

# **FRESNO COUNTY**

Audit Report

## **COURT REVENUES**

*July 1, 2000, through June 30, 2005*



**JOHN CHIANG**  
California State Controller

January 2007



**JOHN CHIANG**  
California State Controller

January 31, 2007

The Honorable Vicki Crow  
Auditor-Controller  
Fresno County  
P.O. Box 1247  
Fresno, CA 93715

Ms. Tamara Beard  
Court Executive Officer  
Jury Commissioner  
Fresno County  
1100 Van Ness  
Fresno, CA 93721

Dear Ms. Crow and Ms. Beard:

The State Controller's Office audited Fresno County's court revenues for the period of July 1, 2000, through June 30, 2005.

Our audit disclosed that the county underremitted \$1,735,473 in court revenues to the State Treasurer because it:

- Underremitted 50% excess of qualified fines by \$1,904,848;
- Overremitted health and safety fines by \$176,454;
- Underremitted 2% automation fees by \$50,841; and
- Overremitted DNA penalties by \$43,762.

The county should differentiate the individual accounts making up this amount on the bottom portion of the monthly TC-31, Remittance to State Treasurer, in accordance with standard remittance procedures. The county should state on the remittance advice that the account adjustments relate to the SCO audit for the period of July 1, 2000, through June 30, 2005.

Please mail a copy of the TC-31 and documentation supporting the corresponding adjustment(s) to the attention of the following individuals:

Greg Brummels, Audit Manager  
State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, California 94250-5874

Jaime Delgadillo, Collections Supervisor  
Division of Collections  
Bureau of Tax Administration  
Post Office Box 942850  
Sacramento, California 94250-5880

**Once the county has paid the underremitted Trial Court Improvement Fund amount, we will calculate a penalty on the underremitted amount at the rate of 18% per annum and bill the county accordingly, in accordance with *Government Code* Sections 68085, 70353, and 70377.**

If you have any questions, please contact Jerry McClain, Chief, Special Audits Bureau, at (916) 323-1573.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

JVB/vb

cc: Bobbie Ormonde  
Deputy Treasurer-Tax Collector  
Fresno County  
John A. Judnick, Manager, Internal Audit  
Judicial Council of California  
Karen McGagin, Executive Officer  
Victim Compensation and Government Claims Board  
Renee Renwick, Deputy Director  
Administration Division  
Department of Fish and Game  
Greg Jolivette  
Legislative Analyst'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 Fresno County for the period of July 1, 2000, through June 30, 2005. The last day of fieldwork was April 14, 2006.

Our audit disclosed that the county underremitted \$1,735,473 in court revenues to the State Treasurer because it:

- Underremitted 50% excess of qualified fines by \$1,904,848;
- Overremitted health and safety fines by \$176,454;
- Underremitted 2% automation fees by \$50,841; and
- Overremitted DNA penalties by \$43,762.

## 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 a portion of such money, the court is required by *Government Code* Section 68101 to deposit the State's portion of court revenues with the county treasurer as soon as practical and to 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.

*Government Code* Section 68103 requires that the State Controller determine whether or not all court collections remitted to the State Treasurer are complete. *Government Code* Section 68104 authorizes the State Controller to examine records maintained by any court. Furthermore, *Government Code* Section 12410 provides the State Controller with general audit authority to ensure that state funds are properly safeguarded.

## Objective, Scope, and Methodology

Our audit objective was to determine whether the county completely and accurately remitted court revenues in a timely manner to the State Treasurer for the period of July 1, 2000, through June 30, 2005. We did not review the timeliness of any remittances the county may be required to make under *Government Code* Sections 70353, 77201.1(b)(1), and 77201(b)(2).

To meet our objective, we reviewed the revenue-processing systems within the county's Superior Court, County Revenue and Recovery Department, Auditor-Controller's Office, and Treasurer-Tax Collector-Assessor's Office.

We performed the following procedures.

- Reviewed the accuracy of distribution reports prepared by the county, which show court revenue distributions to the State, the county, and the cities located within the county.
- Gained an understanding of the county's revenue collection and reporting processes by interviewing key personnel and reviewing documents supporting the transaction flow.
- Analyzed various revenue accounts reported in the county's monthly cash statements for unusual variations and omissions.
- Evaluated the accuracy of revenue distribution using as criteria various California codes and the SCO's *Manual of Accounting and Audit Guidelines for Trial Courts*.
- Tested for any incorrect distributions.
- Expanded any tests that revealed errors to determine the extent of any incorrect distributions.

We conducted our audit according to *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the county's financial statements. We considered the county's internal controls only to the extent necessary to plan the audit. This report relates solely to our examination of court revenues remitted and payable to the State of California. Therefore, we do not express an opinion as to whether the county's court revenues, taken as a whole, are free from material misstatement.

## **Conclusion**

Fresno County underremitted \$1,735,473 in court revenues to the State Treasurer. The underremittances are summarized in Schedule 1 and described in the Findings and Recommendations section.

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

The county has satisfactorily resolved the findings noted in our prior audit report, issued March 26, 2002, with the exception of Finding 2, Inadequate Accounting by the County Revenue and Recovery Department.

## **Views of Responsible Officials**

We issued a draft audit report on November 8, 2006. Vicki Crow, Auditor-Controller, responded for the county and the courts received by SCO on January 24, 2007 (Attachment), agreeing with the audit results.

**Restricted Use**

This report is solely for the information and use of Fresno County, the Fresno County Courts, the Judicial Council of California, 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 report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

## Schedule 1— Summary of Audit Findings by Fiscal Year July 1, 2000, through June 30, 2005

Description	Account Title <sup>1</sup>	Code Section	Fiscal Year					Total	Reference <sup>2</sup>
			2000-01	2001-02	2002-03	2003-04	2004-05		
<b>County</b>									
Underremitted 50% excess of specified codes	Trial Court Improvement Fund	<i>Government Code §77205</i>	<u>\$(131,718)</u>	<u>\$ 9,343</u>	<u>\$ 704,075</u>	<u>\$ 661,065</u>	<u>\$ 662,083</u>	<u>\$ 1,904,848</u>	Finding 1
Inadequate accounting and case management by the County Revenue and Recovery Department	General Fund Health and Safety fines	<i>Health &amp; Safety Code §11502</i>	(46,721)	(47,554)	(42,222)	(20,983)	(18,974)	(176,454)	Finding 2
	Trial Court Improvement Fund	<i>Government Code §68090.8</i>	<u>10,677</u>	<u>10,677</u>	<u>9,660</u>	<u>9,150</u>	<u>10,677</u>	<u>50,841</u>	Finding 2
Subtotals			<u>(36,044)</u>	<u>(36,877)</u>	<u>(32,562)</u>	<u>(11,833)</u>	<u>(8,297)</u>	<u>(125,613)</u>	
Total, County			<u>(167,762)</u>	<u>(27,534)</u>	<u>671,513</u>	<u>649,232</u>	<u>653,786</u>	<u>1,779,235</u>	
<b>Court</b>									
Overremitted DNA identification Penalties	DNA Identification Fund	<i>Government Code §76104.6</i>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(43,762)</u>	<u>(43,762)</u>	Finding 3
Net amount underpaid (overpaid) to the State Treasurer			<u>\$(167,762)</u>	<u>\$ (27,534)</u>	<u>\$ 671,513</u>	<u>\$ 649,232</u>	<u>\$ 610,024</u>	<u>\$ 1,735,473</u>	

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

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

**Schedule 2—  
Summary of Underremittances by Month  
Trial Court Improvement Fund  
July 1, 2000, through June 30, 2005**

Month	Fiscal Year				
	2000-01	2001-02	2002-03	2003-04	2004-05
July	\$ 889	\$ 889	\$ 805	\$ 762	\$ 889
August	889	889	805	762	889
September	889	889	805	762	889
October	889	889	805	762	889
November	889	889	805	762	889
December	889	889	805	762	889
January	889	889	805	762	889
February	889	889	805	762	889
March	889	889	805	762	889
April	889	889	805	762	889
May	889	889	805	762	889
June <sup>1</sup>	898	10,241	704,880	661,833	662,981
Total underremittances to the State Treasurer	<u>\$ 10,677</u>	<u>\$ 20,020</u>	<u>\$ 713,735</u>	<u>\$ 670,215</u>	<u>\$ 672,760</u>

NOTE: Delinquent Trial Court Trust Fund remittances not remitted to the SCO within 45 days of the end of the month in which the fees were collected are subject to penalty, pursuant to *Government Code* Section 68085(h). The SCO will calculate and bill the county for the penalty after the county pays the underlying amount owed.

<sup>1</sup> Includes maintenance-of-effort underremittances (Finding 1) as follows.

Fiscal Year				
2000-01	2001-02	2002-03	2003-04	2004-05
<u>\$ —</u>	<u>\$ 9,343</u>	<u>\$ 704,075</u>	<u>\$ 661,065</u>	<u>\$ 662,083</u>

### Schedule 3— Summary of Overremittances by Month July 1, 2000, through June 30, 2005

Month	Fiscal Year				
	2000-01	2001-02	2002-03	2003-04	2004-05
July	\$ 3,893	\$ 3,962	\$ 3,518	\$ 1,748	\$ 1,581
August	3,893	3,962	3,518	1,748	1,581
September	3,893	3,962	3,518	1,748	1,581
October	3,893	3,962	3,518	1,748	1,581
November	3,893	3,962	3,518	1,748	1,581
December	3,893	3,962	3,518	1,748	1,581
January	3,893	3,962	3,518	1,748	1,581
February	3,893	3,962	3,518	1,748	1,581
March	3,893	3,962	3,518	1,748	10,333
April	3,893	3,962	3,518	1,748	1,581
May	3,893	3,962	3,518	1,748	1,581
June <sup>1</sup>	135,616	3,972	3,524	1,755	36,593
Total overremittances to the State Treasurer	<u>\$ 178,439</u>	<u>\$ 47,554</u>	<u>\$ 42,222</u>	<u>\$ 20,983</u>	<u>\$ 62,736</u>

<sup>1</sup> Includes maintenance-of-effort overremittances (Finding 1) as follows.

Fiscal Year				
2000-01	2001-02	2002-03	2003-04	2004-05
<u>\$ 131,718</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

# Findings and Recommendations

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

The County Auditor-Controller's Office underremitted by \$1,904,848 the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the five fiscal year (FY) period starting July 1, 2000, and ending June 30, 2005.

*Government Code* Section 77201(b)(2) requires Fresno County, for its base revenue obligation, to remit \$3,695,633 for FY 2000-01 and each fiscal year thereafter. In addition, *Government Code* Section 77205(a) requires the county to remit to the Trial Court Improvement Fund 50% of qualified revenues that exceed the stated base for each fiscal year.

The error occurred as a result of conditions identified as follows.

- *Government Code* Section 27361 recording and indexing fees were not included throughout the audit period.
- *Vehicle Code* Section 40225d (Equipment and Vehicle Tags fees) rather than the *Government Code* Section 76000 (Parking fees) were included from FY 2001-02 through FY 2004-05.
- *Penal Code* Section 1464, 30% of state penalties, were not properly reflected during the period of October 2003 for the Superior Court.
- *Penal Code* Section 1463.001 fines and *Penal Code* Section 1464, 30% of state penalties, were not properly reflected throughout the audit period for the county revenue reimbursement division.
- The computations for Traffic Violator School fees were not complete due to incorrect distributions on DNA Penalties.

The qualified revenues reported for FY 2000-01 were \$7,301,127. The excess, above the base of \$3,695,633, is \$3,605,494. This amount should be divided equally between the county and the state, resulting in \$1,802,747 excess due the state. The county has remitted a previous payment of \$1,934,465, causing an overremittance of \$131,718.

The qualified revenues reported for FY 2001-02 were \$7,685,255. The excess, above the base of \$3,695,633, is \$3,989,622. This amount should be divided equally between the county and the state, resulting in \$1,994,811 excess due the state. The county has remitted a previous payment of \$1,985,468, causing an underremittance of \$9,343.

The qualified revenues reported for FY 2002-03 were \$8,993,188. The excess, above the base of \$3,695,633, is \$5,297,555. This amount should be divided equally between the county and the state, resulting in \$2,648,778 excess due the state. The county has remitted a previous payment of \$1,944,703, causing an underremittance of \$704,075.

The qualified revenues reported for FY 2003-04 were \$10,346,764. The excess, above the base of \$3,695,633, is \$6,651,131. This amount should be divided equally between the county and the state, resulting in \$3,325,566 excess due the state. The county has remitted a previous payment of \$2,664,501, causing an underremittance of \$661,065.

The qualified revenues reported for FY 2004-05 were \$10,480,579. The excess, above the base of \$3,695,633, is \$6,784,946. This amount should be divided equally between the county and the state, resulting in \$3,392,473 excess due the state. The county has remitted a previous payment of \$2,730,390, causing an underremittance of \$662,083.

The over- and underremittances had the following effect.

Account Title	Understated/ (Overstated)
Trial Court Improvement Fund— <i>Government Code</i> Section 77205:	
FY 2000-01	\$ (131,718)
FY 2001-02	(9,343)
FY 2002-03	(704,075)
FY 2003-04	(661,065)
FY 2004-05	(662,083)
County General Fund	(1,904,848)

Recommendation

The county should remit \$1,904,848 to the State Treasurer and report on the remittance advice form (TC-31) an increase to the Trial Court Improvement Fund—*Government Code* Section 77205. The county should also make the corresponding account adjustments.

Additionally, the Treasurer/Probation Department should identify and include *Government Code* Section 77205-related accounts within the computations.

County’s Response

We concur with audit finding 1 and have implemented procedures to ensure the accuracy of the reporting.

The recording and indexing fees are included in current report. Since the auditor brought it to our attention in April 2006, we included the amount of indexing and recording fees collected from July 1, 2005 to June 30, 2006 in the computation of the 50/50 split of excess revenue.

We also have implemented internal procedures to ensure that parking fees are included in the reporting. Software programs are being implemented in the Revenue Reimbursement Division and the Court to ensure the accuracy of the reporting.

**FINDING 2—  
Inadequate  
accounting and case  
management by the  
County Revenue and  
Recovery Department**

As noted in the previous audit, the Fresno County Revenue and Recovery Department did not properly report and distribute the fines, penalties, surcharges, and fees as follows.

- There was no reconciliation between the Month to Date Collections Report (report number AR 10), Journal Entry Detail Report (report number GLC7501), Interfund Transfer Journal Voucher (report number FCAC-122), County of Fresno Automated Court System Affidavit (COFACS), and the Lotus capture log spreadsheets. The audit disclosed that the collections between reports during May 2005 and for FY 2004-05 did not reconcile.
- The account distribution formulas for the collections identified by facility code on the Lotus capture log spreadsheets were not available for review.
- The county did not make distributions under *Health and Safety Code* Section 11502 and *Penal Code* Section 1463.001 fines into the county treasury in accordance with *Penal Code* Section 1203.1.
- The county made distributions to the criminalistic laboratory fund in excess of the \$50 requirement per case in accordance with *Health and Safety Code* Section 11372.5.
- The 2% automation fee per *Government Code* Section 68090.8 was not properly applied to all accounts.

The fiscal effect of the above errors caused the county to inaccurately state the distributions made to the state and county funds. The monetary amount of understatement or overstatement due to collections not reconciled and criminalistic laboratory fund-related issues were not computed by the auditor since the supporting background data was not available for review.

However, the incorrect distribution due to *Penal Code* Section 1203.1 and *Government Code* Section 68090.8 errors were as follows.

<u>Account Title</u>	<u>Understated/ (Overstated)</u>
State Health and Safety Fines— <i>Health and Safety Code</i> §11502	\$ (176,454)
State 2% Automation Account— <i>Government Code</i> §68090.8	50,841
County General Fund	125,613

The inadequacies were attributed by the county to oversight during the programming of Management Information System (MIS). Additionally, collections, recording, and distributions were performed by two separate and distinct systems. That is, the Probation Fines MIS and the COFACS MIS did not properly merge and correlate to the County Auditor-Controller’s MIS.

This finding was addressed in the SCO audit of Fresno County for the period of July 1, 1996 through June 30, 2000 (report issued March 26, 2002). At present, procedures have not been implemented by the county to correct this error.

*Penal Code* Section 1203.1(k) declares that fines, except those as cited within the section, collected by a county probation officer in any of the courts of California, as a condition of the granting of probation, shall be paid into the county treasury and placed in the county general fund.

*Penal Code* Section 1463.004 declares 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 those which would be produced by strict observance of the statutory distributions.

*Government Code* Section 68101 requires any judge imposing or collecting fines or forfeitures to keep a record of them. Therefore, it is the collecting departments' responsibility to maintain a complete and valid recordkeeping system.

*Government Code* Section 68090.8 requires the application of a 2% fee to all fines, penalties, and forfeitures collected.

*Health and Safety Code* Section 11372.5 declares the court shall, upon conviction, imposed a fine in an amount not to exceed \$50. The court shall increase the total fine necessary to include this increment.

#### Recommendation

The county should reduce remittances to the State Treasurer by \$125,613 and report on the remittance advice (TC-31) a decrease of \$176,454 to the State Health and Safety Fund 11502 and an increase of \$50,841 to the state 2% trial court improvement fund account. The county should also make the corresponding account adjustments.

The County Revenue and Recovery Department should ensure that the collections are distributed in accordance with applicable laws and properly supported. Reconciliations should be made between the Probation Fines, COFACS, and the County Auditor-Controller MIS on a monthly basis.

#### County's Response

The Revenue Reimbursement Division of the Auditor-Controller/Treasurer-Tax Collector Department has implemented monthly reconciliations between the Month to Date Collections Report (AR10), which is produced from the CUBS system, and the County's Financial system (Peoplesoft).

The Revenue Reimbursement Division (RRD) uses CUBS for client collections. The County of Fresno Automated Court System Affidavit (COFACS) is only utilized by RRD for informational purposes. COFACS is the courts old collection system, which was replaced by a

new system called V2. The Courts are responsible for reconciling their system collections. There are instances where COFACS does not have the fine amount in its system that RRD should collect, which would cause discrepancies in balancing and create long lists of reconciling items.

The Reimbursement Division is working on replacing the Lotus probation distribution program. The applicable laws, in accordance to the Manual of Accounting and Auditing Guidelines for Trial Courts – Revision 19 Appendix C, will be applied to the new program to ensure proper distribution. System documentation will be kept for future review. Once this program is completed, the process will be documented, the CUBS system will be updated, and the procedures will be implemented.

The Revenue Reimbursement Division (RRD) reviewed the account that was noted in the State Audit workpapers and will make the necessary corrections. In Addition, RRD will review the CUBS collection system, for the criminal laboratory fines, to verify the compliance of the \$50 requirement per case in accordance with Health and Safety code section 11372.5.

**FINDING 3—  
Overremitted DNA  
identification penalty  
assessment on traffic  
violator school  
violations**

The Fresno Superior Court incorrectly distributed DNA identification penalty assessment on traffic violator school violations from December 2004 through June 2005.

The California State Controller, *DNA Penalty Assessment (Proposition 69) Distribution Guidelines*, dated December 2004, declares that for traffic school violations, the DNA identification penalty assessment is part of the total bail. Therefore, it is part of the traffic violator school fee pursuant to *Vehicle Code* Section 42007.

The error occurred because court personnel were not aware of the specific statutory requirements for DNA identification penalty on traffic violator school cases.

The incorrect distribution had the following effect.

Account Title	Understated/ (Overstated)
State DNA Penalties— <i>Government Code</i> §76104.6	\$ (43,762)
County DNA Penalties— <i>Government Code</i> §76104.6	(18,755)
County Traffic Violator School Bail— <i>Vehicle Code</i> §42007	62,517

Recommendation

The court should reduce remittances to the State Treasurer by \$43,762 and report on the remittance advice (TC-31) a decrease of \$43,762 to the State DNA Identification Fund—*Government Code* Section 76104.6. The county should also make the corresponding account adjustments.

Additionally, the court should implement procedures to ensure the proper distributions of DNA penalty assessment.

Furthermore, a reallocation should be made from July 2005 through the time period the system is corrected.

#### Court's Response

The court concurs with audit finding 3 and will make the required adjustment for the incorrect distribution for the period December 2004 through June 2005 in December 2006.

The court has implemented procedures to ensure that future distributions of DNA penalty assessment are correct; specifically, the court's case management system was updated in November 2005 to reflect the new DNA penalty assessment distribution. In addition to correcting the distribution from December 2004 through June 2005, the court will also calculate and reallocate the DNA penalty assessment from July 2005 through November 2005 (by January, 2007).

#### **FINDING 4— Incorrect Domestic Violence Fees distributions on county collections for defendants on probation**

The Fresno County Revenue and Recovery Department did not properly collect and distribute domestic violence fees for defendants on probation. During July 2002 through June 2005, \$178,435 was collected from defendants to which cases originated in the Fresno Municipal Court. Subsequently, the amount was distributed: \$1,379 went to the county and \$177,056 to the state. The collections prior to July 2002 were not readily available for review. The error was due to incorrect formulas within the automated accounting system, which gave a distribution priority to the state based on the incorrect interpretation of the \$133 minimum state-payment clause within the applicable law.

The domestic violence fee collections should first be classified between the cases with impositions of \$200 or less per case and those \$201 or above per case before recalculations can be made to determine the proper monetary overstatements or understatements among the state and county accounts. The grouping of incorrectly distributed cases by dollar value is not attainable unless a segregation method is implemented. Therefore, the monetary effect was unable to be determined.

*Penal Code* Section 1203.097(a)(5) and Assembly Bill 352 (Chapter 431, Statutes of 2003), states:

This bill would provide instead that, until January 1, 2007, two-thirds of the money should be retained by the county for those purposes and the reduced remainder be transferred to the controller in an amount not less than \$133 for each defendant. However, if the court orders the defendant to pay \$200 or less because of his or her inability to pay, the state would receive two-thirds of the payment.

### Recommendation

The county should segregate the domestic violence fees collections between cases with impositions of \$200 or less and those of \$201 or more. Redistributions should be made from July 2000 through the date the system is corrected.

The county should also reprogram its automated accounting distribution formulas for domestic violence cases.

### County's Response

The Revenue Reimbursement Division (RRD) will separate the charge codes, one for cases with fines of \$200 or less and one for cases with fines of \$201 or more, for the Domestic Violence Fees to ensure proper distribution. As previously stated, RRD is working on replacing the Lotus probation distribution program. The applicable laws, in accordance to the Manual of Accounting and Auditing Guidelines for Trial Courts – Revision 19 Appendix C, will be applied to the new program to ensure proper distribution. System documentation will be kept for future review. Once this program is completed, the process will be documented, the CUBS system will be updated, and the procedures will be implemented.

**Attachment—  
County Auditor-Controller's and Courts Response  
to Draft Audit Report**

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# County of Fresno

VICKI CROW, C.P.A.

AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

Mr. Jeffrey V. Brownfield  
Chief, Division of Audits  
California State Controller Office  
P.O. Box 942850  
Sacramento, CA 94250-5874

Dear Mr. Brownfield:

We are responding to your letter dated 11/8/06 and the draft Audit Report of Court Revenues. Please find below our response to each of the four findings:

Finding 1 - Underremitted excess of qualified fines, fees, and penalties.

Response:

We concur with audit finding 1 and have implemented procedures to ensure the accuracy of the reporting.

The recording and indexing fees are included in current report. Since the auditor brought it to our attention in April 2006, we included the amount of indexing and recording fees collected from July 1, 2005 to June 30, 2006 in the computation of the 50/50 split of excess revenue.

We also have implemented internal procedures to ensure that parking fees are included in the reporting. Software programs are being implemented in the Revenue Reimbursement Division and the Court to ensure the accuracy of the reporting.

Finding 2 - Inadequate accounting and case management by the County Revenue and Recovery Department

- There was no reconciliation between the Month to Date Collections Report (report number AR10), Journal entry Detail Report (report number GLC7501), Interfund Transfer Journal Voucher (report number FCAC-122), County of Fresno Automated Court System Affidavit (COFACS), and the Lotus capture log spreadsheets. The audit disclosed that the collections between reports during May 2005 and for FY 2004-05 did not reconcile.

- The account distribution formulas for the collections identified by facility code on the Lotus capture log spreadsheets were not available for review.
- The County did not make distributions under *Health and Safety Code* Section 11502 and *Penal Code* Section 1463.001 fines into the county treasury in accordance with *Penal Code* Section 1203.1
- The County made distributions to the criminalistic laboratory fund in excess of the \$50 requirement per case in accordance with *Health and Safety Code* Section 11372.5.
- The 2% automation fee per *Government Code* Section 68090.8 was not properly applied to all accounts.

Response:

The Revenue Reimbursement Division of the Auditor-Controller/Treasurer-Tax Collector Department has implemented monthly reconciliations between the Month to Date Collections Report (AR10), which is produced from the CUBS system, and the County's Financial system (Peoplesoft).

The Revenue Reimbursement Division (RRD) uses CUBS for client collections. The County of Fresno Automated Court System Affidavit (COFACS) is only utilized by RRD for informational purposes. COFACS is the courts old collection system, which was replaced by a new system called V2. The Courts are responsible for reconciling their system collections. There are instances where COFACS does not have the fine amount in its system that RRD should collect, which would cause discrepancies in balancing and create long lists of reconciling items.

The Revenue Reimbursement Division is working on replacing the Lotus probation distribution program. The applicable laws, in accordance to the Manual of Accounting and Auditing Guidelines for Trial Courts – Revision 19 Appendix C, will be applied to the new program to ensure proper distribution. System documentation will be kept for future review. Once this program is completed, the process will be documented, the CUBS system will be updated, and the procedures will be implemented.

The Revenue Reimbursement Division (RRD) reviewed the account that was noted in the State Audit workpapers and will make the necessary corrections. In addition, RRD will review the CUBS collection system, for the criminal laboratory fines, to verify the compliance of the \$50 requirement per case in accordance with Health and Safety code section 11372.5

Finding 3 - Overremitted DNA identification penalty assessment on traffic violator school violations.

Response:

The court concurs with audit finding 3 and will make the required adjustment for the incorrect distribution for the period December 2004 through June 2005 in December 2006.

The court has implemented procedures to ensure that future distributions of DNA penalty assessment are correct; specifically, the court's case management system was updated in November 2005 to reflect the new DNA penalty assessment distribution. In addition to correcting the distribution from December 2004 through June 2005, the court will also calculate and reallocate the DNA penalty assessment from July 2005 through November 2005 (by January, 2007).

Finding 4 - Incorrect Domestic Violence Fees distributions on county collections for defendants on probation.

Response:

The Revenue Reimbursement Division (RRD) will separate the charge codes, one for cases with fines of \$200 or less and one for cases with fines of \$201 or more, for the Domestic Violence Fees to ensure proper distribution. As previously stated, RRD is working on replacing the Lotus probation distribution program. The applicable laws, in accordance to the Manual of Accounting and Auditing Guidelines for Trial Courts – Revision 19 Appendix C, will be applied to the new program to ensure proper distribution. System documentation will be kept for future review. Once this program is completed, the process will be documented, the CUBS system will be updated, and the procedures will be implemented.

Please contact Maryann Le, Accounting & Financial Division Chief, at (559) 488-2890 if you have further questions.

Sincerely,



Vicki Crow, C.P.A.  
Auditor-Controller/Treasurer-Tax Collector

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