

EL DORADO COUNTY

Audit Report

COURT REVENUES

July 1, 2018, through June 30, 2022



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

December 2024



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

December 23, 2024

Dear County, Court, and City Representatives:

The State Controller's Office audited El Dorado County's (the county) court revenues for the period of July 1, 2018, through June 30, 2022.

Our audit found that \$131,552 in state court revenues was underremitted to the State Treasurer for the following reasons:

- The county underremitted \$87,309 in court revenues to the State Treasurer because it underremitted the State Trial Court Improvement and Modernization Fund (Government Code [GC] section 77205) by \$87,309.
- The City of Placerville underremitted \$44,243 in parking surcharges to the State Treasurer via El Dorado County because it underremitted the State Court Facilities Construction Fund (GC section 70372[b]) by \$26,546 and underremitted the State Trial Court Trust Fund (GC section 76000.3) by \$17,697.

We also found that the Superior Court of California, El Dorado County made incorrect distributions related to health and safety violations.

On November 1, 2023, the City of Placerville remitted \$44,243 to the county. On November 14, 2023, the county remitted \$44,243 to the State Treasurer via the Report to State Controller of Remittance to State Treasurer (TC-31).

On May 6, 2024, the county remitted \$87,309 to the State Treasurer via the TC-31.

The Tax Programs Unit will calculate interest on the underremitted amounts and bill the county and applicable entities 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 Administration Section, by telephone at 916-324-5961, or email at lgpsdtaxaccounting@sco.ca.gov.

County, Court, and City Representatives

December 23, 2024

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If you have any questions regarding the audit findings, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at 916-327-3138, or email at lkurokawa@sco.ca.gov. Thank you.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

KAT/ac

Attachment—Recipient Addresses

Copy: The Honorable Wendy Thomas, Chair
El Dorado County Board of Supervisors
Dawn Tomita, Audit Manager
Audit Services
Judicial Council of California
Lynda Gledhill, Executive Officer
California Victim Compensation Board
Anita Lee, Senior Fiscal and Policy Analyst
Legislative Analyst's Office
Sandeep Singh, Manager
Local Government Policy Unit
State Controller's Office
Jennifer Montecinos, Manager
Tax Administration Section
State Controller's Office

Recipient Addresses

The Honorable Joe Harn, CPA, Auditor-Controller
El Dorado County
360 Fair Lane
Placerville, CA 95667

Shelby Wineinger, Court Executive Officer
Superior Court of California, El Dorado County
495 Main Street
Placerville, CA 95667

Dave Warren, Director of Finance
City of Placerville
3101 Center Street
Placerville, CA 95667

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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 El Dorado County (the county) on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2018, through June 30, 2022.

Our audit found that \$131,552 in state court revenues was underremitted to the State Treasurer.

We also found that the Superior Court of California, El Dorado County (the court) made incorrect distributions related to health and safety violations.

Background

State statutes govern the distribution of court revenues, which include fines, penalties, assessments, fees, restitutions, bail forfeitures, and parking surcharges. Whenever the State is entitled to receive a portion of such money, the court is required by Government Code (GC) section 68101 to deposit the State's portion of court revenues with the County Treasurer as soon as is practical and provide the County Auditor with a monthly record of collections. This section further requires that the County Auditor transmit the funds and a record of the money collected to the State Treasurer at least once a month.

The SCO publishes the *Trial Court Revenue Distribution Guidelines* to provide direction on the distribution of fines, fees, forfeitures, penalties, and assessments. The *Trial Court Revenue 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, 2018, through June 30, 2022.

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 MOE calculation.
- We interviewed court personnel regarding the court's revenue distribution process and 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.
- We assessed the reliability of data from the case management system 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% 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 found.
- 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. Errors found were not projected to the intended (total) population.
- 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, we haphazardly selected a non-statistical sample of 38 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 the county.

Errors found were not projected to the intended (total) population.

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.

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.

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 \$131,552 in state court revenues was underremitted to the State Treasurer for the following reasons:

- The county underremitted the State Trial Court Improvement and Modernization Fund (GC section 77205) by \$87,309.
- The City of Placerville (the city) underremitted a total of \$44,243 in parking surcharges via El Dorado County because it underremitted the State Court Facilities Construction Fund (GC section 70372[b]) by \$26,546, and the State Trial Court Trust Fund (GC section 76000.3) by \$17,697.

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

We also found that the court made incorrect distributions related to health and safety violations. These instances of noncompliance are non-monetary; they are described in the Findings and Recommendations section.

We notified the city of the underremittances during the audit. On November 1, 2023, the city remitted \$44,243 to the county. On

November 14, 2023, the county remitted \$44,243 to the State Treasurer via the TC-31.

On May 6, 2024, the county remitted \$87,309 to the State Treasurer via the TC-31.

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, 2009, through June 30, 2016, issued June 17, 2019, with the exception of Findings 1 and 2 of this audit report. The implementation status of corrective actions is described in the Appendix.

Views of Responsible Officials

We issued a draft audit report on September 11, 2024. The county's representative responded by letter dated September 19, 2024, agreeing with Finding 1. The court's representative responded by letter dated September 23, 2024, agreeing with Finding 1, but not addressing Finding 3. The city's representative responded by letter dated September 23, 2024, agreeing with Finding 2. This final audit report includes the county, court, and city's responses as Attachments A, B, and C, respectively.

Restricted Use

This audit report is solely for the information and use of the county, the court, the city, 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 A. Tarvin, CPA
Chief, Division of Audits

December 23, 2024

Schedule— Summary of Audit Findings Affecting Remittances to the State Treasurer July 1, 2018, through June 30, 2022

Finding ¹	Fiscal Year				Total	Reference ²
	2018-19	2019-20	2020-21	2021-22		
Underremitted 50% excess of qualified revenues						
State Trial Court Improvement and Modernization Fund – GC §77205	\$ -	\$28,006	\$22,784	\$36,519	\$ 87,309	Finding 1
Underremitted parking surcharges – City of Placerville						
State Court Facilities Construction Fund – GC §70372(b)	9,072	6,687	4,784	6,003	26,546	
State Trial Court Trust Fund – GC §76000.3	6,048	4,458	3,189	4,002	17,697	
Total	<u>15,120</u>	<u>11,145</u>	<u>7,973</u>	<u>10,005</u>	<u>44,243</u>	Finding 2
Total amount underremitted to the State Treasurer	<u>\$ 15,120</u>	<u>\$ 39,151</u>	<u>\$ 30,757</u>	<u>\$ 46,524</u>	<u>\$ 131,552</u>	

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

²See the Findings and Recommendations section.

Findings and Recommendations

**FINDING 1—
Underremitted 50%
excess of qualified
revenues (repeat
finding)**

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. These errors resulted in the county underremitting the 50% excess of qualified revenues by \$87,309 during the audit period. The 50% excess of qualified revenues was incorrectly calculated because the county misinterpreted the required calculations.

The county provided support for its calculation of the 50% excess of qualified revenues during the audit period. We reviewed the county's calculation and reconciled the qualified revenues to revenue collection reports provided by the court.

We 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 \$227,581 for the audit period because it incorrectly:

- Excluded revenues collected for city base fines (Vehicle Code [VC] section 42007[c]) from its calculation of the Traffic Violator School (TVS) fee (VC section 42007) line item, resulting in an understatement of \$41,439;
- Excluded revenues collected for the County Criminal Justice Facilities Construction Fund (GC section 76101; \$1 per TVS case) from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$9,734;
- Excluded revenues collected for the Emergency Medical Services Fund (GC section 76104) and the Maddy Emergency Medical Services Fund (GC section 76000.5) on TVS cases from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$194,686;
- Included the revenues collected for the county red-light allocation fund (Penal Code [PC] section 1463.11) in its calculation of the State Penalty Fund (PC section 1464) line item, resulting in an overstatement of \$13,991; and
- Included the county base fines (PC section 1463.001) collected on city traffic cases in the calculation of the county base fines (PC section 1463.001) line item for county arrests for fiscal year 2020-21, resulting in an overstatement of \$16,085.

In addition, as noted in Finding 2, the city did not remit parking surcharges to the county. The error resulted in an understatement of \$11,798 in qualified revenues for the county general fund line item (GC section 76000[c]). This component of Finding 1 is a repeat finding, as the city did not correct the errors noted in our prior audit report. As discussed in Finding 1 of our prior audit report dated June 17, 2019, the city did not remit parking surcharges to the county.

The following table shows the audit adjustments to qualified revenues:

	Fiscal Year				Totals
	2018-19	2019-20	2020-21	2021-22	
Qualified revenues reported	\$ 956,424	\$ 1,183,946	\$ 1,263,055	\$ 1,061,047	\$ 4,464,472
Audit adjustments:					
VC §42007(c) understatement	5,911	5,616	7,325	22,587	41,439
GC §76101 understatement	2,192	2,432	2,668	2,442	9,734
GC §76104, §76000.5 understatement	43,837	48,636	53,370	48,843	194,686
PC §1464 overstatement	(3,009)	(3,643)	(3,836)	(3,503)	(13,991)
PC §1463.001 overstatement	-	-	(16,085)	-	(16,085)
GC §76000(c) understatement	4,032	2,972	2,126	2,668	11,798
Total	52,963	56,013	45,568	73,037	227,581
Adjusted qualified revenues	\$ 1,009,387	\$ 1,239,959	\$ 1,308,623	\$ 1,134,084	\$ 4,692,053

As a result of miscalculating the qualified revenues, the county underremitted the 50% excess of qualified revenues by \$87,309 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
2018-19	\$ 1,009,387	\$ 1,028,349	\$ (18,962)	\$ -	\$ -	\$ -
2019-20	1,239,959	1,028,349	211,610	105,805	77,799	28,006
2020-21	1,308,623	1,028,349	280,274	140,137	117,353	22,784
2021-22	1,134,084	1,028,349	105,735	52,868	16,349	36,519
Total						\$ 87,309

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

On May 6, 2024, the county remitted \$87,309 to the State Treasurer via the TC-31.

GC section 77205(a) requires the county to remit 50% of the qualified revenues that exceed the amount specified in GC section 77201.1(b)(2) for fiscal year 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 calculations of each line item on the 50-50 Excess Split Revenue Computation Form.

We also recommend that the court establish separate accounts for County Criminal Justice Facilities Construction Fund (GC section 76101; \$1 per

TVS case), Emergency Medical Services Fund (GC section 76104), and Maddy Emergency Medical Services Fund (GC section 76000.5) revenues collected on TVS cases.

County's Response

The County agrees the total under remitted for the 50% of qualified revenues is \$87,309. The error occurred because the Courts understated its qualified revenues to the County by this amount. The County has no jurisdiction over the accounting processes and procedures of the Courts. The County is simply the pass-through entity tasked with preparing and submitting the annual 50% excess of qualified revenues report. The Courts are solely responsible for entering accurate data into their case management system so the County can subsequently provide accurate data on the annual 50% excess of qualified revenues report.

In the SCO's previous audits there is no mention that City base fines had to be included in the annual 50% excess of qualified revenues report. The County, as the pass-through entity, remitted the funds to the cities. This component of Finding 1 does not appear to be a repeat finding.

Further, the Annual Memorandum from the Judicial Council of California which provides instructions for the Components of the Traffic Violator School (TVS) fee VC 42007 was not received in the US mail by the County. The County did remit what the Courts defined as TVS fees.

The Courts neglected to break out County Criminal Justice Facilities Construction Fund for TVS cases. In the SCO's previous audits, no mention was made about this for County Criminal Justice Facilities Construction Fund. Consequently, this component of Finding 1 does not appear to be a repeat finding.

The Courts Case Management System (CMS) did not track EMS [Emergency Medical Services]/TVS cases separately for the audit period 2018-2022. The Courts in 2024 have now updated their CMS to capture EMS/TVS cases so the County can identify and include these amounts in the annual 50% excess of qualified revenues report.

The County overpaid [the county red-light allocation fund (PC section 1463.11)] and is now aware that it should not be included in the annual 50% excess of qualified revenues report. In previous SCO audits no mention was made to exclude [the county red-light allocation fund (PC section 1463.11)]. Consequently, this component of Finding 1 does not appear to be a repeat finding.

The County included base fines in its calculation for city traffic cases due to an error on a worksheet. This component of Finding 1 does not appear to be a repeat finding.

Court's Response

The court has made necessary changes to the case management system, eCourt, that will accurately reflect revenues to the State Trial Court Improvement and Modernization Fund, going forward.

SCO Comment

Our finding and recommendation remain unchanged.

As discussed in Finding 1 of our prior audit report dated June 17, 2019, the city did not remit parking surcharges to the county, which resulted in an understatement of qualified revenues for the county general fund line item (GC section 76000[c]). The city also failed to remit parking surcharges to the county during the current audit period of July 1, 2018, through June 30, 2022, which again resulted in an understatement of qualified revenues for the county general fund line item (GC section 76000[c]). This component of the current Finding 1 is a repeat finding because the city did not correct the errors noted in our prior audit report.

The other components of the current Finding 1 are not repeat findings.

**FINDING 2—
Underremitted
parking surcharges –
City of Placerville
(repeat finding)**

During our analysis of parking surcharges remitted to the county, we found that the city had collected parking surcharges, but did not remit the parking surcharges to the county, resulting in an underremittance of \$44,243 to the State. The error occurred due to reporting technicalities experienced by the city’s citation processor and other workload impacts on city staff members.

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 city had collected a total of \$12.50 in state and county parking surcharges, but did not remit the parking surcharges to the county. The city should have collected a total of \$11.00 in state and county parking surcharges on every parking violation.

The underremitted parking surcharges are as follows:

Account Title	Underremitted/ (Overremitted)
State Court Facilities Construction Fund — GC §70732(b)	\$ 26,546
State Trial Court Trust Fund — GC §76000.3	17,697
Total	\$ 44,243
County General Fund — GC §76000(c)	\$ 11,798
County Criminal Justice Facilities Construction Fund — GC §76000(b)	8,849
Total	\$ 20,647
City of Placerville	\$ (64,890)

On November 1, 2023, the city remitted \$44,243 to the county. On November 14, 2023, the county remitted \$44,243 to the State Treasurer via the TC-31.

As discussed in Finding 2 of our prior audit report dated June 17, 2019, the city did not remit parking surcharges to the county. This is a repeat finding, as the city did not correct the errors noted in our prior audit report.

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, authority to impose the \$2.50 penalty from the County Courthouse Construction Fund shall be reduced to \$1.00, except as money is needed to pay for construction provided for in GC section 76100.

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

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. Statutes of 2021, Chapter 79 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's Trial Court Trust Fund.

Recommendation

We recommend that the city collect the required state and county parking surcharges, totaling \$11.00 per violation, and remit them to the county.

City's Response

The City concurs with the finding and the amount of \$44,243 in outstanding court surcharges, which have since been paid to El Dorado County. We apologize for this oversight and have taken the appropriate corrective action including working closely with our citation processor, PassportLabs, Inc., and submitting the payment of court surcharges to El Dorado County on a monthly basis.

**FINDING 3—
Failure to assess the
criminal laboratory
analysis fee**

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

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; in every case, we found that the court had not assessed 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.

Appendix— Summary of Prior Audit Findings

The following table shows the implementation status of El Dorado County's corrective actions related to the findings contained in our prior audit report dated June 17, 2019.

Prior Audit Finding Number	Prior Audit Finding Title	Implementation Status
1	Underremitted 50% excess of qualified revenues	Not implemented – see current Finding 1
2	Underremitted parking surcharges from the City of Placerville	Not implemented – see current Finding 2
3	Overremitted DNA and EMAT penalties for TVS cases	Fully implemented
4	Underremitted State Court Facilities Construction Funds	Fully implemented
5	Incorrect penalty for State DNA Identification Fund	Fully implemented

**Attachment A—
El Dorado County’s Response to Draft Audit Report**



County of El Dorado
OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN
Auditor-Controller

Tsung-Kuei Hsu
Assistant Auditor-Controller

September 19, 2024

Kimberly Tarvin
Division Chief
State Controller's Office, Division of Audits
P.O. 942850
Sacramento, CA 94250

Re: SCO Court Revenue Draft Audit FY 2018 through 2022

To whom it may concern:

The audit findings for the Court Revenue Audit for fiscal years 2018 through 2022 have been reviewed. Below is the County's response related to the various components of Finding 1.

Finding 1 Under remitted the 50% excess of qualified revenues (repeat finding)

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. These errors resulted in the county under remitting the 50% excess of qualified revenues by \$87,309 during the audit period.

The 50% excess of qualified revenues was incorrectly calculated because the county misinterpreted the required calculations.

The county provided support for its calculation of the 50% excess of qualified revenues during the audit period. We reviewed the county's calculation and reconciled the qualified revenues to revenue collection reports provided by the court.

We 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 \$227,581 for the audit period.

EDC RESPONSE: The County agrees the total under remitted for the 50% of qualified revenues is \$87,309. The error occurred because the Courts understated its qualified revenues to the County by this amount. The County has no jurisdiction over the accounting processes and procedures of the Courts. The County is simply the pass-through entity tasked with preparing and submitting the annual 50% excess of qualified revenues report. The Courts are solely responsible for entering accurate data into their case management system so the County can subsequently provide accurate data on the annual 50% excess of qualified revenues report.

Finding 1 continued –

The county understated qualified revenues for the following reasons:

- It incorrectly excluded 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) line item, resulting in an understatement of \$41,439.

EDC RESPONSE: In the SCO's previous audits there is no mention that City base fines had to be included in the annual 50% excess of qualified revenues report. The County, as the pass-through entity, remitted the funds to the cities. This component of Finding 1 does not appear to be a repeat finding.

Further, the Annual Memorandum from the Judicial Counsel of California which provides instructions for the Components of the Traffic Violator School (TVS) fee VC 42007 was not received in the US mail by the County. The County did remit what the Courts defined as TVS fees.

- It incorrectly excluded revenues collected for the County Criminal Justice Facilities Construction Fund (\$1 per TVS case) (GC section 76101) from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$9,734.

EDC RESPONSE: The Courts neglected to break out County Criminal Justice Facilities Construction Fund for TVS cases. In the SCO's previous audits, no mention was made about this for County Criminal Justice Facilities Construction Fund. Consequently, this component of Finding 1 does not appear to be a repeat finding.

- It incorrectly excluded revenues collected for the Emergency Medical Services Fund (GC section 76104) and the Maddy Emergency Medical Services Fund (GC section 76000.5) on TVS cases from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$194,686.

EDC RESPONSE: The Courts Case Management System (CMS) did not track EMS/TVS cases separately for the audit period 2018-2022. The Courts in 2024 have now updated their CMS to capture EMS/TVS cases so the County can identify and include these amounts in the annual 50% excess of qualified revenues report.

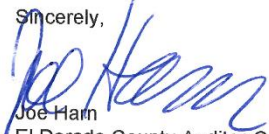
- It incorrectly included the revenues collected for the county red-light allocation fund (PC section 1463.11) in its calculation of the State Penalty Fund (PC section 1464) line item, resulting in an overstatement of \$13,991.

EDC RESPONSE: The County overpaid the red-light (PC 1463.11) and is now aware that it should not be included in the annual 50% excess of qualified revenues report. In previous SCO audits no mention was made to exclude the red-light (PC 1463.11). Consequently, this component of Finding 1 does not appear to be a repeat finding.

- It incorrectly included the county base fines (PC section 1463.001) collected on city traffic cases in the calculation of the county base fines (PC section 1463.001) line item for county arrests for FY 2020-21, resulting in an overstatement of \$16,085.

EDC RESPONSE: The County included base fines in its calculation for city traffic cases due to an error on a worksheet. This component of Finding 1 does not appear to be a repeat finding.

Sincerely,



Joe Hain

El Dorado County Auditor-Controller

**Attachment B—
Superior Court of California, El Dorado County’s Response
to Draft Audit Report**



**SUPERIOR COURT OF CALIFORNIA
COUNTY OF EL DORADO**

2850 Fairlane Court, Suite 110
Placerville, CA 95667

September 23, 2024

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

RE: Superior Court of California, County of El Dorado
State Controller's Office Draft Audit Report
July 1, 2018 – June 30, 2022

Dear Ms. Kurokawa,

On Wednesday, September 11, 2024, we received your letter dated September 11, 2024, along with the draft Audit Report on Court Revenues for the period of July 1, 2018, through June 30, 2022. Our responses are as follows:

Finding #1 – Under Remitted Amounts:

The county underremitted \$87,309 in court revenues to the State Treasurer because it underremitted the State Trial Court Improvement and Modernization Fund (Government Code [GC] section 77205) by \$87,309.

Response:

The court has made necessary changes to the case management system, eCourt, that will accurately reflect revenues to the State Trial Court Improvement and Modernization Fund, going forward.

Finding #2 – Incorrect Distributions – Health and Safety Violations

On November 1, 2023, the City of Placerville remitted \$44,243 to the county. On November 14, 2023, the county remitted \$44,243 to the State Treasurer via the TC-31.

Upon issuance of the final audit report, the county should remit \$87,309 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

El Dorado Superior Court FY18/19 – FY21/22

identified on the Schedule of this audit report and state that the amounts are related to the SCO audit period of July 1, 2018, through June 30, 2022.

Response:

The court has made necessary changes to the case management system, eCourt, that will accurately reflect revenues to the State Trial Court Improvement and Modernization Fund, going forward. Also, the County will prepare an updated TC-31 and submit it to the State Controller's Office.

Sincerely,



Shelby Wineinger
Court Executive Officer

cc: The Honorable Joe Harn, Auditor-Controller
Dave Warren, Director of Finance

**Attachment C—
City of Placerville’s Response to Draft Audit Report**



City of Placerville
Finance Department
3101 Center Street
Placerville, CA 95667
530.642.5223

September 23, 2024

California State Controller
Attn.: Kimberly A. Tarvin, CPA, Chief, Division of Audits
P.O. Box 942850
Sacramento, CA 94250

Re: Draft Court Revenue Audit Report

Dear Ms. Tarvin:

This is a response to the draft Court Revenue Audit Report for the period of July 1, 2018 through June 30, 2022. In regards to Finding 2-Underremitted parking surcharges-City of Placerville, the City concurs with the finding and the amount of \$44,243 in outstanding court surcharges, which have since been paid to El Dorado County. We apologize for this oversight and have taken the appropriate corrective action including working closely with our citation processor, PassportLabs, Inc., and submitting the payment of court surcharges to El Dorado County on a monthly basis.

Thank you for your patience in this matter, and please let me know if you need anything else.

Sincerely,

Dave Warren
Assistant City Manager/Director of Finance

DRW/tms

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

www.sco.ca.gov