

# MARIN COUNTY

Audit Report

## COURT REVENUES

*July 1, 2010, through June 30, 2016*



**BETTY T. YEE**  
California State Controller

December 2019



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

December 9, 2019

Roy Given, Director of Finance  
Marin County  
3501 Civic Center Drive, Room 225  
San Rafael, CA 94903

James Kim, Court Executive Officer  
Superior Court of California, Marin County  
3501 Civic Center Drive, Room 116  
San Rafael, CA 94903

Dear Mr. Given and Mr. Kim:

The State Controller's Office (SCO) audited Marin County's court revenues for the period of July 1, 2010, through June 30, 2016.

Our audit found that the county underremitted a net of \$1,385,546 in state court revenues to the State Treasurer because it:

- Underremitted the 50% excess of qualified revenues by \$811,738;
- Underremitted the State DNA Identification Fund (Government Code [GC] section 76104.7) by \$856,505; and
- Overremitted the State DNA Identification Fund (GC section 76104.6) by \$282,697.

In addition, we found that the county's Probation Department made incorrect distributions to State DNA Identification Funds and for driving-under-the-influence cases, and the county and court made incorrect distributions for traffic violator school and red-light cases.

The county should remit \$1,385,546 to the State Treasurer via the Report to State Controller of Remittance to State Treasurer (TC-31), and include the Schedule of this audit report. On the TC-31, the county should specify the account name identified on the Schedule of this audit report and state that the amount is related to the SCO audit period of July 1, 2010, through June 30, 2016.

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

The underremitted amount is due no later than 30 days after receipt of this audit report. The SCO will add a statutory one-and-a-half percent (1.5%) per month penalty on applicable delinquent amounts if payment is not received within 30 days of issuance of this audit report.

Once the county has paid the underremitted amount, the Tax Programs Unit (TPU) will calculate interest on the underremitted amount and bill the county in accordance with GC sections 68085, 70353, and 70377.

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

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

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

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*

JIM L. SPANO, CPA  
Chief, Division of Audits

JLS/hf

cc: Kathrin Sears, President  
Marin County Board of Supervisors  
Grant Parks, 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

# Contents

## **Audit Report**

<b>Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Objective, Scope, and Methodology .....</b>	<b>1</b>
<b>Conclusion .....</b>	<b>3</b>
<b>Follow-up on Prior Audit Findings .....</b>	<b>3</b>
<b>Views of Responsible Officials .....</b>	<b>3</b>
<b>Restricted Use .....</b>	<b>4</b>
<b>Schedule—Summary of Audit Findings Affecting Remittances to the State Treasurer .....</b>	<b>5</b>
<b>Findings and Recommendations .....</b>	<b>6</b>
<b>Attachment A—County’s Response to Draft Audit Report</b>	
<b>Attachment B—Superior Court’s Response to Draft Audit Report</b>	

# 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 Marin County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2010, through June 30, 2016.

Our audit found that the county underremitted a net of \$1,385,546 in state court revenues to the State Treasurer because it:

- Underremitted the 50% excess of qualified revenues by \$811,738;
- Underremitted the State DNA Identification Fund (Government Code [GC] section 76104.7) by \$856,505; and
- Overremitted the State DNA Identification Fund (GC section 76104.6) by \$282,697.

In addition, we found that the county's Probation Department made incorrect distributions to State DNA Identification Funds and for driving-under-the-influence (DUI) cases, and the county and court made incorrect distributions for traffic violator school (TVS) and red-light cases.

## Background

State statutes govern the distribution of court revenues, which include fines, penalties, assessments, fees, restitutions, bail forfeitures, and parking surcharges. Whenever the State is entitled to receive a portion of such money, the court is required by GC section 68101 to deposit the State's portion of court revenues with the County Treasurer as soon as 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.

GC section 68103 requires the SCO to review the reports and records to ensure that all fines and forfeitures have been transmitted. 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 audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

## Objective, Scope, and Methodology

Our audit objective was to determine whether the county and court remitted all court revenues to the State Treasurer pursuant to the TC-31 process.

The audit period was July 1, 2010, through June 30, 2016.

To achieve our objective, we performed the following procedures:

#### General

- Gained an understanding of the county and court's revenue collection and reporting processes by interviewing key personnel, and reviewing documentation supporting the transaction flow;
- Scheduled monthly TC-31 remittances prepared by the county and the court showing court revenue distributions to the State; and
- Performed a review of the complete TC-31 remittance process for revenues collected and distributed by the county and the court.

#### Cash Collections

- 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;
- Performed analytical procedures using ratio analysis for state and county revenues to assess the reasonableness of the revenue distributions based on statutory requirements; and
- Recomputed the annual maintenance-of-effort (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

- 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;
- Performed a risk evaluation of the county and the court, and identified violation types susceptible to errors due to statutory changes during the audit period. Based on the risk evaluation, judgmentally selected a non-statistical sample of 105 cases for seven violation types. Errors found were not projected to the intended (total) population. Then, we:
  - Recomputed the sample case distributions and compared them to the actual distributions; and
  - Calculated the total dollar amount of significant unremittances to the State.

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 considered the county and court's internal controls only to the extent necessary to plan the audit. We did not review any court revenue remittances that the county and court may be required to make under GC sections 70353 and 77201.1(b), included in the TC-31.

## **Conclusion**

As a result of performing the audit procedures, we found instances of noncompliance with the requirements described in our audit objective. Specifically, we found that the county underremitted a net of \$1,385,546 in state court revenues to the State Treasurer as follows:

- Underremitted the 50% excess of qualified revenues by \$811,738;
- Underremitted the State DNA Identification Fund (GC section 76104.7) by \$856,505; and
- Overremitted the State DNA Identification Fund (GC section 76104.6) by \$282,697.

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

In addition, we found that the county's Probation Department made incorrect distributions to State DNA Identification Funds and for DUI cases, and the county and court made incorrect distributions for TVS and red-light cases. These instances of noncompliance are non-monetary and described in the Findings and Recommendations section.

The county should remit \$1,385,546 to the State Treasurer.

## **Follow-up on Prior Audit Findings**

The county has satisfactorily resolved the findings noted in our prior audit report, for the period of July 1, 2004, through June 30, 2010, issued September 20, 2012.

## **Views of Responsible Officials**

We issued a draft report on October 21, 2019. Roy Given, Director of Finance, responded by letter dated November 6, 2019 (Attachment A), agreeing with Findings 1 and 2, and did not comment on Findings 3 through 7. James Kim, Court Executive Officer, responded by letter dated November 6, 2019 (Attachment B), without commenting on whether the court agreed or disagreed with Finding 2, and Findings 4 through 6.

**Restricted Use**

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

*Original signed by*

JIM L. SPANO, CPA  
Chief, Division of Audits

December 9, 2019



**Schedule—**  
**Summary of Audit Findings Affecting Remittances to the State Treasurer**  
**July 1, 2010, through June 30, 2016**

Finding <sup>1</sup>	Fiscal Year						Total	Reference <sup>2</sup>
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16		
<b>Underremitted 50% excess of qualified revenues</b>								
State Trial Court Improvement and Modernization Fund – GC §77205	\$ (49,450)	\$ 216,548	\$ 227,538	\$ 208,115	\$ 159,478	\$ 49,509	\$ 811,738	Finding 1
<b>Underremitted DNA Penalties</b>								
State DNA Identification Fund – GC §76104.7	63,155	10,252	191,085	220,434	201,988	169,591	856,505	
State DNA Identification Fund (Proposition 69) – GC §76104.6	(21,829)	(37,603)	(61,898)	(50,917)	(49,817)	(60,633)	(282,697)	
Total	41,326	(27,351)	129,187	169,517	152,171	108,958	573,808	Finding 2
Net amount underremitted to the State Treasurer	\$ (8,124)	\$ 189,197	\$ 356,725	\$ 377,632	\$ 311,649	\$ 158,467	\$ 1,385,546	

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

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

# Findings and Recommendations

**FINDING 1—  
Underremitted 50%  
excess of qualified  
revenues**

During our recalculation of the 50% excess of qualified revenues, we found that the county underremitted a net of \$811,738 for the audit period.

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

The following table shows:

- The excess of qualified revenues above the base; and
- The county’s overremittance and underremittances to the State Treasurer by comparing the 50% excess amount of qualified revenues above the base to actual county remittances:

Fiscal Year	Qualifying Revenues	Base Amount	Excess Amount Above the Base	50% Excess Amount Due the State	County Remittance to the State Treasurer	County Overremittance/ Underremittances to the State Treasurer <sup>1</sup>
2010-11	\$ 2,704,317	\$ 2,111,712	\$ 592,605	\$ 296,303	\$ (345,753)	\$ (49,450)
2011-12	2,957,340	2,111,712	845,628	422,814	(206,266)	216,548
2012-13	3,143,329	2,111,712	1,031,617	515,808	(288,270)	227,538
2013-14	2,750,950	2,111,712	639,238	319,619	(111,504)	208,115
2014-15	2,579,828	2,111,712	468,116	234,058	(74,580)	159,478
2015-16	2,326,847	2,111,712	215,135	107,567	(58,058)	49,509
Total						<u>\$ 811,738</u>

<sup>1</sup>Should be identified on the TC-31 as State Trial Court Improvement and Modernization Fund – GC §77205.

The county understated qualified revenues by \$1,855,711 for the MOE calculation. The actual adjustment is \$811,738, representing 50% of the understated qualified revenues in excess of the base amount. The \$1,855,711 is calculated as follows:

- Understatement of \$1,674,892 by the county in qualified revenues due to the miscalculation and allocation of revenue amounts. The county applied incorrect allocation percentages to revenue accounts.
- Understatement of \$37,293 by the county due to the omission of the base fines collected by its Probation Department related to Penal Code (PC) section 1463.001. Per GC section 77205, 75% of the base fines collected pursuant to PC section 1463.001 are part of the qualified revenues for the calculation.
- Understatement of \$36,982 by the county due to the omission of funds collected by its Probation Department related to PC section 1464. Per GC section 77205, 30% of the funds collected in the County Penalty Fund – PC section 1464 are part of the qualified revenues for the calculation.
- Understatement of \$106,544 by the county due to the omission of funds collected pursuant to Vehicle Code (VC) section 42007. Per GC

section 77205, 77% of the funds collected for TVS fees are part of the qualified revenues for the calculation. Specifically, the county should have included the \$1 collected from TVS bail for the Criminal Justice Facilities Construction Fund and the County Courthouse Construction Fund in the calculation.

#### Recommendation

We recommend that the county:

- Remit \$811,738 to the State Treasurer and report on the TC-31 an increase to the State Trial Court Improvement and Modernization Fund; and
- Ensure that all of the applicable qualified revenues for the MOE calculation are reported properly.

#### County's Response

The county agreed with the finding.

## **FINDING 2— Underremitted DNA Penalties**

During our analysis of court cash statements, we found that the court underremitted net state DNA penalties, totaling \$573,808, to the State Treasurer for the audit period. The court made incorrect manual distributions to the State DNA Identification Funds during the audit period, which resulted in an understatement of \$856,505 to the State DNA Identification Fund (GC section 76104.7) and an overstatement of \$282,697 to the State DNA Identification Fund (GC section 76104.6). The errors occurred because the court misinterpreted the required distributions.

GC section 76104.6(a) requires an additional penalty of \$1 for every \$10, or part of \$10, in each county upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses, including Vehicle Code violations.

Beginning June 26, 2012, GC section 76104.7 requires an additional penalty of \$4 for every \$10, or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected on criminal offenses, including traffic offenses but excluding parking offenses. The additional penalty is levied and collected in the same manner as the state penalty imposed per PC section 1464. The entire amount, including interest, should be distributed to the State DNA Identification Fund.

The incorrect distribution had the following effect:

Account Title	Underremitted/ (Overremitted)
State DNA Identification Fund – GC §76104.7	\$ 856,505
State DNA Identification Fund (Proposition 69) – GC §76104.6	(282,697)
Total	<u>\$ 573,808</u>
County General Fund	\$ (573,808)
Total	<u>\$ (573,808)</u>

### Recommendation

We recommend that the county:

- Make the appropriate accounting adjustments;
- Remit \$573,808 to the State Treasurer; and
- Report on the TC-31 form an increase of \$856,505 to the State DNA Identification Fund – GC section 76104.7 and a decrease of \$282,697 to the State DNA Identification Fund (Proposition 69) – GC section 76104.6.

We further recommend that the county and court take steps to correct their accounting systems to comply with statutory requirements.

### County's Response

The county agreed with the finding.

### Court's Response

The court did not respond to the finding, but stated that it has begun the process of procuring a new case distribution system.

### **FINDING 3— County's Probation Department made incorrect distributions to the State DNA Identification Funds**

During our analysis of the Probation Department's cash statements, we found that incorrect manual distributions were made to the State DNA Identification Funds during the audit period. The error occurred because Probation Department staff members misinterpreted the required statutory distributions.

GC section 76104.6(a) requires an additional penalty of \$1 for every \$10, or part of \$10, in each county upon every fine, penalty, or forfeiture imposed and collected by the courts for all criminal offenses, including Vehicle Code violations.

Beginning June 26, 2012, GC section 76104.7 requires an additional penalty of \$4 for every \$10, or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected on criminal offenses, including traffic offenses but excluding parking offenses. The additional penalty is levied and collected in the same manner as the state penalty imposed per PC

section 1464. The entire amount, including interest, should be distributed to the State DNA Identification Fund.

During the audit period, the failure to distribute these funds correctly caused overstatements and understatement to the State DNA Identification Funds. We did not measure the fiscal effect of this error because the amount was not material due to the low number of affected cases.

#### Recommendation

We recommend that the county take steps to ensure that the Probation Department modifies its accounting system to comply with statutory requirements.

#### County's Response

The county did not respond to the finding.

### **FINDING 4— Incorrect distribution for TVS cases**

During the testing of TVS cases, we found that the court did not convert the county base fines to a TVS fee for traffic violations where the violator elected to attend traffic school. The error caused incorrect distributions for TVS cases. The error occurred because court staff members misinterpreted the required distributions.

VC section 42007(a) requires the clerk of the court to collect a fee from every person who is ordered or permitted to attend a TVS. The fee collected should be equal to total bail for the offense shown on the uniform countywide bail schedule.

We did not measure the fiscal effect because the amount was not material due to the low number of affected cases.

#### Recommendation

We recommend that the county and court take steps to correct their accounting systems to comply with statutory requirements. We also recommend that the court use the JCC's revenue distribution worksheets to test the accuracy of the distributions in its case management system.

#### County's Response

The county did not respond to the finding.

#### Court's Response

The court did not respond to the finding, but stated that it has begun the process of procuring a new case distribution system.

**FINDING 5—  
Incorrect distribution  
of red-light TVS  
violations**

During the testing of county and city red-light TVS cases, we found that the court made incorrect distributions to the 30% Red-Light Allocation Fund (VC section 42007.3) from the following four funds:

- Emergency Medical Services Fund (GC section 76104);
- Maddy Emergency Medical Services Fund (GC section 76000.5);
- State Court Facilities Construction Fund – Immediate and Critical Needs (GC section 70372[a]); and
- State Court Facilities Construction Fund (GC section 70372[a]).

In addition, we found that the court did not convert the Emergency Medical Air Transport penalty and county base fines to a TVS fee; this is required for traffic violations where the violator elects to attend traffic school. The error occurred because court staff members misinterpreted the required distributions.

VC section 42007(a) requires the clerk of the court to collect a fee from every person who is ordered or permitted to attend a TVS. The fee collected should be equal to total bail for the offense shown on the uniform countywide bail schedule.

VC section 42007(b), requires counties with an established Maddy Emergency Medical Services Fund to collect \$2 for every \$7 pursuant to GC section 76000 and to collect \$2 for every \$10 pursuant to GC section 76000.5 for deposit in the fund. In addition, the portion of the fee collected pursuant to GC section 70372 must be transferred pursuant to GC section 70372(f).

We did not measure the fiscal effect of this error because the amount was not material due to the low number of affected cases.

Recommendation

We recommend that the county and court take steps to correct their accounting systems to comply with statutory requirements. We also recommend that the court use the JCC's revenue distribution worksheets to test the accuracy of the distributions in its case management system.

County's Response

The county did not respond to the finding.

Court's Response

The court did not respond to the finding, but stated that it has begun the process of procuring a new case distribution system.

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

During the testing of county and city red-light cases, we found that the court incorrectly distributed the amounts collected for the 30% Red-Light Allocation (PC section 1463.11) to county base fines (PC section 1463.001). The error occurred because court staff members misinterpreted the required distributions.

PC section 1463.11 requires that the first 30% of red-light violation base fines, state penalties, and county penalties (PC sections 1463 and 1464, and GC section 76100, respectively) collected be distributed to the general fund of the county or city where the violation occurred.

We did not measure the fiscal effect of the error because the amount was not material due to the low number of affected cases.

Recommendation

We recommend that the county and court take steps to correct their accounting systems to comply with statutory requirements. We also recommend that the court use the JCC's revenue distribution worksheets to test the accuracy of distributions in its case management system.

County's Response

The county did not respond to the finding.

Court's Response

The court did not respond to the finding, but stated that it has begun the process of procuring a new case distribution system.

**FINDING 7—  
Incorrect distribution  
of DUI violations**

During the testing of DUI cases, we found that the county's Probation Department incorrectly used an account to collect the following state penalties:

- State Penalty Fund (70%) (PC section 1464);
- State DNA Identification Fund (GC section 76104.7);
- State Court Facilities Construction Fund – Immediate and Critical Needs Account (GC section 70372[a]); and
- State Court Facilities Construction Fund (GC section 70372[a]).

The department should properly distribute state penalties to the correct funds. The error occurred because the Probation Department misinterpreted the required distributions.

We also found that the Probation Department incorrectly used an account to collect the following county penalties:

- State Penalty Fund (30%) (PC section 1464);
- State DNA Identification Fund (GC section 76104.6);
- Courthouse Construction Fund (GC section 76100);

- Criminal Justice Facilities Construction Fund (GC section 76101);
- Emergency Medical Services Fund (GC section 76104);
- Automated Fingerprint Identification Fund (GC section 76102); and
- Maddy Emergency Medical Services Fund (GC section 76000.5).

The department should distribute county penalties to the correct funds. The error occurred because the Probation Department misinterpreted the required distributions.

PC section 1464(a) requires a state penalty in the amount of \$10 for every \$10, or part of \$10, upon every fine, penalty, or forfeiture imposed and collected for all criminal offenses, except parking offenses as defined in PC section 1463(i), involving Vehicle Code violations.

Beginning June 26, 2012, GC section 76104.7 requires an additional penalty of \$4 for every \$10, or fraction thereof, upon every fine, penalty, or forfeiture imposed and collected on criminal offenses, including traffic offenses but excluding parking offenses. The additional penalty is levied and collected in the same manner as the state penalty imposed per PC section 1464. The entire amount, including interest, should be distributed to the State DNA Identification Fund.

GC section 76104.6(a) requires an additional penalty of \$1 for every \$10, or part of \$10, in each county upon every fine, penalty, or forfeiture imposed and collected for all criminal offenses, including Vehicle Code violations.

GC 76000(a) requires an additional penalty in the amount of \$7 for every \$10, or part of \$10, upon every fine, penalty, or forfeiture imposed and collected for all criminal offenses, including all Vehicle Code violations.

GC section 70372(a) requires a state penalty of \$5 for every \$10, or part of \$10, for every fine, penalty, or forfeiture imposed and collected for all criminal offenses, including offenses involving a violation of the Fish and Game Code, Health and Safety Code, or Vehicle Code. This penalty is in addition to other state or local penalties.

We did not measure the fiscal effect of this error because the amount was not material due to the low number of affected cases.

#### Recommendation

We recommend that the Probation Department take steps to correct its accounting system to comply with statutory requirements. We also recommend that the Probation Department use the JCC's revenue distribution worksheets to test the accuracy of distributions in its case management system.

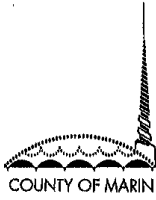
#### County's Response

The county did not respond to the finding.



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

---



## DEPARTMENT OF FINANCE

Excellent and responsive fiscal leadership.

Roy Given, CPA  
DIRECTOR

November 6, 2019

Mina Martinovich, CPA  
ASSISTANT DIRECTOR

Marin County Civic Center  
3501 Civic Center Drive  
Suite 225  
San Rafael, CA 94903  
415 473 6154 T  
415 473 3680 F  
CRS Dial 711  
[www.marincounty.org/dof](http://www.marincounty.org/dof)

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

SUBJECT: AUDIT OF COURT REVENUES FOR THE PERIOD JULY 1, 2010 THROUGH  
JUNE 30, 2016

Dear Ms. Kurokawa:

First and foremost, we would like to thank you and your audit team for your continued professionalism, knowledge, and expertise. We are so very appreciative of your staff's willingness and patience in working with our office as we investigated over the course of five weeks the details of each finding from previous versions of this draft audit report, which covers the period July 1, 2010 through June 30, 2016.

Per our previous examination of the draft audit report and related audit workpapers, we were able to reduce the previously quoted net under-remittance of \$2,768,779 down to \$1,385,546.

The County agrees with the sum of \$1,385,546 of under-remitted amounts as noted below:

- Finding 1 - \$811,738 under-remittance of the 50% excess of qualified revenues.
- Finding 2 - \$856,505 under-remittance to the State DNA Identification Fund
- Finding 3 - \$282,697 over-remittance of the State DNA Identification Fund.

The County will be remitting a total of \$1,385,546 in state court revenues to the State Treasurer via separate TC-31 reports for each audit finding noted above.

If you have any questions or require additional information, please do not hesitate to contact me:

Sincerely,

ROY GIVEN, CPA  
Director of Finance

Cc: Matthew Hymel, County Administrator  
Mina Martinovich, Assistant Director of Finance  
James Kim, Court Executive Officer

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

---

Superior Court of California  
County of Marin

JAMES M. KIM  
Court Executive Officer



3501 Civic Center Drive, Room 116  
P.O. Box 4988  
San Rafael, CA 94913-4988  
(415) 444-7020

November 6, 2019

Lisa Kurokawa  
Chief, Compliance Audits Bureau  
State Controller's Office, Division of Audits  
Post Office Box 942850  
Sacramento, California 94250

Dear Ms. Kurokawa,

Thank you for granting us additional time to respond to the Draft Audit Report based on the region wide power outages we experienced last week. This letter constitutes the Court's response to the Draft Audit Report dated on October 21, 2019 for the period of July 1, 2010, through June 30, 2016. We would also like to take this opportunity to commend your team and staff for their professional, knowledgeable, and courteous interactions with the court during the course of the audit.

The following comments are not related to the audit findings, conclusions or recommendations. Rather, we would like to comment on the Court's plan on working with Marin County's Information and Systems Technology (IST) Department and Marin County's Department of Finance to address the following findings:

- FINDING 2— Under remitted DNA Penalties
- FINDING 4— Incorrect distribution for TVS cases
- FINDING 5— Incorrect distribution of red-light TVS violations
- FINDING 6— Incorrect distribution of red-light violations

The findings above are in part due to the County and Court's outdated systems which need to be updated. For example, the Court's current criminal case management system is over 25 years old and internally managed by Marin County's IST Department. Due to the age of the system, and limited availability of internal county staff with the expertise to support the system, this has significantly restricted the County and Court's ability to make frequent and cost effective changes based on statutory requirements.

As a result, despite historical attempts by the County's IST Department to reprogram and make corrections to our case management systems, the Court has begun the process (this fiscal year) to procure a more modern system that will allow the Court to make more frequent and cost effective changes to our case management system to meet statutory requirements. Furthermore, this new case management system will allow the Court to have more control over our own systems, which will ultimately allow the County and Court to utilize more statewide best practices such as using the Judicial Council's revenue distribution worksheets to test the accuracy of the distributions.

The Court will continue to work with Marin County's Department of Finance, as well as work with Marin County's IST Department to move to a modern case management system. Please contact me if you have questions or seek clarification of any of the information provided in this letter. Thank you for your efforts to conclude this work.

Best Regards,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

James M. Kim  
Court Executive Officer

Cc: Hon. Paul M. Haakenson, Presiding Judge  
Hon. Andrew E. Sweet, Assistant Presiding Judge  
Mr. Roy Given, Director of Finance, Marin County  
Ms. Rachel Creyer, Chief Financial Officer

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

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