

# LOS ANGELES COUNTY

Revised Audit Report

## COURT REVENUES

*July 1, 2007, through June 30, 2011*



**JOHN CHIANG**  
California State Controller

May 2013



**JOHN CHIANG**  
**California State Controller**

May 28, 2013

Wendy L. Watanabe  
Auditor-Controller  
Los Angeles County  
500 West Temple Street, Room 525  
Los Angeles, CA 90012

John A. Clarke  
Court Executive Officer  
Superior Court of California,  
Los Angeles County  
111 N. Hill Street, Room 105E  
Los Angeles, CA 90012

Dear Ms. Watanabe and Mr. Clarke:

The State Controller's Office audited Los Angeles County's court revenues for the period of July 1, 2007, through June 30, 2011, and issued a report on April 3, 2013.

This is notification that two modifications have been made to the April 3, 2013 report, and it has been reissued.

- Footnote 3 on page 4 has been added to Schedule 1 clarifying the audit finding.
- Finding 3 on page 10 changes the Account Title from State Court Facility Construction Fund to State General Fund.

The County Auditor-Controller's Office should remit the balance of \$2,167,408 to the State Treasurer.

The county should differentiate the individual accounts making up this amount on the bottom portion of the monthly Remittance to State Treasurer form (TC-31), 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, 2007, through June 30, 2011.

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

Joe Vintze, Audit Manager  
Division of Audits  
State Controller's Office  
Post Office Box 942850  
Sacramento, CA 94250-5874

Cindy Giese, Collections Supervisor  
Division of Accounting and Reporting  
Bureau of Tax Administration  
Post Office Box 942850  
Sacramento, CA 94250-5872

**Once the county has paid the underremitted Trial Court Improvement Fund and Court Facilities Trust Fund amounts, we will calculate a penalty on the underremitted amounts in accordance with Government Code sections 68085.**

The county disputes certain facts related to the conclusions and recommendations contained in this audit report. The SCO has an informal audit review process to resolve a dispute of facts. To request a review, the county should submit a written request for a review, along with supporting documents and information pertinent to the disputed issue(s), within 60 days of receiving this final report. The review request should be submitted to Richard J. Chivaro, Chief Counsel, State Controller's Office, Post Office Box 942850, Sacramento, CA 94250-0001. In addition, please provide a copy of the request letter to Steven Mar, Chief, Local Government Audits Bureau, State Controller's Office, Division of Audits, Post Office Box 942850, Sacramento, CA 95250-5874.

If you have any questions, please contact Steven Mar, Chief, Local Government Audits Bureau, at (916) 324-7226.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/vb

cc: John A. Clark, Court Executive Officer  
Superior Court of California  
Los Angeles County  
Debbie Soohoo, Finance Administrator  
Los Angeles Superior Court  
John Judnick, Senior Manager  
Internal Audit Services  
Judicial Council of California  
Julie Nauman, Executive Officer  
Victim Compensation and Government Claims Board  
Greg Jolivette  
Legislative Analyst's Office  
Sandeep Singh, Fiscal Analyst  
Division of Accounting and Reporting  
State Controller's Office

Wendy L. Watanabe  
John A. Clarke

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May 28, 2013

Cindy Giese, Supervisor, Tax Programs Unit  
Division of Accounting and Reporting  
State Controller's Office  
Richard J. Chivaro, Chief Counsel  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) performed an audit to determine the propriety of court revenues remitted to the State of California by Los Angeles County for the period of July 1, 2007, through June 30, 2011.

Our audit disclosed that the county underremitted \$2,167,408 in court revenues to the State Treasurer because it:

- Underremitted night court assessments by \$2,341,497
- Underremitted the 50% of excess qualified fines, fees, and penalties by \$110,314
- Underremitted State surcharges by \$81,930
- Overremitted emergency medical air transportation (EMAT) penalties by \$366,333

## 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 (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 that the SCO determine whether or not all court collections remitted to the State Treasurer are complete. GC section 68104 authorizes the State Controller to examine records maintained by any court. Furthermore, GC section 12410 provides the SCO 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, 2007, through June 30, 2011. We did not review the timeliness of any remittances the county may be required to make under GC 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 Courts, Probation Department, and Auditor-Controller's Office.

We performed the following procedures:

- Reviewed the accuracy of distribution reports prepared by the county that 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 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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**

Los Angeles County underremitted \$2,167,408 in court revenues to the State Treasurer. The underremittances are summarized in Schedule 1 and described in the Findings and Recommendations section of this report.

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

The county has satisfactorily resolved the findings noted in our prior audit report, issued July 29, 2009, with the exception of Finding 4.

## **Views of Responsible Officials**

The Auditor-Controller's Office believes the night court assessments should be exempted from payment to the State as Los Angeles County is currently paying for night court maintenance costs through their Maintenance-of-Effort payments.

The Superior Court of California for the County of Los Angeles agrees with the conclusions and recommendations made.

**Restricted Use**

This report is solely for the information and use of Los Angeles County, the Los Angeles 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

May 28, 2013

**Schedule 1—  
Summary of Audit Findings by Fiscal Year  
July 1, 2007, through June 30, 2011**

Description of Finding Account Title <sup>1</sup> –Code Section	Fiscal Year				Total	Reference <sup>2</sup>
	2007-08	2008-09	2009-10	2010-11		
Underremitted night court assessments–VC §42006	\$ —	\$ 178,621	\$ 1,102,447	\$ 1,060,429	\$ 2,341,497	Finding 1
Underremitted the 50% of excess fines, penalties, and fees–GC §77205	(7,681)	(7,681)	(7,681)	133,357	110,314	Finding 2
Underremitted state surcharges–PC §1465.7	20,482	20,482	20,483	20,483	81,930 <sup>3</sup>	Finding 3
Overremitted emergency medical air transportation penalties– GC §76000.10	—	—	—	(366,333)	(366,333)	Finding 4
<b>Total</b>	<b>\$ 12,801</b>	<b>\$ 191,422</b>	<b>\$ 1,115,249</b>	<b>\$ 847,936</b>	<b>\$ 2,167,408</b>	

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

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

<sup>3</sup> The total includes \$346 applicable to the 2011-12 fiscal year.

**Schedule 2—  
Summary of Underremittances by Month  
Trial Court Improvement Fund  
July 1, 2007, through June 30, 2011**

<u>Month</u>	<u>Fiscal Year</u>			
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
June	<u>\$ (7,681)</u>	<u>\$ (7,681)</u>	<u>\$ (7,681)</u>	<u>\$ 133,357</u>
Total underremittances to the State Treasurer	<u>\$ (7,681)</u>	<u>\$ (7,681)</u>	<u>\$ (7,681)</u>	<u>\$ 133,357</u>

NOTE: Delinquent Trial Court Improvement 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 amount after the county pays the underlying amount owed.

**Schedule 3—  
Summary of Underremittances by Month  
Court Facilities Trust Fund  
July 1, 2007, through June 30, 2011**

Month	Fiscal Year			
	2007-08	2008-09	2009-10	2010-11
July	\$ —	\$ —	\$ 89,366	\$ 89,047
August	—	—	85,920	96,926
September	—	—	91,353	87,208
October	—	—	93,885	87,108
November	—	—	79,750	83,716
December	—	—	88,253	81,221
January	—	—	89,303	86,779
February	—	—	95,311	84,813
March	—	—	105,233	104,361
April	—	—	96,320	88,500
May	—	86,610	95,069	86,289
June	—	92,011	92,684	84,461
Total underremittances to the State Treasurer	\$ —	\$ 178,621	\$ 1,102,447	\$ 1,060,429

**Schedule 4—  
Summary of Overremittances by Month  
July 1, 2007, through June 30, 2011**

<u>Month</u>	<u>Fiscal Year</u>			
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
July	\$ —	\$ —	\$ —	\$ —
August	—	—	—	—
September	—	—	—	—
October	—	—	—	—
November	—	—	—	—
December	—	—	—	—
January	—	—	—	3,031
February	—	—	—	27,522
March	—	—	—	69,494
April	—	—	—	75,635
May	—	—	—	92,112
June	—	—	—	98,539
Total overremittances to the State Treasurer	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 366,333</u>

# Findings and Recommendations

**FINDING 1—  
Underremitted night  
court penalties**

The County Auditor-Controller’s Office did not distribute night court penalties from May 2009 through June 2011. County personnel indicated that the required distributions were indirectly remitted through the expenditure payment obligation per Government Code (GC) section 77201.

Starting January 1, 2009, Vehicle Code (VC) section 42006 requires a special assessment to be authorized in an amount equal to one dollar (\$1) for every fine, forfeiture, and traffic violator school fee imposed and collected by any court that conducts a night or weekend session of the court. If transfer of responsibility for a night court location has occurred, then night court fees should be transmitted to the State.

The inappropriate distribution had the following effect:

Account Title	Understated/ (Overstated)
State Court Facilities Trust Fund–GC section 70352	\$ 2,341,497
County General Fund	(2,341,497)

Recommendation

The county should remit \$2,341,497 to the State Treasurer and report on the Remittance to State Treasurer form (TC-31) an increase to the State Court Facilities Trust Fund – GC section 70352. The county also should make the corresponding account adjustments.

Superior Court’s Response

The Superior Court recognizes this finding as the Auditor-Controller’s issue.

County’s Response

The county believes the night court assessments should be exempted from payment to the State as Los Angeles County is already paying for night court maintenance costs through their Maintenance-of-Effort payments.

SCO’s Response

VC section 42006 requires the assessment. The finding remains.

**FINDING 2—  
Underremitted 50%  
excess of qualified  
fines, fees, and  
penalties**

Los Angeles County underremitted the 50% of excess qualified fines, fees, penalties, and Maintenance-of-Effort (MOE) to the State Treasurer for the four-fiscal-year period from July 1, 2007, through June 30, 2011, by \$110,314. Government Code (GC) section 77201(b)(2) requires Los Angeles County, for its base revenue obligation, to report \$71,002,129 for FY 2007-08 and each fiscal year thereafter. In addition, GC section 77205(a) requires the county to remit 50% of the qualified revenues that exceed the stated base for each fiscal year to the State Trial Court Improvement Fund.

The error occurred because incorrect entries were used in the county and court's distribution working papers and from the fiscal impact of conditions identified in our findings as follows:

- As noted in Finding 3, the Los Angeles County Probation Department did not distribute state surcharges from July 2007 through June 2011. County base fines were offset accordingly, and \$61,448 (81,930 x 75%) should not be included in the MOE.
- As noted in Finding 4, Emergency Medical Transportation penalties were distributed from Traffic Violator School bail from January 2011 through June 2011, and \$282,076 (366,333 × 77%) should have been included in the MOE.

The adjusted qualified revenues reported for fiscal year (FY) 2007-08 were \$94,966,811. The excess, above the base of \$71,002,129, is \$23,964,682, and should be divided equally between the county and State, resulting in \$11,982,341 excess due the State. The county has remitted a previous payment of \$11,990,022, causing an overremittance of \$7,681.

The adjusted qualified revenues reported for FY 2008-09 were \$92,947,100. The excess, above the base of \$71,002,129, is \$21,944,971, and should be divided equally between the county and State, resulting in \$10,972,485 excess due the State. The county has remitted a previous payment of \$10,980,166, causing an overremittance of \$7,681.

The adjusted qualified revenues reported for FY 2009-10 were \$88,250,976. The excess, above the base of \$71,002,129, is \$17,248,847, and should be divided equally between the county and State, resulting in \$8,624,424 excess due the State. The county has remitted a previous payment of \$8,632,105, causing an overremittance of \$7,681.

The adjusted qualified revenues reported for FY 2010-11 were \$85,100,990. The excess, above the base of \$71,002,129, is \$14,098,861, and should be divided equally between the county and State, resulting in \$7,049,431 excess due the State. The county has remitted a previous payment of \$6,916,073, causing an underremittance of \$133,357.

The under- and overremittances had the following effect:

Account Title	Understated/ (Overstated)
State Trial Court Improvement Fund–GC section 77205 FY 2007-08	\$ (7,681)
State Trial Court Improvement Fund–GC section 77205 FY 2008-09	(7,681)
State Trial Court Improvement Fund–GC section 77205 FY 2009-10	(7,681)
State Trial Court Improvement Fund–GC section 77205 FY 2010-11	133,357
County General Fund	110,314

Recommendation

The county should remit \$110,314 to the State Treasurer and report on the Remittance to State Treasurer form (TC-31) an increase to the State Trial Court Improvement Fund – GC section 77205. The county also should make the corresponding account adjustments.

Superior Court’s Response

The Superior Court recognizes this finding as the Auditor-Controller’s issue.

Auditor-Controller’s Response

The Auditor-Controller agrees with the finding and requests that the audit report reflect that the adjustments and payment has already been made.

**FINDING 3—  
Underremitted 20%  
state surcharges and  
penalties**

The Los Angeles County Probation Department did not correctly distribute the 20% state surcharges on base fines from July 2007 through June 2011. County personnel indicated that the required distribution had sunset and was no longer valid.

Penal Code section (PC) 1465.7 requires a 20% state surcharge to be levied on every base fine used to calculate the state penalty. The inappropriate distributions of state surcharges affect the revenues reported to the State Trial Court Improvement Fund under the Maintenance-of-Effort formula pursuant to Government Code (GC) section 77205. In addition, the inappropriate distribution had the following effect:

Account Title	Understated/ (Overstated)
State General Fund	\$ 81,930
County General Fund	(81,930)

Recommendation

The county should remit \$81,930 to the State Treasurer and report on the Remittance to State Treasurer form (TC-31) an increase to the State General Fund (20% Surcharge) – PC section 1465.7. The county also should make the corresponding account adjustments.

Superior Court’s Response

The Superior Court recognizes this finding as the Auditor-Controller’s issue.

Auditor-Controller’s Response

The Auditor-Controller agrees with the finding.

**FINDING 4—  
Overremitted  
emergency medical  
air transportation  
(EMAT) penalties**

The Superior Court of Los Angeles County levied a \$4 State Emergency Medical Air Transportation (EMAT) penalty on Traffic Violator School (TVS) bail starting January 2011. Court personnel indicated that the inappropriate distribution was due to a lack of guidelines in the legislation and direction from the State Controller’s Office and Administrative Office of the Courts.

Starting January 1, 2011, Government Code (GC) section 76000.1 requires a \$4 penalty upon every fine levied on criminal offenses including traffic offenses, but excluding parking offenses. However, upon the election of TVS, the penalties are converted to TVS bail as mandated by Vehicle Code (VC) section 42007. Therefore, because EMAT penalties are not included in the exceptions listed within VC section 42007, they should remain as TVS bail.

The inappropriate distributions of county and State penalties affect the revenues reported to the State Trial Court Improvement Fund under the Maintenance-of-Effort formula pursuant to GC section 77205. In addition, the inappropriate distribution had the following effect:

<u>Account Title</u>	<u>Understated/ (Overstated)</u>
Emergency Medical Air Transportation Act Fund	\$ (366,333)
County General Fund	366,333

Recommendation

The county should offset subsequent remittances by \$366,333 to the State Treasurer, and report on the TC-31 form a decrease to the State Emergency Medical Air Transportation Act Fund. The Court should take steps to insure that EMAT penalties are distributed in accordance with the statutory requirements.

Superior Court's Response

The Superior Court agrees with the finding. The Superior Court has made the adjustment to correct funds paid on the December 2012 revenue report.

Auditor-Controller's Response

The Auditor-Controller will defer a response to the Superior Court.

**FINDING 5—  
Bail money  
distributed before  
disposition of the  
cases**

The Los Angeles County Superior Court Central District Branch distributes deposited cash bail money, less than \$5,000, before the related case is adjudicated. This practice is inconsistent with section 6.61 of the State Controller's Manual of Accounting and Audit Guidelines for Trial Courts, which prescribes that deposited bail be maintained in a trust account for each depositor. Additionally, the court's practice is contrary to generally accepted accounting principles because revenues are recognized before being earned. This error causes an overdistribution of monthly court collections and a distortion of monthly and annual revenues reported by the court. The fiscal effect of the bail trust fund money distributed in error was not measured by the court because its accounting system was not able to identify inappropriately distributed bail from non-adjudicated cases with a review on a case-by-case basis.

This finding was addressed in the State Controller's Office audit of the Los Angeles Municipal Court for the period of July 1987 through June 1991 (report issued January 31, 1993); during the period of July 1991 through June 1993 (report issued April 10, 1995); during the period of July 1993 through June 1995 (report issued July 30, 1997); during the period of July 1995 through June 1999 (report issued September 29, 2000); during the period of July 1999 through June 2003 (report issued April 29, 2005); and again during the period of July 2003 through June 2007 (report issued July 29, 2009). At present, procedures have not been implemented by the court to correct this error. Court personnel believe that compliance with this requirement is impractical and not cost effective because of the volume of transactions recorded.

Recommendation

The Court Administrator of the Superior Court Central District Branch should implement procedures to revise its accounting systems to distribute bail only after dissolution of the related cases. All bail deposits should be placed in a trust account pending disposition.

Superior Court's Response

The Superior Court agrees with the finding and will establish a process to ensure that cash bail monies are placed in trust.

Auditor-Controller's Response

The Auditor-Controller will defer a response to the Superior Court.

SCO's Response

We concur with the Superior Court's corrective action plan.

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

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WENDY L. WATANABE  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

February 21, 2013

State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874

Attn: Steven Mar, Chief  
Local Government Audits Bureau

**RESPONSE TO DRAFT AUDIT REPORT FOR COURT REVENUES  
JULY 1, 2007 THROUGH JUNE 30, 2011**

We have reviewed the draft audit report of Los Angeles County's court revenues for the period July 1, 2007 through June 30, 2011. Below are our responses to the audit findings and recommendations:

**Recommendation 1**

The County should remit \$2,341,497 to the State Treasurer and report on the Remittance Advice Form (TC-31) an increase to the State Court Facilities Trust Fund – GC 70352. The County also should make the corresponding account adjustments.

**County Response**

We will remit the night court assessments to the State. However, the County's position is that this money should be exempted as we are already paying for night court maintenance costs through our Maintenance of Effort (MOE) payments. The legislation enacted by Assembly Bill 1949, as it relates to night court assessments, was passed without considering the potential impact to the previously negotiated MOE. The MOE, as previously negotiated, should have been reduced under Senate Bill 1732. Our Chief Executive Office has been trying to resolve this issue with the State Administrative Office of the Courts since 2009, but has not yet received a response from them. We plan to initiate a dispute with the Court Facilities Dispute Resolution Committee over the night court assessments. The County will also be seeking a change to our MOE or an exemption under the code.

**Recommendation 2**

The County should remit \$110,314 to the State Treasurer and report on the Remittance Advice Form (TC-31) an increase to the State Trial Court Improvement Fund – (GC) section 77205. The County also should make the corresponding account adjustments.

**County Response**

We agree with this finding. The \$110,314 adjustment was remitted to the State on TC-31 Remittance Advice # CO191383 on January 31, 2013. We request that the report reflect that the adjustments and payment have already been made.

**Recommendation 3**

The County should remit \$81,930 to the State Treasurer and report on the Remittance Advice Form (TC-31) an increase to the State General Fund (20% Surcharge) – PC section 1465.7. The County also should make the corresponding account adjustments.

**County Response**

We agree with the finding and will make the necessary adjustments. Probation has already modified their system to reinstate the surcharge.

**Recommendation 4**

Superior Court of California will respond to this finding.

**Recommendation 5**

Superior Court of California will respond to this finding.

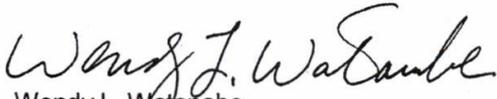
**Summary**

Finding 1 will be adjusted and remitted on the TC-31 as soon as the audit report is finalized. Finding 2 was adjusted and remitted to the State on January 31, 2013. Finding 3 has been corrected and will be adjusted on the TC-31 as soon as the audit report is finalized.

State Controller's Office  
February 21, 2013  
Page 3

If you have any questions or comments, please contact Wai Mungcal of my staff at (213) 974-8323.

Very truly yours,

  
Wendy L. Watanabe  
Auditor-Controller

WLW:JN:CY:wm

H:\Acctg Control\Unit A\Courts\ Audit Findings\Response Draft Audit Report-Court Revenues-02-2013

c: William T Fujioka, Chief Executive Officer  
Jerry E. Powers, Chief Probation Officer  
John A. Clarke, Court Executive Officer, Superior Court  
Rene Phillips, Superior Court

**Attachment B—  
Court's Response to  
Draft Audit Report**

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JOHN A. CLARKE  
EXECUTIVE OFFICER / CLERK

111 NORTH HILL STREET  
LOS ANGELES, CA 90012-3014

*Superior Court of California*  
*County of Los Angeles*

January 28, 2013

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

Attn: Steven Mar, Chief  
Local Government Audits Bureau

We have reviewed the Los Angeles County Court Revenue Audit Report for the period July 1, 2007 through June 30, 2011. Below are our responses to the audit findings and recommendations:

**Recommendations 1, 2 and 3**

The County of Los Angeles will respond to these recommendations.

**Recommendation 4**

The county should offset subsequent remittances by \$366,333 to the State Treasurer, and report on a TC-31 Form, a decrease to the State Emergency Medical Air Transportation Act Fund. The Court should take steps to insure that EMAT penalties are distributed in accordance with the statutory requirements.

**Court Response**

The Court agrees with the recommendation to ensure that EMAT penalties are distributed in accordance with statutory requirements. The adjustment to correct funds has been made on the December 2012 revenue report and the distribution formulas have been changed to correctly distribute funds.

**Recommendation 5**

The Court Administrator of the Superior Court Central District Branch should implement procedures to revise its accounting systems to distribute bail only after dissolution of the related cases. All bail deposits should be placed in a trust account pending disposition.

Jeffrey V. Brownfield

-2-

January 28, 2013

**Court Response**

The Court agrees in concept with the recommendation and will establish a process to ensure that cash bail monies are placed in trust.

If you have any questions, please contact Debbie SooHoo at (213) 974-6091 [dsoohoo@lasuperiorcourt.org](mailto:dsoohoo@lasuperiorcourt.org) or Susie Yuan at (213) 974-6109 [syuan@lasuperiorcourt.org](mailto:syuan@lasuperiorcourt.org) of my staff.

Very truly yours,



John A. Clarke  
Executive Officer/Clerk

JAC:dsh

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

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