

# **MONTEREY COUNTY**

Audit Report

## **COURT REVENUES**

*July 1, 2015, through June 30, 2019*



**BETTY T. YEE**  
California State Controller

November 2021



**BETTY T. YEE**  
California State Controller

November 30, 2021

The Honorable Rupa Shah, CPA,  
Auditor-Controller  
Monterey County  
P.O. Box 390  
Salinas, CA 93902

Chris Ruhl, Court Executive Officer  
Superior Court of California  
Monterey County  
240 Church Street  
Salinas, CA 93901

Dear Ms. Shah and Mr. Ruhl:

The State Controller's Office (SCO) audited the propriety of the court revenues remitted by Monterey County to the State Treasurer for the period of July 1, 2015, through June 30, 2019.

Our audit found that the county underremitted \$132,851 in state court revenues to the State Treasurer because it underremitted the State General Fund (Health and Safety code section 11502) by \$132,851.

In addition, we found that the county incorrectly calculated the 50% excess of qualified revenues, the court incorrectly distributed revenues from red-light traffic violator school violations, and both the county and court incorrectly distributed revenues from judge-ordered total fines.

The county made a payment of \$132,851 in September 2021.

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](mailto:lkurokawa@sco.ca.gov).

Sincerely,

*Original signed by*

**KIMBERLY TARVIN, CPA**  
Chief, Division of Audits

KT/ac

The Honorable Rupa Shah, CPA,  
Auditor-Controller  
Chris Ruhl, Court Executive Officer

-2-

November 30, 2021

cc: The Honorable Wendy Root Askew, Chair  
Monterey County Board of Supervisors  
Grant Parks, Manager  
Internal Audit Services  
Judicial Council of California  
Lynda Gledhill, Executive Officer  
California Victim Compensation Board  
Anita Lee, Senior Fiscal and Policy Analyst  
Legislative Analyst's Office  
Sandeep Singh, Manager  
Local Government Policy Unit  
State Controller's Office  
Jennifer Montecinos, Manager  
Tax Programs Unit  
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 Monterey County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2015, through June 30, 2019.

Our audit found that the county underremitted \$132,851 in state court revenues to the State Treasurer because it underremitted the State General Fund (Health and Safety Code [HSC] section 11502) by \$132,851.

In addition, we found that the county incorrectly calculated the 50% excess of qualified revenues, the court incorrectly distributed revenues from red-light violator school (TVS) violations, and both the county and the court incorrectly distributed revenues from judge-ordered total fines.

## 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 county and the court’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, 2015, through June 30, 2019.

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 of the relevant criteria.
- We interviewed county personnel regarding the monthly TC-31 remittance process, the revenue distribution process, the case management system, and the maintenance-of effort calculation.

- We interviewed court personnel regarding the revenue distribution process and the case management system.
- We reviewed documents supporting the transaction flow.
- We scheduled monthly TC-31 remittances prepared by the county and the court showing court revenue distributions to the State.
- We performed a review of the complete TC-31 remittance process for revenues collected and distributed by the county and the court.

#### Cash Collections

- We scheduled monthly cash disbursements prepared by the county and the court showing court revenue distributions to the State, county, and cities for all fiscal years in the audit period.
- We performed analytical procedures using ratio analysis for state and county revenues to assess the reasonableness of the revenue distributions based on statutory requirements.
- We recomputed the annual maintenance-of-effort calculation for all fiscal years in the audit period to verify the accuracy and completeness of the 50% excess of qualified revenues remitted to the State (see Finding 1).

#### Distribution Testing

- We assessed the priority of installment payments by haphazardly selecting a non-statistical sample of four installment payments to verify priority. No errors were identified.
- We scheduled parking surcharge revenues collected from entities that issue parking citations within the county to ensure that revenues were correct, complete, and remitted in accordance with state statutory requirements. No errors were identified.
- We performed a risk evaluation of the county and 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 135 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 to the State.

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

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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.

plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We did not audit the county or the court's financial statements. We did not review any court revenue remittances that the county or the 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 an instance of noncompliance with the requirements described in our audit objective. Specifically, we found that \$132,851 in state court revenues was underremitted to the State Treasurer because the county underremitted the State General Fund (HSC section 11502) by \$132,851.

This instance of noncompliance is quantified in the Schedule and described in the Findings and Recommendations section of this audit report.

In addition, we found that the county incorrectly calculated the 50% excess of qualified revenues, the court incorrectly distributed revenues from red-light TVS violations, and both the county and the court incorrectly distributed revenues from judge-ordered total fines. These instances of noncompliance are non-monetary and described in the Findings and Recommendations section.

The county made a payment of \$132,851 in September 2021.

## **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, 2012, issued April 24, 2014.

## **Views of Responsible Officials**

We issued a draft report on September 17, 2021. Rupa Shah, CPA, Auditor-Controller, responded by letter dated October 6, 2021 (Attachment A), agreeing with the audit results. In addition, Chris Ruhl, Court Executive Officer, responded by letter dated September 24, 2021 (Attachment B), agreeing with the audit results.

**Restricted Use**

This audit report is solely for the information and use of Monterey County; Superior Court of California, Monterey County; the Judicial Council of California; 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

November 30, 2021



**Schedule—  
Summary of Audit Findings Affecting Remittances to the State Treasurer  
July 1, 2015, through June 30, 2019**

Finding <sup>1</sup>	Fiscal Year				Total	Reference <sup>2</sup>
	2015-16	2016-17	2017-18	2018-19		
Incorrect distribution of bail bond forfeitures State General Fund — HSC §11502	\$ 2,756	\$ 70,744	\$ 38,220	\$ 21,131	\$ 132,851	Finding 2
Total amount underremitted to the State Treasurer	<u>\$ 2,756</u>	<u>\$ 70,744</u>	<u>\$ 38,220</u>	<u>\$ 21,131</u>	<u>\$ 132,851</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— Incorrect calculation of 50% excess of qualified revenues**

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. However, these errors did not result in underremittances to the State Treasurer, as the qualified revenues were below the base amount for each fiscal year. The qualified revenues were incorrectly calculated because the county misinterpreted the required calculations.

For the audit period, the county provided support for its calculations 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 and county. We noted that the county's calculation did not reconcile to the revenue collection reports.

Furthermore, the county incorrectly excluded the revenues collected for the Emergency Medical Services Fund (Government Code [GC] section 76104), Maddy Emergency Medical Services Fund (GC section 76000.5), Courthouse Construction Fund (GC section 76100), Criminal Justice Facilities Construction Fund (GC section 76101), and city base fines (Vehicle Code [VC] section 42007[c]) from its calculation of traffic violator school (TVS) fees (VC section 42007) during the audit period.

We recalculated the county's qualified revenues based on actual court revenues collected for each fiscal year. After our recalculation, we found that the county had understated qualified revenues by \$938,514 for the audit period.

Qualified revenues were understated for the following reasons:

- The county incorrectly excluded the following revenues from its calculation of the TVS fee (VC section 42007):
  - Courthouse Construction Fund (GC section 76100) – \$26,566;
  - Criminal Justice Facilities Construction Fund (GC section 76101) – \$26,566;
  - Emergency Medical Services Fund (GC section 76104) – \$264,699;
  - Maddy Emergency Medical Services Fund (GC section 76000.5) – \$264,699; and
  - City base fines (VC section 42007[c]) – \$287,185.
- The county understated qualified revenues by \$222,507 for the audit period, as the qualified revenues in the calculation did not reconcile to actual revenues collected by the court and county.
- The court incorrectly distributed bail bond forfeiture revenues, resulting in an overstatement of qualified revenues by \$153,708 for the audit period. (See Finding 2.)

The following table shows the audit adjustments to qualified revenues:

	Fiscal Year				Totals
	2015-16	2016-17	2017-18	2018-19	
Qualified revenues reported	\$ 2,969,973	\$ 2,486,367	\$ 2,546,035	\$ 2,647,781	\$ 10,650,156
Audit adjustments:					
Bail bond forfeiture overstatement	(46,190)	(79,410)	(8,759)	(19,349)	(153,708)
Qualified revenues supported	(171)	335,931	(62,637)	(50,616)	222,507
GC §76100 understatement	6,882	6,177	6,607	6,900	26,566
GC §76101 understatement	6,882	6,177	6,607	6,900	26,566
GC §76104 understatement	68,821	61,769	65,341	68,768	264,699
GC §76000.5 understatement	68,821	61,769	65,341	68,768	264,699
VC §42007(c) understatement	54,312	62,876	63,652	106,345	287,185
Total	159,357	455,289	136,152	187,716	938,514
Adjusted qualified revenues	<u>\$ 3,129,330</u>	<u>\$ 2,941,656</u>	<u>\$ 2,682,187</u>	<u>\$ 2,835,497</u>	<u>\$ 11,588,670</u>

Despite the understatement of qualified revenues, the errors did not result in an underremittance to the State Treasurer as the adjusted qualified revenues were still below the base amount for the county in all four fiscal years.

The following table shows—by comparing the 50% excess qualified revenues amounts above the base to the actual county remittances—the excess qualified revenues amount above the base, and the county’s underremittances 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 <sup>1</sup>
2015-16	\$ 3,129,330	\$ 3,330,125	\$ (200,795)	\$ -	\$ -	\$ -
2016-17	2,941,656	3,330,125	(388,469)	-	-	-
2017-18	2,682,187	3,330,125	(647,938)	-	-	-
2018-19	2,835,497	3,330,125	(494,628)	-	-	-
Total						<u>\$ -</u>

<sup>1</sup>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 ensure that the proper accounts are included in the calculation of each line item on the 50% excess of qualified revenues form.

### County's Response

The County agrees with the Finding 1 recommendation regarding the County's calculation [of] the 50% excess of qualified revenues form. The County is working to confirm that proper accounts of qualifying revenue amounts are used and that calculations are correctly performed. Qualifying revenue will be reconciled against reports provided by both the courts and county. The County will continue to work with the Court to rectify the findings of the audit.

The court agrees with the recommendation. In response to Finding 1 first and third bullets regarding understated qualified revenues, the court updated its TVS distributions in the Odyssey case management system in March 2021. The court also corrected its bail bond forfeiture distribution templates and ensured appropriate training of relevant court staff in February 2021 (see court's response to Finding 2). The court will continue to work with the county to confirm the accuracy of distributions, including the qualified revenues specified in GC section 77201.1(b)(2).

### **FINDING 2— Incorrect distribution of revenues from bail bond forfeitures**

During our testing of court cases, we found that the court did not properly distribute revenues from bail bond forfeitures, resulting in a net underremittance of \$132,851 to the State Treasurer for the audit period. These errors also resulted in an overstatement of \$153,708 in the county's qualified revenues for the county base fines and forfeitures (Penal Code [PC] section 1463.001) line item. This error occurred because the court misinterpreted distribution guidelines.

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 incorrectly distributed bail bond forfeiture revenues in each case tested.

Due to the 100% error rate and the low volume of bail bond forfeitures, we increased testing to include all bail bond forfeitures from the audit period. During testing, we found the following distribution errors:

- The court incorrectly distributed revenues from Health and Safety Code forfeitures as Penal Code forfeitures;
- The court did not properly allocate revenues from cases related to Health and Safety Code and Penal Code violations; and
- The court used incorrect distribution percentages when distributing revenues from Penal Code bail bond forfeitures between the county and cities.

The errors resulted in an underremittance to the State of \$132,851 for the audit period. These distribution errors also resulted in an overstatement of PC section 1463.001 qualified revenues by \$153,708 ( $\$204,942 \times 75\%$ ).

The incorrect distributions had the following effect:

Account Title	Underremitted / (Overremitted)
State General Fund – HSC §11502	\$ 132,851
Monterey County – General Fund	\$ (196,087)
City fine revenue accounts	
City of Del Rey Oaks	(2,038)
City of Gonzales	10,356
City of Kings City	1,372
City of Marina	(891)
City of Monterey	39,886
City of Salinas	(732)
City of Seaside	13,115
City of Soledad	2,168
Total	\$ (132,851)

PC section 1463.009 requires that revenues from forfeited bail be used to reimburse the county for reasonable administrative costs, up to 50 percent of the remainder be used to satisfy civil court judgments, and the balance be distributed pursuant to PC section 1463. PC section 1463.001(b)(1) further states that the base fines which are subject to specific distribution shall be distributed to the specified funds of the State or the local agency.

HSC section 11502 requires revenues from forfeited bail related to health and safety violations to be deposited with the county treasurer. HSC section 11502 further requires the county to deposit 75 percent of the forfeited bail with the State Treasurer and 25 percent with the city or county, depending on where the offense occurred.

Recommendation

We recommend that the county remit \$132,851 to the State Treasurer and report on the TC-31 an increase to the State General Fund.

We also recommend that the court correct its case management system to ensure that bail bond forfeitures are distributed in accordance with statutory requirements.

Court’s Response

The Court agrees with the recommendation. The court corrected its bail bond forfeiture distribution templates and ensured appropriate training of relevant court staff in February 2021.

**FINDING 3—  
Incorrect distribution  
of revenues from  
red-light TVS  
violations**

During our testing of red-light TVS cases, we found that the court did not properly distribute revenues to the TVS Fee (VC section 42007) and the red-light allocation fund (VC section 42007.3). This 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 made incorrect distributions to the TVS Fee (VC section 42007) and the red-light allocation fund (VC section 42007.3).

Distribution errors were found only in the fiscal year 2018-19 cases tested with county jurisdiction. The court reviewed the issue and identified the problem within its case management system. The errors resulted in overremittances to the TVS Fee (VC section 42007) and underremittances to the county's red-light allocation fund (VC section 42007.3). The errors also resulted in an overstatement of qualified revenues, as the TVS Fee (VC section 42007) revenues are included in the county's calculation.

We performed a revenue analysis of the red-light TVS violations to determine the fiscal effect of the distribution error. Upon completion of our analysis, we found that the error did not have a material impact on the revenues remitted to the State Treasurer or the county's 50% excess of qualified revenue calculation.

VC section 42007.3 requires that the first 30% of red-light violation base fines, state penalties, and county penalties (PC section 1463 and 1464, and GC section 76100, respectively) collected to be distributed to the general fund of the county or city where the violation occurred.

#### Recommendation

We recommend that the court correct its case management system to ensure that red-light TVS revenues are distributed in accordance with statutory requirements.

We also recommend that the court periodically verify the accuracy of its distributions using the Judicial Council of California's (JCC) testing sheets.

#### Court's Response

The court agrees with the recommendation. The court updated the Odyssey Case Management System to correct the distributions related to red-light traffic violator school violations in April 2021.

...The court has already verified its distributions according to the Judicial Council of California's testing sheets and will do so on a regular basis and as needed basis, including during any upgrades to its Odyssey Case Management System.

#### **FINDING 4— Incorrect distribution of revenues from judge-ordered total fines (superior court)**

During our testing of superior court cases, we found that the court did not properly distribute revenues from cases for which the judge ordered a total fine. The error occurred because the court did not follow the JCC's guidelines for top-down distributions.

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 made incorrect distributions related to health and safety and DUI violations.

For each case with a judge-ordered total fine, the court distributed revenues using top-down distribution. The JCC provides guidance to courts regarding top-down distributions, and allows two different methodologies:

1. Reduce all components proportionately, including those with a specified dollar amount; or
2. Allocate the full amount to those components with a specified dollar amount, then pro-rate the remaining balance among the rest of the total fine's components.

For both health and safety and DUI violations, the court followed method 2 and allocated 100% to components with a specified dollar amount. The remaining balance was then pro-rated between the remaining components. However, the court did not pro-rate the remaining funds proportionately. This error resulted in overremittances to the base fines and underremittances to the remaining fund accounts.

We performed a revenue analysis to determine the fiscal effect of the distribution errors. Based on the low number of cases and the relatively minor amount underremitted to the State Treasurer in each case tested, we determined that the errors did not result in material underremittances to the State Treasurer.

PC section 1463.004 states that 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.

#### Recommendation

We recommend that the court correct its case management system to ensure that the court follows JCC guidelines for top-down distributions.

We also recommend that the court periodically verify the accuracy of its distributions using the JCC's testing sheets.

#### Court's Response

The court agrees with the recommendation. The court is working with its Odyssey Case Management System provider, Tyler Technologies, to address configuration issues related to the incorrect top-down distribution. The court is also in the process of upgrading its case management system version (with full implementation planned by April 2021), which should permanently resolve the issue.

Planned implementation date: November 2021.

...The court has already verified its distributions according to the Judicial Council of California's testing sheets and will do so on a regular basis and as needed basis, including during any upgrades to its Odyssey Case Management System.

**FINDING 5—  
Incorrect distribution  
of revenues from  
judge-ordered total  
fines (county’s  
Revenue Division)**

During our testing of the county’s Revenue Division cases, we found that the division did not properly distribute revenues from cases in which the judge ordered a total fine. The error occurred because the division did not follow the JCC’s guidelines for top-down distributions.

We verified, on a sample basis, distributions made by the division 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 division made incorrect distributions related to health and safety, proof of financial responsibility, and DUI violations.

For each case with a judge-ordered total fine, the division distributed revenues using top-down distribution. The JCC provides guidance to courts regarding top-down distributions, and allows two different methodologies:

1. Reduce all components proportionately, including those with a specified dollar amount; or
2. Allocate the full amount to those components with a specified dollar amount, then pro-rate the remaining balance among the rest of the total fine’s components.

For health and safety, proof of financial responsibility, and DUI violations, the division followed method 2 and allocated 100% to components with a specified dollar amount. The remaining balance was then pro-rated between the remaining components. However, the division did not pro-rate the remaining funds proportionately. This error resulted in overremittances to the base fines and underremittances to the remaining fund accounts.

We performed a revenue analysis of the top-down distributions to determine the fiscal effect of the distribution errors. Based on the low number of cases and the relatively minor amount underremitted to the State Treasurer in each case tested, we determined that the errors did not result in material underremittances to the State Treasurer.

PC section 1463.004 states that 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.

Recommendation

We recommend that the county’s revenue division correct its case management system to ensure that the division follows JCC guidelines for top-down distributions.

We also recommend that the division periodically verify the accuracy of its distributions using the JCC’s testing sheets.



County's Response

The county's Revenue Division agrees with the recommendation. The county's Revenue Division is working with the Superior Court of California, Monterey County to address the issues related to incorrect top-down distributions, provided to the county's Revenue Division through an electronic interface with the Superior Court of California, Monterey County.

...The county's Revenue Division will implement a periodic review and testing of fine distributions, utilizing the Judicial Council of California's testing sheets. This testing will be added to the division's operational goals.

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

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# MONTEREY COUNTY



## AUDITOR – CONTROLLER

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**Raja Shah, CPA**

AUDITOR-CONTROLLER

**Baren Monna, CPA**

ASST. AUDITOR-CONTROLLER

October 6, 2021

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

Attn: Kimberly Tarvin, CPA  
Chief, Division of Audits

**RE: Report Number S21-CRV-0001: Monterey County Audit Report: Court Revenues July 1, 2015, through June 30, 2019**

Dear Ms. Tarvin:

The County of Monterey and Superior Court of California have reviewed the findings and recommendations contained in the State Controller's Office's draft report regarding the propriety of the court revenues remitted by Monterey County to the State Treasurer for the period of July 1, 2015, through June 30, 2019. For response to findings number 2, 3, and 4, please refer to the letter dated September 24, 2021 from the Superior Court of California, County of Monterey (attached). We have detailed below responses to the findings number 1 and 5 and related recommendations.

**FINDING 1— Incorrect calculation of 50% excess of qualified revenues**

**Recommendation: We recommend that the county ensure that the proper accounts are included in the calculation of each line item on the 50% excess of qualified revenues form**

Response: The County agrees with the Finding 1 recommendation regarding the County's calculation of on the 50% excess of qualified revenues form. The County is working to confirm that proper accounts of qualifying revenue amounts are used and that calculations are correctly performed. Qualifying revenue will be reconciled against reports provided by both the courts and county. The county will continue to work with the courts to rectify the findings of the audit.

The court agrees with the recommendation. In response to the Finding 1 first and third bullets regarding understated qualified revenues, the court updated its TVS distributions in the Odyssey case management system in March 2021. The court also corrected its bail bond forfeiture distribution templates and ensured appropriate training of relevant court staff in February 2021 (see court's response to Finding 2). The court will continue to work with the county to confirm the accuracy of distributions, including the qualified revenues specified in GC section 77201.1(b)(2).

**FINDING 5—Incorrect distribution of Revenues from judge-ordered total fines (county's Revenue Division)**

**Recommendation #1: We recommend that the county's Revenue Division correct its case management system to ensure that the division follows JCC guidelines for top-down distributions.**

Response: The county's Revenue Division agrees with the recommendation. The county's Revenue Division is working with the Superior Court of California, Monterey County to address the issues related to the incorrect top-down distributions, provided to the county's Revenue Division through an electronic interface with the Superior Court of California, Monterey County.

**Recommendation #2: We recommend the division periodically verify the accuracy of its distribution using the JCY's testing sheets.**

Response: The county's Revenue Division agrees with the recommendation. The county's Revenue Division will implement a periodic review and testing of fine distributions, utilizing the Judicial Council of California's testing sheets. This testing will be added to the division's operational goals.

We would also like to thank and recognize your staff – Chris Ryan, Douglas Brejnak, and Parvinder Kaur – for their professional and courteous demeanor when working with our staff during the audit process.

Sincerely,



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Rupa Shah, CPA  
Auditor-Controller

CC: Hon. Chris Ruhl, Court Executive Officer  
Hon. Mary Zeeb, Treasurer Tax-Collector Revenue Division Head

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

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SUPERIOR COURT OF CALIFORNIA  
COUNTY OF MONTEREY

240 Church Street, Salinas, California 93901 - (831) 775-5400  
[www.montereycourts.ca.gov](http://www.montereycourts.ca.gov)

JULIE R. CULVER  
Presiding Judge  
2020 - 2022

PAMELA L. BUTLER  
Asst. Presiding Judge  
CHRIS RUHL  
Court Executive Officer

September 24, 2021

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

Attn: Lisa Kurokawa, Chief  
Compliance Audits Bureau

**RE: Report Number S21-CRV-0001: Monterey County Audit Report: Court Revenues July 1, 2015, through June 30, 2019**

Dear Ms. Kurokawa:

The Superior Court of California, County of Monterey has reviewed the findings and recommendations contained in the State Controller's Office's draft report regarding the propriety of the court revenues remitted by Monterey County to the State Treasurer for the period of July 1, 2015, through June 30, 2019. We have detailed below our responses to the three findings and five related recommendations contained in the report specific to the court, with all of which the court agrees. The court has already begun to take action in response to the recommendations and intends to have fully implemented all corrective actions by the end of November 2021.

**FINDING 2—Incorrect distribution of revenues from bail bond forfeitures**

**Recommendation #2: We also recommend that the court correct its case management system to ensure that bail bond forfeitures are distributed in accordance with statutory requirements.**

Response: The court agrees with the recommendation. The court corrected its bail bond forfeiture distribution templates and ensured appropriate training of relevant court staff in February 2021.

**FINDING 3—Incorrect distribution of revenues from red-light TVS violations**

**Recommendation #1: We recommend that the court correct its case management system to ensure that red-light TVS revenues are distributed in accordance with statutory requirements.**

Response: The court agrees with the recommendation. The court updated the Odyssey Case Management System to correct the distributions related to red-light traffic violator school violations in April 2021.

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*It is the mission of the Monterey County Superior Court to serve the public in a respectful, courteous and efficient manner  
promoting trust and confidence in the legal system by providing fair, equal and open access to justice.*

**Recommendation #2: We also recommend that the court periodically verify the accuracy of its distributions using the Judicial Council of California's (JCC) testing sheets.**

Response: The court agrees with the recommendation. The court has already verified its distributions according to the Judicial Council of California's testing sheets and will do so on a regular and as needed basis, including during any upgrades to its Odyssey Case Management System.

**FINDING 4— Incorrect distribution of revenues from judge-ordered total fines (Superior Court)  
Recommendation #1: We recommend that the court correct its case management system to ensure that the court follows JCC guidelines for top-down distributions.**

Response: The court agrees with the recommendation. The court is working with its Odyssey Case Management System provider, Tyler Technologies, to address configuration issues related to the incorrect top-down distribution. The court is also in the process of upgrading its case management system version (with full implementation planned by April 2021), which should permanently resolve the issue.

Planned implementation date: November 2021

**Recommendation #2: We also recommend that the court periodically verify the accuracy of its distributions using the JCC's testing sheets.**

Response: The court agrees with the recommendation. The court has already verified its distributions according to the Judicial Council of California's testing sheets and will do so on a regular and as needed basis, including during any upgrades to its Odyssey Case Management System.

We would also like to thank and recognize your staff – Chris Ryan, Douglas Brejnak, and Parvinder Kaur – for their professional and courteous demeanor when working with our court staff during the audit process.

Sincerely,



Chris Ruhl  
Court Executive Officer

CC: Hon. Julie R. Culver, Presiding Judge  
Hon. Pamela L. Butler, Assistant Presiding Judge  
Hon. Rupa Shah, CPA, Auditor-Controller, County of Monterey

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