorrectly distributed the first \$20 of any amount collected for DUI convictions (PC section 1463.18–Indemnification of Victims) to the Adult Restitution Required Fine (PC section 1202.4[b]).

The *Trial Court Revenue Distribution Guidelines*, PC section 1463.18, Indemnification of Victims, requires that the first \$20 of any amount collected for a conviction be distributed to State Restitution Fund for indemnification of victims of violent crimes, with priority given to victims of alcohol-related traffic accidents.

The incorrect distributions had the following effect:

<u>Account Title</u>	<u>Underremitted/ (Overremitted)</u>
State Restitution Fund – PC § 1463.18	\$ 7,115
State Restitution Fund – PC § 1202.4(b)	\$ (7,115)

Recommendation

We recommend that the county report on the TC-31 form an increase of \$7,115 to the State Restitution Fund–PC section 1463.18 and a decrease of \$7,115 to the State Restitution Fund–PC section 1202.4(b).

We also recommend that the court:

- Monitor its case management system to ensure that the first \$20 of any amount collected for a DUI conviction is distributed to the State Restitution Fund (PC section 1463.18–Indemnification of Victims, Driving Under the Influence) in accordance with statutory requirements;
- Review the distributions for accuracy and completeness before remittance to the county; and

- Periodically verify the accuracy of its distributions using the JCC’s distribution worksheets.

County and Court’s Response

The county and the court both agree with this finding.

**FINDING 5—  
Incorrect distribution  
of revenues from bail  
bond forfeitures**

During our testing of bail bond forfeiture cases, we found that the county underremitted the State Trial Court Improvement and Modernization Fund by \$100 for the audit period. Revenues were underremitted because the county misinterpreted the calculation guidelines.

We verified the distributions that were manually computed by the county. We recomputed the distributions and found an instance in which the county did not distribute the required revenues to the Cost of Automated Administrative Systems for Criminal Cases (GC section 68090.8).

Furthermore, we found that the county incorrectly excluded bail bond forfeiture revenues collected for the General Distribution of Base Fines (PC section 1463.001) from the calculation of qualified revenues. These errors resulted in an understatement of \$4,594 (\$6,125 × 75%) in qualified revenues for the base fines and forfeitures (PC section 1463.001) line item.

The *Trial Court Revenue Distribution Guidelines*, GC section 68090.8, Cost of Automating Record Keeping for Criminal Cases, requires that, prior to making any other required distribution, the 2% of all fines, penalties, and forfeitures collected in criminal cases be remitted to the State Trial Court Improvement and Modernization Fund to pay the costs of automating trial court record keeping systems for criminal cases, including traffic cases.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State Trial Court Improvement and Modernization Fund – GC §68090.8	\$ 100
County General Fund – PC §1463.001	\$ (25)
Sutter Creek General Fund – PC §1463.002	(75)
Total overremitted	<u>\$ (100)</u>

### Recommendation

We recommend that the county:

- Remit \$100 to the State Treasurer and report on the TC-31 an increase to the State Trial Court Improvement and Modernization Fund (GC section 68090.8).
- Ensure that revenues for the Cost of Automated Administrative Systems for Criminal Cases (GC section 68090.8) are distributed in accordance with statutory requirements.

### County's Response

The county agrees with this finding.

### **FINDING 6— Failure to assess criminal laboratory analysis and drug program fees as base fine enhancements**

During our testing of cases related to the Health and Safety Code, we found that the court did not assess the criminal laboratory analysis fee (Health and Safety Code [HSC] section 11372.5) or the drug program fee (HSC section 11372.7) as base fine enhancements. The error occurred because the court misinterpreted 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 testing, we found that the court did not add the criminal laboratory analysis fee (HSC section 11372.5) or the drug program fee (HSC section 11372.7) to the base fine. HSC sections 11372.5 and 11372.7 both require that the court increase the total fine necessary to include these fees.

The total base fine is 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 distributions to the Cost of Automated Administrative Systems for Criminal Cases (GC section 68090.8). As a result of understated base fines, these penalties and fee were understated.

We performed an analysis of the Health and Safety Code-related revenues to determine the fiscal effect of these 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.

The *Trial Court Revenue Distribution Guidelines*, HSC section 11372.5 and HSC section 11372.7, Criminal Laboratory Analysis Fee and Drug Program Fee, require that the criminal laboratory analysis fee and the drug program fee be considered base fines subject to State Penalty (PC section 1464), Local Penalties (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 distributions to the Cost of Automated Administrative Systems for Criminal Cases (GC section 68090.8).

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 as base fine enhancements;
- Review the distributions for accuracy and completeness before remittance to the county;
- 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 agrees with this finding.

**FINDING 7—  
Incorrect distribution  
of revenues from fish  
and game violations**

During our testing of cases related to the Fish and Game Code, we found that the court did not properly distribute revenues to the Cost of Automated Administrative Systems for Criminal Cases (GC section 68090.8). This 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 testing, we found that the court failed to distribute the 2% of the \$15 additional penalty required by Fish and Game Code (FGC) section 12021 to the Cost of Automated Administrative Systems for Criminal Cases (GC section 68090.8). As a result, the State Trial Court Improvement and Modernization Fund was underremitted.

These incorrect distributions were unique to violations of Fish and Game Code; therefore, we performed an analysis of the \$15 additional penalty for Fish and Game Code violations (FGC section 12021) to determine the fiscal effect of these 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.

We also found that the court incorrectly distributed fish and game revenues to other state and local penalties. These incorrect distributions cumulatively resulted in underremittances and overremittances to multiple funds, and are discussed in detail in Finding 2.

The *Trial Court Distribution Guidelines*, GC section 68090.8, Cost of Automating Record Keeping for Criminal Cases, requires that, prior to making any other required distribution, the 2% of all fines, penalties, and forfeitures collected in criminal cases be remitted to the State Trial Court Improvement and Modernization Fund to pay the costs of automating trial court record keeping systems for criminal cases, including traffic cases.

Recommendation

We recommend that the court:

- Ensure that 2% of the \$15 additional penalty for violations of the Fish and Game Code is transmitted to the State Trial Court Improvement and Modernization Fund;
- Review the distributions for accuracy and completeness before remittance to the county;
- 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 agrees with this finding.

**FINDING 8—  
Incorrect distribution  
of revenues from red  
light violations  
(Repeat Finding)**

During our testing of red-light cases, we found that the court did not properly distribute revenues to the 30% red-light allocation (PC section 1463.11), base fines (PC section 1463.001), State Surcharge (PC section 1465.7), and state and local penalties. This 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 testing, we found that the court failed to correctly distribute revenues to the 30% red-light allocation (PC section 1463.11) and base fines (PC section 1463.001). These incorrect distributions caused an understatement to the County General Fund.

Additionally, the incorrect distribution of base fines (PC section 1463.001) caused an understatement in the qualified revenues used in the county's 50% excess of qualified revenues calculation. We also found that the court did not distribute revenues to the State Surcharge (PC section 1465.7), which resulted in an understatement to the State General Fund. These incorrect distributions were specific to red-light cases; therefore, we performed an analysis of revenues from red-light violations to determine the fiscal effect of these 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.

We also found that the court incorrectly distributed revenues from red-light violations to other state and local penalties. These incorrect distributions cumulatively resulted in underremittances and overremittances to multiple funds, and are discussed in detail in Finding 2.

The *Trial Court Revenue Distribution Guidelines*, PC section 1463.11, Red Light Violations, requires that the 30% of red-light violation base fines (PC section 1463.001), State Penalty (PC section 1464), and county penalties (GC section 76000) collected be allocated to the general fund of the city or county in which the offense occurred.

The *Trial Court Revenue Distribution Guidelines*, PC section 1465.7, State Surcharge, requires that a state surcharge of 20% be levied on all base fines.

As discussed in Finding 4 of our prior audit report dated October 31, 2012, the court incorrectly distributed revenues to the 30% red-light allocation (PC section 1463.11), base fines (PC section 1463.001) and the State Court Facilities Construction Fund (GC section 70372[a]). This is a repeat finding because court did not correct the distribution error noted in our prior report.

#### Recommendation

We recommend that the court:

- Review the distributions for accuracy and completeness before remittance to the county;
- 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 agrees with this finding.

## Appendix— Summary Schedule of Prior Audit Findings

The following table shows the implementation status of Amador County's corrective actions related to the findings contained in the county's prior audit report dated October 31, 2012.

Prior Audit Finding No.	Finding Title	Status
1	Underremitted 50% excess of qualified fines, fees, and penalties	Fully implemented
2	Inappropriate distribution of TVS bail	Fully implemented
3	Inappropriate distribution of domestic violence fees	Fully implemented
4	Inappropriate distribution of red-light non-TVS cases	Not implemented; see current Finding 8
5	Inappropriate distribution of controlled substance revenue	Fully implemented
6	Failure to implement distribution priority	Fully implemented

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

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OFFICE OF  
**AUDITOR – CONTROLLER**

TACY ONETO ROUEN, Auditor-Controller

County Administration Center  
810 Court Street · Jackson, CA 95642-2132

Telephone: (209) 223-6363

Fax: (209) 223-6721

June 2, 2021

Ms. Lisa Kurokawa  
Chief, Compliance Audits Bureau  
State Controller's Office  
Division of Audits  
P.O. Box 942850  
Sacramento, CA 94250  
Sent Via email: [lkurokawa@scs.ca.gov](mailto:lkurokawa@scs.ca.gov)

RE: County's Response to Amador County Court Revenues Audit Report for the period *July 1, 2014 through June 30, 2018*

Dear Ms. Kurokawa,

Thank you for giving us the opportunity to respond to your Draft Report on the results of your audit to determine the propriety of court revenues remitted to the State Treasurer pursuant to the TC-31 process. We appreciate the information and insight that Ms. Ratikorn Chardo and Mr. Ken Howell gave to us during the audit process and during subsequent communications regarding the audit process and their Findings. I agree with and accept the Finding and Recommendation for Items one through eight of the State Controller's audited Amador County Court Revenues for the period July 1, 2014 through June 30, 2018. Further, I will implement all Recommendations made to the County by the State Controller's Office in their Report.

Again, we appreciate the opportunity to respond to your Draft Report, and thank you for your time and consideration in the matter.

Sincerely,

A handwritten signature in blue ink that reads "Tacy Oneto Rouen".

Tacy Oneto Rouen  
Auditor-Controller  
Phone: (209) 223-6363  
Email: [trouen@amadorgov.org](mailto:trouen@amadorgov.org)

Cc: Dawn Harmon, Court Executive Officer

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

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Superior Court of the State of California  
County of Amador

600 Argonaut Lane • Jackson, California 95642 • (209) 257-2686

June 3, 2021

Lisa Kurokawa, Chief  
Compliance Audits Bureau  
California State Controller's Office  
Division of Audits  
P.O. Box 942850  
Sacramento, CA 94250  
Sent Via email: [lkurokawa@sco.ca.gov](mailto:lkurokawa@sco.ca.gov)

RE: Court's Response to Amador County Audit Report Court Revenues

Dear Ms. Kurokawa,

Thank you for the opportunity to respond to the findings in the Draft of the Amador County Audit Report Court Revenues July 1, 2014 through June 30, 2018. The Court is in agreement with the audit findings.

We are in the process of migrating to a new case management system that many other California courts are currently using and/or migrating to. The fines and fees will be updated by the case management vendor as part of our maintenance agreement; therefore, we do not anticipate issues once we are operating on the new system.

Our current system is only used by one other Court in California so it has been the responsibility of Court staff to update the fines and fees. Unfortunately, due to turnover in the past several years, some of the fines and fees are incorrect in the system. At this time, we do not have staff with the expertise to make the necessary corrections. Judicial Council will be providing a Project Manager and other staff to assist in the migration to the new system. We will ask for their guidance as it relates to our current system and the findings of this audit.

We appreciate the expertise and professionalism of Ms. Ratikorn Chando and Mr. Kenneth Howell in the performance of this audit.

Respectfully,

A handwritten signature in blue ink that reads "Dawn Harmon".

Dawn Harmon  
Court Executive Officer

cc: Tacy Oneto Rouen, Amador County Auditor-Controller

J. S. Hermanson, Judge • Renée C. Day, Judge  
Dawn Harmon, Court Executive Officer

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250**

**<http://www.sco.ca.gov>**