

SHASTA COUNTY

Audit Report

COURT REVENUES

July 1, 2016, through June 30, 2020



MALIA M. COHEN
California State Controller

October 2023



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

October 24, 2023

Dear County, Court, and City Representatives:

The State Controller's Office audited Shasta County's court revenues for the period of July 1, 2016, through June 30, 2020.

Our audit found that \$70,405 in state court revenues was underremitted to the State Treasurer.

We found that the county underremitted \$63,391 in state court revenues because it:

- Underremitted to the State Trial Court Improvement and Modernization Fund (Government Code [GC] section 77205) by \$46,988;
- Underremitted to the State Penalty Fund (Penal Code [PC] section 1464) by \$5,952;
- Underremitted to the State's DNA Identification Fund (GC section 76104.6) by \$253;
- Underremitted to the State's DNA Identification Fund (GC section 76104.7) by \$3,418;
- Underremitted to the State Court Facilities Construction Fund (GC section 70372[a]) by \$4,169;
- Underremitted to the State's General Fund (PC section 1465.7) by \$1,698;
- Underremitted to the State Transportation Fund (PC section 1463.22[b]) by \$58;
- Underremitted to the State's General Fund (PC section 1463.22[c]) by \$242; and
- Underremitted to the State Trial Court Improvement and Modernization Fund (GC section 68090.8) by \$613.

The county made a payment of \$63,391 in February 2023.

In addition, we found that the City of Anderson underremitted \$117 in parking surcharges to the State Treasurer via Shasta County. Subsequently, on August 2, 2022, the county received a remittance of \$117 from the City of Anderson. On August 3, 2022, the county remitted \$117 to the State Treasurer via the Report to State Controller of Remittance to State Treasurer (TC-31).

We also found that the City of Redding underremitted \$6,897 in parking surcharges to the State Treasurer via Shasta County. Subsequently, on January 31, 2023, the county received a remittance of \$6,897 from the City of Redding. On February 8, 2023, the county remitted \$6,897 to the State Treasurer via the TC-31.

County, Court, and City Representatives

October 24, 2023

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In addition, we found that the court made incorrect distributions related to DUI violations, speeding violations with traffic violator school, red-light violations with traffic violator school, health and safety violations, and fish and game violations.

The Tax Programs Unit will calculate interest on the underremitted amounts and bill the county in accordance with GC sections 68085, 70353, and 70377.

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

The court disputes certain facts related to the conclusions and recommendations contained in this audit report. The State Controller's Office has an informal audit review process for resolving disputes. To request a review, the court should submit a written request for a review, along with supporting documents and information pertinent to the disputed issues, within 60 days of receiving this final audit report. The review request should be submitted to Harpreet Nakhwal, Acting Chief Counsel, State Controller's Office, Post Office Box 942850, Sacramento, California 94250. In addition, please provide a copy of the request letter to Lisa Kurokawa, Chief, Compliance Audits Bureau, State Controller's Office, Division of Audits, Post Office Box 942850, Sacramento, California 94250.

If you have questions regarding the audit findings, please contact Ms. Kurokawa 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

Attachment—Recipient Addresses

County, Court, and City Representatives

October 24, 2023

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cc: Patrick Henry Jones, Chair

Shasta County Board of Supervisors

Matt Espenshade, Manager

Internal Audit Services

Judicial Council of California

Julie Nauman, 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 Programs Unit

State Controller's Office

Harpreet Nakhwal, Acting Chief Counsel

State Controller's Office

Recipient Addresses

Nolda Short, Auditor-Controller
Shasta County
1450 Court Street, Suite 238
Redding, CA 96001

Melissa Fowler-Bradley, Court Executive
Officer
Superior Court of California, Shasta County
1500 Court Street, Room 205
Redding, CA 96001

Liz Cottrell, Finance Director
City of Anderson
1887 Howard Street
Anderson, CA 96007

Greg Robinett, Finance Officer
City of Redding
777 Cypress Avenue, Third Floor
Redding, CA 96001

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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 Shasta County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2016, through June 30, 2020.

Our audit found that \$70,405 in state court revenues was underremitted to the State Treasurer. Specifically, we found that the county underremitted \$63,391 in state court revenues. In addition, we found that the City of Redding underremitted \$6,897 in parking surcharges and the City of Anderson underremitted \$117 in parking surcharges to the State Treasurer via the county.

We also found that the court made incorrect distributions related to DUI violations, speeding traffic violator school, red-light traffic violator school, health and safety violations, and fish and game 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.

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, 2016, through June 30, 2020.

To achieve our objective, we performed the following procedures.

General

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

Cash Collections

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

Distribution Testing

- We assessed the priority of installment payments by haphazardly selecting a non-statistical sample of four installment payments to verify priority. No errors were noted.
- 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 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, haphazardly selected a non-statistical sample of 40 cases for 10 violation types. We were not able to identify the case population due to the inconsistent timing of when tickets were issued versus when they were paid, and the multitude of entities that remit collections to the county for remittance to the State. We tested the sample as follows:
 - We recomputed the sample case distributions and compared them to the actual distributions.
 - We calculated the total dollar amount of significant underremittances and overremittances to the State and 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. Specifically, we found that a total of \$70,405 in state court revenues was underremitted to the State Treasurer as follows:

- Underremitted to the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$46,988;
- Underremitted to the State Penalty Fund (Penal Code [PC] section 1464) by \$5,952;
- Underremitted to the State's DNA Identification Fund (GC section 76104.6) by \$253;
- Underremitted to the State's DNA Identification Fund (GC section 76104.7) by \$3,418;
- Underremitted to the State Court Facilities Construction Fund (GC section 70372[a]) by \$4,169;

- Underremitted to the State's General Fund (PC section 1465.7) by \$1,698;
- Underremitted to the State Transportation Fund (PC section 1463.22[b]) by \$58;
- Underremitted to the State's General Fund (PC section 1463.22[c]) by \$242;
- Underremitted to the State Trial Court Improvement and Modernization Fund (GC section 68090.8) by \$613;
- Underremitted to the State Trial Court Trust Fund (GC section 76000.3) by \$6,897 in state parking surcharges from the City of Redding; and
- Underremitted to the State Trial Court Trust Fund (GC section 76000.3) by \$117 in state parking surcharges from the City of Anderson.

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

We also found that the court made incorrect distributions related to DUI violations, speeding traffic violator school, red-light traffic violator school, health and safety violations, and fish and game violations. These instances of noncompliance are nonmonetary; they are described in the Findings and Recommendations section.

After the City of Anderson and the City of Redding were notified of the underremittances identified during our audit, the cities remitted the amounts to the county and the county later remitted the amounts to the State Treasurer. Specifically, on August 2, 2022, the county received a remittance of \$117 from the City of Anderson. On August 3, 2022, the county remitted \$117 to the State Treasurer via the Report to State Controller of Remittance to State Treasurer (TC-31). Additionally, on January 31, 2023, the county received a remittance of \$6,897 from the City of Redding. On February 8, 2023, the county remitted \$6,897 to the State Treasurer via the TC-31.

The county made a payment of \$63,391 in February 2023.

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, 2013, issued December 31, 2015, with the exception of Findings 1 and 6 of this audit report.

**Views of
Responsible
Officials**

We issued a draft audit report on June 28, 2023. The county's representative responded by letter dated June 30, 2023, agreeing with the audit results. In addition, the court's representative responded by letter dated June 30, 2023, disagreeing with the audit results.

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

Restricted Use

This audit report is solely for the information and use of Shasta County; Superior Court of California, Shasta County; City of Anderson; City of Redding; 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

October 24, 2023

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

Finding ¹	Fiscal Year				Total	Reference ²
	2016-17	2017-18	2018-19	2019-20		
Underremitted 50% excess of qualified revenues						
State Trial Court Improvement and Modernization Fund – GC §77205	\$ 12,175	\$ 11,069	\$ 11,448	\$ 12,296	\$ 46,988	Finding 1
Incorrect distribution of proof of financial responsibility cases						
State Penalty Fund – PC §1464	1,911	1,519	1,369	1,153	5,952	
State DNA Identification Fund – GC §76104.6	81	65	58	49	253	
State DNA Identification Fund – GC §76104.7	1,097	872	786	663	3,418	
State Court Facilities Construction Fund – GC §70372(a)	1,340	1,062	962	805	4,169	
State General Fund (20% State Surcharge) – PC §1465.7	545	432	391	330	1,698	
State Transportation Fund – PC §1463.22(b)	19	15	14	10	58	
State General Fund – PC §1464.22(c)	78	62	55	47	242	
State Trial Court Improvement and Modernization Fund (2% Automation) – GC §68090.8	197	156	141	119	613	
Total	5,268	4,183	3,776	3,176	16,403	Finding 2
Underremitted parking surcharges						
State Trial Court Trust Fund – GC §76000.3 (City of Redding)	1,185	1,911	1,725	2,076	6,897	
State Trial Court Trust Fund – GC §76000.3 (City of Anderson)	63	21	27	6	117	
Total	1,248	1,932	1,752	2,082	7,014	Finding 3
Total amount underremitted to the State Treasurer	\$ 18,691	\$ 17,184	\$ 16,976	\$ 17,554	\$ 70,405	

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
(repeat finding)**

During our recalculation of the 50% excess of qualified revenues, we found that the county had used incorrect qualified revenue amounts in its calculation for each fiscal year. These errors resulted in the county underremitting the 50% excess of qualified revenues by \$46,988 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 calculations and reconciled the qualified revenues to revenue collection reports provided by the court. We noted that the county had incorrectly excluded the revenues collected for the city base fines (Vehicle Code [VC] section 42007[c]) from its calculation of the traffic violator school (TVS) fee (VC section 42007) during the audit period. We also found that the county had incorrectly excluded the revenues collected for the County Courthouse Construction Fund (\$1 per TVS case; GC section 76100) and the County Criminal Justice Facilities Construction Fund (\$1 per TVS case; GC section 76101) from its calculation of the TVS fee (VC section 42007) in fiscal year (FY) 2018-19 and FY 2019-20.

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 \$93,976 for the audit period.

The county understated qualified revenues because it incorrectly excluded the following from its calculation of the TVS fee (VC section 42007):

- Revenues collected for the city base fines (VC section 42007[c]) during the audit period, resulting in an understatement of \$85,864; and
- Revenues collected for the County Courthouse Construction Fund (\$1 per TVS case; GC section 76100) and the County Criminal Justice Facilities Construction Fund (\$1 per TVS case; GC section 76101) in FY 2018-19 and FY 2019-20, resulting in an understatement of \$15,576.

In addition, as noted in Finding 2, the court did not properly distribute revenues on proof of financial responsibility cases. The error resulted in an overstatement of \$10,067 in qualified revenues for the county base fines line item (PC section 1463.001) and an understatement of \$2,603 in qualified revenues for the State Penalty Fund line item (PC section 1464).

The following table shows the audit adjustments to qualified revenues:

	Fiscal Year				Totals
	2016-17	2017-18	2018-19	2019-20	
Qualified revenues reported	\$ 1,614,898	\$ 1,626,170	\$ 1,644,041	\$ 1,437,259	\$ 6,322,368
Audit adjustments:					
VC section 42007(c) adjustment	26,963	23,830	16,824	18,247	85,864
VC section 42007 adjustment	-	-	7,987	7,589	15,576
PC section 1463.001 adjustment (Finding 2)	(3,448)	(2,357)	(2,514)	(1,748)	(10,067)
PC section 1464 adjustment (Finding 2)	835	665	599	504	2,603
Total	24,350	22,138	22,896	24,592	93,976
Adjusted qualified revenues	<u>\$ 1,639,248</u>	<u>\$ 1,648,308</u>	<u>\$ 1,666,937</u>	<u>\$ 1,461,851</u>	<u>\$ 6,416,344</u>

As a result of miscalculating the qualified revenues, the county underremitted the 50% excess of qualified revenues by \$46,988 for the audit period.

The following table shows the excess qualified revenues, and—by comparing the 50% excess amount due to the State to the county’s actual remittances—the county’s 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
2016-17	\$ 1,639,248	\$ 1,044,700	\$ 594,548	\$ 297,274	\$ 285,099	\$ 12,175
2017-18	1,648,308	1,044,700	603,608	301,804	290,735	11,069
2018-19	1,666,937	1,044,700	622,237	311,119	299,671	11,448
2019-20	1,461,851	1,044,700	417,151	208,576	196,280	12,296
Total						<u>\$ 46,988</u>

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

As discussed in Finding 1 of our prior audit report dated December 31, 2015, the county underremitted the 50% excess of qualified revenues. This is a repeat finding because the county did not correct the distribution errors noted in our prior audit report.

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

On February 27, 2023, the county remitted \$46,988 to the State Treasurer via the TC-31.

Recommendation

We recommend that the county 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 of Shasta concurs with this finding. Previous remittances to the state were based on information provided by the courts on the ROR [Report of Revenues] form. In the future, Shasta County will complete the 50/50 Excess Split Revenue computation based on funds received from the courts versus funds reported on the ROR form by the courts, and Shasta County will ensure that the proper accounts are included in the calculation.

FINDING 2— Incorrect distribution of revenues from proof of financial responsibility cases

During our testing of proof of financial responsibility violation cases, we found that the court had not properly distributed revenues to the county base fines (PC section 1463.001), city base fines (PC section 1463.002), or to various county and state funds, resulting in a net underremittance to the State of \$16,403. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. Court representatives stated that the issue was corrected in April 2022 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. In the four cases tested, we found that the county base fines (PC section 1463.001) and city base fines (PC section 1463.002) had been overstated and the revenues collected for the following funds had been understated:

- County special account (PC section 1463.22[a]);
- State Transportation Fund (PC section 1463.22[b]);
- The State's General Fund (financial responsibility, PC section 1463.22[c]; and 20% state surcharge, PC section 1465.7);
- State Penalty Fund (PC section 1464);
- The State's DNA Identification Fund (penalty assessment, GC section 76104.6; additional penalty assessment, GC section 76104.7);
- Courthouse Construction Fund (GC section 76100);
- Criminal Justice Facilities Construction Fund (GC section 76101);
- Automated Fingerprint Identification and Digital Image Photographic Suspect Booking Identification System Fund (GC section 76102);
- State Court Facilities Construction Fund (GC section 70372[a]);
and

- State Trial Court Improvement and Modernization Fund (2% deposit for automation, GC section 68090.8).

The distribution errors caused an overstatement of \$13,422 to the county base fines (PC section 1463.001), resulting in an overstatement of \$10,067 ($\$13,422 \times 75\%$) in qualified revenues for the MOE calculation. In addition, the distribution errors caused an understatement of \$2,603 to the State Penalty Fund (PC section 1464), resulting in an understatement of \$2,603 in qualified revenues for the MOE calculation.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State Penalty Fund — PC § 1464	\$ 5,952
State DNA Identification Fund — GC § 76104.6	253
State DNA Identification Fund — GC § 76104.7	3,418
State Court Facilities Construction Fund — GC § 70372(a)	4,169
State General Fund (20% state surcharge) — PC § 1465.7	1,698
State Transportation Fund — PC § 1463.22(b)	58
State General Fund — PC § 1463.22(c)	242
State Trial Court Improvement and Modernization Fund (2% automation) — GC § 68090.8	613
Total	<u>\$ 16,403</u>
County Special Account — PC § 1463.22(a)	\$ 350
County Base Fines — PC § 1463.001	(13,422)
County State Penalty Fund — PC § 1464	2,603
County DNA Identification Fund — GC § 76104.6	671
County Courthouse Construction Fund — GC § 76100	3,016
County Criminal Justice Facilities Construction Fund — GC § 76101	2,602
County Automated Fingerprint Identification and Digital Image Photographic Suspect Booking Identification System Fund — GC § 76102	416
Total	<u>\$ (3,764)</u>
City of Anderson Base Fines — PC § 1463.002	<u>\$ (894)</u>
City of Redding Base Fines — PC § 1463.002	<u>\$ (11,640)</u>
City of Shasta Lake Base Fines — PC § 1463.002	<u>\$ (105)</u>

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

On February 27, 2023, the county remitted \$16,403 to the State Treasurer via the TC-31.

Recommendation

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

County's Response

The County of Shasta concurs with this finding and has made all the recommended adjustments and remittances.

Court's Response

The Court takes exception to Findings 2, 4, 5, 6, and 8 of the Draft Audit Report. The report misrepresents not only the Court's distribution calculations during the audit period, but it also misrepresents the Court's explanation and communication to the auditors.

The findings state that distribution calculation “. . . error[s] occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.” The findings then say the Court stated “. . . the error was corrected . . .” with the implementation of a new CMS.

The Court did not misinterpret the Distribution Guidelines. The Court did not incorrectly configure the case management system. What has been repeatedly expressed to the auditors is that the Court's case management system was incapable of calculating the distributions as required by statute due to the complexity of the statutory requirements. Because of this technical limitation, the Court was forced to utilize the statutory alternative outlined in PC§1463.004(a). In substantive part, the statute reads, “. . . if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines. . . .” The Court's case management system during the audit period required the percentage-based calculation of distributions because it is incapable of managing the statutory requirements. When there are multiple charges in a single case, that percentage-based calculation will cause variances. We believe those variances account for all the distribution “errors” outlined in the report. In our opinion, the Court has complied with statute in all its distribution calculations by following PC§1463.004(a). **The Draft Audit Report fails to present the Court's repeated explanation in this matter.**

Because the Court does not agree there were “errors” in the distribution calculations, the Court did not state the “error” was corrected. The Court expressed the variances caused by our percentage-based calculations were eliminated/corrected in April of 2022 when the Court implemented a new case management system.

SCO Comment

We updated our finding to use the term “issue” instead of “error” when referring to the corrections made by the court in its new case management system. Otherwise, our finding and recommendation remains unchanged.

The court used percentage calculations, as its case management system requires it; however, the court used incorrect percentages in its calculation of the amounts to be distributed to the various state, county, and city funds. PC section 1463.004(a) states:

If a sentencing judge specifies only the total fine or forfeiture, or if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines or forfeitures, provided that the aggregate monthly distributions resulting from the calculations are the same as would be produced by strict observance of the statutory distributions.

The court further claims that when there are multiple charges in a single case, the percentage-based calculation will cause variances. However, during our testing of two regular speeding cases and two red-light violation cases with multiple charges, we noted that there were no distribution errors in any of the four cases. If the court's case management system had technical limitations that caused variances when there were multiple charges in a case, then there would have been variances on the two regular speeding cases and two red-light violation cases with multiple charges. Thus, it does not appear that the variances on the proof of financial responsibility cases were caused by the technical limitations of the court's case management system. Rather, it appears that these variances occurred because the court used incorrect percentages in its calculations.

**FINDING 3—
Underremitted
parking surcharges –
cities of Redding and
Anderson**

During our analysis of parking surcharges remitted to the county, we found that the cities of Redding and Anderson had not collected or remitted the required state surcharge of \$3.00 for the State Trial Court Trust Fund (GC section 76000.3) on each parking violation during the audit period, resulting in a net underremittance to the State of \$7,014. The error occurred because the cities were unaware of the statutory requirements relating to parking surcharges.

External parking agencies are required to collect revenues for parking violations and remit the revenues to the county. Revenues are remitted to the county on a monthly basis and collection reports are included to support the remitted revenues. During our analysis of the collection reports, we found that the cities of Redding and Anderson had not collected or remitted a state surcharge of \$3.00 for the State Trial Court Trust Fund (GC section 76000.3) on each parking violation during the audit period. Unlike the other parking surcharge statutes, GC section 76000.3 requires the remittance of \$3.00 per parking violation regardless of collection. Effectively, the cities should be collecting a total of \$12.50 in state and county parking surcharges.

The underremitted parking surcharges are as follows:

Account Title	Underremitted/ (Overremitted)
State Trial Court Trust Fund — GC §76000.3	\$ 7,014
City of Redding	\$ (6,897)
City of Anderson	\$ (117)

After we notified the City of Redding and the City of Anderson of the underremittances, the cities remitted the amounts to the county and the county later remitted them to the State Treasurer. Specifically, on January 31, 2023, the county received a remittance of \$6,897 from the City of Redding. On February 8, 2023, the county remitted \$6,897 to the State Treasurer via the TC-31.

Additionally, on August 2, 2022, the county received a remittance of \$117 from the City of Anderson. On August 3, 2022, the county remitted \$117 to the State Treasurer via the TC-31.

GC section 76000(b) requires, provided that the board of supervisors has adopted a resolution stating that the implementation of this subdivision is necessary to the county, that for each authorized fund established pursuant to GC section 76100 or 76101 for every parking offense where a parking penalty, fine, or forfeiture is imposed, an added penalty of \$2.50 be included in the total penalty, fine, or forfeiture.

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

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

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

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

GC section 76000.3 requires that parking agencies pay to the State Treasurer a state surcharge of \$3.00 on each parking violation, for deposit in the State Trial Court Trust Fund.

Recommendation

We recommend that the cities of Redding and Anderson collect and remit the state and county parking surcharges totaling \$12.50, including the state surcharge of \$3.00 on each parking violation, for deposit in the State Trial Court Trust Fund.

FINDING 4— Incorrect distribution of revenues from DUI violation cases

During our testing of DUI violation cases, we found that the court had not properly distributed revenues to the county base fines (PC section 1463.001), the Restitution Fund (PC section 1463.18), and the county special account (PC sections 1463.14[a] and 1463.16). The errors occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. Court representatives stated that the issues were corrected in April 2022 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. In one of four cases tested, we found that the court had not distributed the first \$20 of the amount collected to the Restitution Fund, in accordance with PC section 1463.18; \$50 of the base fine to a special account, in accordance with PC section 1463.14(a); or \$50 of the base fine to a special account, in accordance with PC section 1463.16. The distribution errors resulted in an overremittance to county base fines (PC section 1463.001) and city base fines (PC section 1463.002).

We performed an analysis of the Restitution Fund (PC section 1463.18) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material effect on the revenues remitted to the State.

PC section 1463.18 requires the first \$20 collected for a conviction of a violation of VC section 23152 or VC section 23153 to be transferred to the Restitution Fund.

PC section 1463.14(a) requires \$50 of each fine collected for each conviction of a violation of VC section 23103, VC section 23104, VC section 23105, VC section 23152, or VC section 23153 to be deposited in a special account.

PC section 1463.16 requires \$50 of each fine collected for each conviction of a violation of VC section 23103, VC section 23104, VC section 23105, VC section 23152, or VC section 23153 to be deposited in a special account.

Recommendation

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The Court takes exception to Findings 2, 4, 5, 6, and 8 of the Draft Audit Report. The report misrepresents not only the Court's distribution calculations during the audit period, but it also misrepresents the Court's explanation and communication to the auditors.

The findings state that distribution calculation “. . . error[s] occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.” The findings then say the Court stated “. . . the error was corrected . . .” with the implementation of a new CMS.

The Court did not misinterpret the Distribution Guidelines. The Court did not incorrectly configure the case management system. What has been repeatedly expressed to the auditors is that the Court's case management system was incapable of calculating the distributions as required by statute due to the complexity of the statutory requirements. Because of this technical limitation, the Court was forced to utilize the statutory alternative outlined in PC§1463.004(a). In substantive part, the statute reads, “. . . if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines. . . .” The Court's case management system during the audit period required the percentage-based calculation of distributions because it is incapable of managing the statutory requirements. When there are multiple charges in a single case, that percentage-based calculation will cause variances. We believe those variances account for all the distribution “errors” outlined in the report. In our opinion, the Court has complied with statute in all its distribution calculations by following PC§1463.004(a). **The Draft Audit Report fails to present the Court's repeated explanation in this matter.**

Because the Court does not agree there were “errors” in the distribution calculations, the Court did not state the “error” was corrected. The Court expressed the variances caused by our percentage-based calculations were eliminated/corrected in April of 2022 when the Court implemented a new case management system.

SCO Comment

We updated our finding to use the term “issue” instead of “error” when referring to the corrections made by the court in its new case management system. Otherwise, our finding and recommendation remain unchanged.

We tested four DUI cases and found distribution errors in only one of the four cases. As three of the four cases were distributed accurately, it appears that the court's case management system is capable of distributing revenues appropriately when programmed correctly.

FINDING 5— Incorrect distribution of revenues from speeding traffic violation school cases

During our testing of speeding TVS cases, we found that the court had not properly distributed revenues to the county base fines (PC section 1463.001). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. Court representatives stated that the issue was corrected in April 2022 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. In the four cases tested, we found that the total bail collected by the court had exceeded the amount that should have been collected. The court then incorrectly distributed the excess bail to the county base fines (PC section 1463.001) instead of converting the county base fines (PC section 1463.001) to the TVS fee (VC section 42007).

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

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

Recommendation

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The Court takes exception to Findings 2, 4, 5, 6, and 8 of the Draft Audit Report. The report misrepresents not only the Court's distribution calculations during the audit period, but it also misrepresents the Court's explanation and communication to the auditors.

The findings state that distribution calculation “. . . error[s] occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.” The findings then say the Court stated “. . . the error was corrected . . .” with the implementation of a new CMS.

The Court did not misinterpret the Distribution Guidelines. The Court did not incorrectly configure the case management system. What has been repeatedly expressed to the auditors is that the Court's case management system was incapable of calculating the distributions as required by statute due to the complexity of the statutory requirements. Because of this technical limitation, the Court was forced to utilize the statutory alternative outlined in PC§1463.004(a). In substantive part, the statute reads, “. . . if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines . . .” The Court's case management system during the audit period required the percentage-based calculation of distributions because it is incapable of managing the statutory requirements. When there are multiple charges in a single case, that percentage-based calculation will cause variances. We believe those variances account for all the

distribution “errors” outlined in the report. In our opinion, the Court has complied with statute in all its distribution calculations by following PC§1463.004(a). **The Draft Audit Report fails to present the Court’s repeated explanation in this matter.**

Because the Court does not agree there were “errors” in the distribution calculations, the Court did not state the “error” was corrected. The Court expressed the variances caused by our percentage-based calculations were eliminated/corrected in April of 2022 when the Court implemented a new case management system.

SCO Comment

We updated our finding to use the term “issue” instead of “error” when referring to the corrections made by the court in its new case management system. Otherwise, our finding and recommendation remain unchanged.

The court used percentage calculations, as its case management system requires it; however, the court used incorrect percentages in its calculation of the amounts to be distributed to the various state, county, and city funds. PC section 1463.004(a) states that

If a sentencing judge specifies only the total fine or forfeiture, or if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines or forfeitures, provided that the aggregate monthly distributions resulting from the calculations are the same as would be produced by strict observance of the statutory distributions.

FINDING 6— Incorrect distribution of revenues from red- light traffic violator school cases (repeat finding)

During our testing of red-light TVS cases, we found that the court did not properly distribute revenues to the county base fines (PC section 1463.001), TVS fee (VC section 42007), and county red-light allocation fund (VC section 42007.3). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. Court representatives stated that the issue was corrected in April 2022 when the court implemented a new case management system.

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

We tested four cases and found the following errors:

- For a FY 2016-17 city case, we found that the court had incorrectly distributed revenues to the county base fines (PC section 1463.001) instead of converting them to the TVS fee (VC section 42007), resulting in an underremittance to the TVS fee (VC section 42007). We also found that the total bail collected by the court had exceeded the amount that should have been collected.
- For a FY 2017-18 city case, we found that the court had incorrectly distributed revenues to county base fines (PC

- section 1463.001) instead of converting them to the TVS fee (VC section 42007). We also found that the total bail collected by the court had exceeded the amount that should have been collected.
- For a FY 2018-19 county case, the court had incorrectly distributed revenues to the county base fines (PC section 1463.001) instead of distributing revenues to the county red-light allocation fund (VC section 42007.3). We also found that the total bail collected by the court had exceeded the amount that should have been collected.
 - For a FY 2019-20 city case, the court had incorrectly distributed revenues to county base fines (PC section 1463.001) instead of converting them to the TVS fee (VC section 42007), resulting in an underremittance to the TVS fee (VC section 42007). In addition, the court had not converted the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) revenues to the TVS fee (VC section 42007). We also found that the total bail collected by the court had exceeded the amount that should have been collected.

We performed an analysis of the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) 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 effect on the revenues remitted to the State.

As discussed in Finding 3 of our prior audit report dated December 31, 2015, the court did not convert the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) revenues to the TVS fee (VC section 42007). This is a repeat finding because the court did not correct the distribution error noted in our prior audit report.

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

Recommendation

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The Court takes exception to Findings 2, 4, 5, 6, and 8 of the Draft Audit Report. The report misrepresents not only the Court's distribution calculations during the audit period, but it also misrepresents the Court's explanation and communication to the auditors.

The findings state that distribution calculation ". . . error[s] occurred because the court misinterpreted the *Distribution Guidelines* and

incorrectly configured its case management system.” The findings then say the Court stated “. . . the error was corrected . . .” with the implementation of a new CMS.

The Court did not misinterpret the Distribution Guidelines. The Court did not incorrectly configure the case management system. What has been repeatedly expressed to the auditors is that the Court’s case management system was incapable of calculating the distributions as required by statute due to the complexity of the statutory requirements. Because of this technical limitation, the Court was forced to utilize the statutory alternative outlined in PC§1463.004(a). In substantive part, the statute reads, “. . . if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines. . . .” The Court’s case management system during the audit period required the percentage-based calculation of distributions because it is incapable of managing the statutory requirements. When there are multiple charges in a single case, that percentage-based calculation will cause variances. We believe those variances account for all the distribution “errors” outlined in the report. In our opinion, the Court has complied with statute in all its distribution calculations by following PC§1463.004(a). **The Draft Audit Report fails to present the Court’s repeated explanation in this matter.**

Because the Court does not agree there were “errors” in the distribution calculations, the Court did not state the “error” was corrected. The Court expressed the variances caused by our percentage-based calculations were eliminated/corrected in April of 2022 when the Court implemented a new case management system.

SCO Comment

We updated our finding to use the term “issue” instead of “error” when referring to the corrections made by the court in its new case management system. Otherwise, our finding and recommendation remains unchanged.

The court used percentage calculations, as its case management system requires it; however, the court used incorrect percentages in its calculation of the amounts to be distributed to the various state, county, and city funds. PC section 1463.004(a) states:

If a sentencing judge specifies only the total fine or forfeiture, or if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines or forfeitures, provided that the aggregate monthly distributions resulting from the calculations are the same as would be produced by strict observance of the statutory distributions.

FINDING 7— 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. In two of four

cases tested, we found that the court did not consistently assess the criminal laboratory analysis fee (HSC section 11372.5).

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 Health and Safety Code 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 that the criminal laboratory analysis fee (HSC section 11372.5) is ordered on applicable health and safety violation cases.

FINDING 8— Incorrect distributions to the State Trial Court Improvement and Modernization Fund

During our testing of fish and game cases, we found that the court had not properly distributed revenues to the State Trial Court Improvement and Modernization Fund (2% deposit for automation, GC section 68090.8). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. Court representatives stated that the issue was corrected in April 2022 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. In two of four cases tested, we found that the court had not properly distributed 2% of the Fish and Game Preservation Fund (Fish and Game Code section 12021) revenues to the State Trial Court Modernization and Improvement Fund (GC section 68090.8).

We performed an analysis of the Fish and Game Preservation Fund (Fish and Game Code section 12021) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material effect 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

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The Court takes exception to Findings 2, 4, 5, 6, and 8 of the Draft Audit Report. The report misrepresents not only the Court's distribution calculations during the audit period, but it also misrepresents the Court's explanation and communication to the auditors.

The findings state that distribution calculation "...error[s] occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system." The findings then say the Court stated "...the error was corrected..." with the implementation of a new CMS.

The Court did not misinterpret the Distribution Guidelines. The Court did not incorrectly configure the case management system. What has been repeatedly expressed to the auditors is that the Court's case management system was incapable of calculating the distributions as required by statute due to the complexity of the statutory requirements. Because of this technical limitation, the Court was forced to utilize the statutory alternative outlined in PC§1463.004(a). In substantive part, the statute reads, "...if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines..." The Court's case management system during the audit period required the percentage-based calculation of distributions because it is incapable of managing the statutory requirements. When there are multiple charges in a single case, that percentage-based calculation will cause variances. We believe those variances account for all the distribution 'errors' outlined in the report. In our opinion, the Court has complied with statute in all its distribution calculations by following PC§1463.004(a). **The Draft Audit Report fails to present the Court's repeated explanation in this matter.**

Because the Court does not agree there were 'errors' in the distribution calculations, the Court did not state the 'error' was corrected. The Court expressed the variances caused by our percentage-based calculations were eliminated/corrected in April of 2022 when the Court implemented a new case management system.

SCO Comment

We updated our finding to use the term "issue" instead of "error" when referring to the corrections made by the court in its new case management system. Otherwise, our finding and recommendation remains unchanged.

The error noted in this finding is unrelated to the court's use of percentage calculations due to the technical limitations of its case management system. The court's case management system has the ability to distribute 2% of fines, penalties, and forfeitures to the State Trial Court Modernization and Improvement Fund (GC section 68090.8); however, the court did not distribute 2% of the Fish and Game Preservation Fund (Fish and Game Code section 12021) revenues to the State Trial Court Modernization and Improvement Fund (GC section 68090.8).

Appendix— Summary of Prior Audit Findings

The following table shows the implementation status of Shasta County's corrective actions related to the findings contained in our prior audit report dated December 31, 2015.

Prior Audit Finding Number	Finding Title	Status
1	Underremitted excess of qualified fines, fees, and penalties	Not implemented – see current Finding 1
2	Underremitted health and safety bail bond forfeitures	We could not verify implementation, as the court did not process any bail bond forfeiture cases during the audit period.
3	Overremitted emergency medical air transportation (EMAT) penalties	Not implemented – see current Finding 6

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



SHASTA COUNTY

OFFICE OF THE AUDITOR-CONTROLLER

1450 Court Street, Suite 238
Redding, California 96001
Phone (530) 225-5771

NOLDA SHORT
AUDITOR-CONTROLLER

RICHARD VIETHEER
ASST. AUDITOR-CONTROLLER

TO: California State Controller's Office

FROM: Nolda Short, Auditor-Controller

DATE: June 30, 2023

SUBJECT: Court Revenue Audit Finding Response

Below is the response to findings 1 and 2:

Finding 1 –

The County of Shasta concurs with this finding. Previous remittances to the state were based on information provided by the courts on the ROR form. In the future, Shasta County will complete the 50/50 Excess Split Revenue computation based on funds received from the courts versus funds reported on the ROR form by the courts, and Shasta County will ensure that the proper accounts are included in the calculation.

Finding 2 –

The County of Shasta concurs with this finding and has made all the recommended adjustments and remittances.

Thank you again for your assistance and guidance during this process. If you have further suggestions or recommendations, please do not hesitate to reach out to us.

Sincerely,

Nolda Short
Shasta County Auditor-Controller

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



Superior Court of California County of Shasta

MELISSA FOWLER-BRADLEY
Court Executive Officer/Clerk of the Court

LISA JENKINS
Assistant Court Executive Officer/Clerk of the Court

June 30, 2023

Lisa Kurokawa, Chief
Compliance Audits Bureau
Division of Audits
State Controller's Office
[via email @ lkurokawa@sco.ca.gov]

Response to Draft Audit Report

The Court takes exception to Findings 2, 4, 5, 6, and 8 of the Draft Audit Report. The report misrepresents not only the Court's distribution calculations during the audit period, but it also misrepresents the Court's explanation and communication to the auditors.

The findings state that distribution calculation "...error[s] occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system." The findings then say the Court stated "...the error was corrected..." with the implementation of a new CMS.

The Court did not misinterpret the Distribution Guidelines. The Court did not incorrectly configure the case management system. What has been repeatedly expressed to the auditors is that the Court's case management system was incapable of calculating the distributions as required by statute due to the complexity of the statutory requirements. Because of this technical limitation, the Court was forced to utilize the statutory alternative outlined in PC§1463.004(a). In substantive part, the statute reads, "...if an automated case-processing system requires it, percentage calculations may be employed to establish the components of total fines..." The Court's case management system during the audit period required the percentage-based calculation of distributions because it is incapable of managing the statutory requirements. When there are multiple charges in a single case, that percentage-based calculation will cause variances. We believe those variances account for all the distribution 'errors' outlined in the report. In our opinion, the Court has complied with statute in all its distribution calculations by following PC§1463.004(a). **The Draft Audit Report fails to present the Court's repeated explanation in this matter.**

Because the Court does not agree there were 'errors' in the distribution calculations, the Court did not state the 'error' was corrected. The Court expressed the variances caused by our

percentage-based calculations were eliminated/corrected in April of 2022 when the Court implemented a new case management system.

**FINDING 2—
Incorrect distribution
of revenues from
proof of financial
responsibility cases**

During our testing of proof of financial responsibility violation cases, we found that the court had not properly distributed revenues to the county base fines (PC section 1463.001), city base fines (PC section 1463.002), or to various county and state funds, resulting in a net underremittance to the State of \$16,403. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. Court representatives stated that the error was corrected in April 2022 when the court implemented a new case management system.

**Views of
Responsible
Officials**

We discussed our audit results with county and court representatives during an exit conference conducted on March 20, 2023. At the exit conference, we stated that the final audit report will include the views of responsible county and court officials.

Sincerely,



Melissa Fowler-Bradley
Court Executive Officer

MFB/cc

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

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