

# LOS ANGELES COUNTY

Audit Report

## COURT REVENUES

*July 1, 2003, through June 30, 2007*



**JOHN CHIANG**  
California State Controller

July 2009



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

July 29, 2009

J. Tyler McCauley  
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 Mr. McCauley and Mr. Clarke:

The State Controller's Office audited Los Angeles County's court revenues for the period of July 1, 2003, through June 30, 2007.

Our audit disclosed that the county underremitted \$1,729,602 in court revenues to the State Treasurer because it underremitted 50% excess of qualified fines, fees, and penalties by \$1,409,084 and state court construction facility penalties by \$320,518.

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

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

Cindy Giese, Supervisor, Tax Programs Unit  
Division of Accounting and Reporting  
Bureau of Tax Administration  
Post Office Box 942850  
Sacramento, CA 94250

**Once the county has paid the underremitted State Court Facilities Construction Fund amount, we will calculate a penalty on the underremitted amount and bill the county accordingly, in accordance with Government Code sections 68085, 70353, and 70377.**

J. Tyler McCauley  
John A. Clarke

-2-

July 29, 2009

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  
Chief, Division of Audits

JVB/sk:vb

cc: John A. Judnick, Manager, Internal Audit  
Judicial Council of California  
Julie Nauman, Executive Officer  
Victim Compensation and Government Claims Board  
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 Los Angeles County for the period of July 1, 2003, through June 30, 2007.

Our audit disclosed that the county underremitted \$1,729,602 in court revenues to the State Treasurer because the county underremitted 50% excess of qualified fines, fees, and penalties by \$1,409,084 and state court construction facility penalties by \$320,518.

## 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, 2003, through June 30, 2007. 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, Municipal Courts, Probation Department, and Auditor-Controller'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 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 \$1,729,602 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 April 29, 2005, with the exception of Finding 4, Bail money distributed before disposition of case, noted in the Findings and Recommendations section of this report.

## **Views of Responsible Officials**

We issued a draft audit report on March 20, 2009. Connie Yee, Chief, Accounting Division, Auditor-Controller's Office, responded by letter dated April 8, 2009 (Attachment A), agreeing with the audit results. John A. Clarke, Court Executive Officer, also responded by letter dated April 10, 2009 (Attachment B), agreeing with the audit results.

**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

July 29, 2009

**Schedule 1—  
Summary of Audit Findings by Fiscal Year  
July 1, 2003, through June 30, 2007**

Description	Account Title	Code Section	Fiscal Year				Total	Reference <sup>1</sup>
			2003-04	2004-05	2005-06	2006-07		
Underremitted 50% excess of fines, fees, and penalties	State Trail Court Improvement Fund	Government Code §77205	\$ 353,407	\$ 347,618	\$ 360,270	\$ 347,789	\$ 1,409,084	Finding 1
Inappropriate distribution of state court facility construction penalties	State Court Facility Construction Fund	Government Code §70372(a)	181,626	201,775	91,723	69,756	544,880	Finding 2
	State Penalty Fund	Penal Code §1464	(74,787)	(83,084)	(37,768)	(28,723)	(224,362)	Finding 2
Net amount underpaid (overpaid) to the State Treasurer			<u>\$ 460,246</u>	<u>\$ 466,309</u>	<u>\$ 414,225</u>	<u>\$ 388,822</u>	<u>\$ 1,729,602</u>	

<sup>1</sup> See the Findings and Recommendations section.

**Schedule 2—  
Summary of Underremittances by Month  
Trial Court Improvement Fund  
July 1, 2003, through June 30, 2007**

Month	Fiscal Year			
	2004-05	2005-06	2006-07	2007-08
July	\$ —	\$ —	\$ —	\$ —
August	353,407	347,618	360,270	347,789
September	—	—	—	—
October	—	—	—	—
November	—	—	—	—
December	—	—	—	—
January	—	—	—	—
February	—	—	—	—
March	—	—	—	—
April	—	—	—	—
May	—	—	—	—
June <sup>1</sup>	—	—	—	—
Total underremittances to the State Treasurer	<u>\$ 353,407</u>	<u>\$ 347,618</u>	<u>\$ 360,270</u>	<u>\$ 347,789</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			
2003-04	2004-05	2005-06	2006-07
<u>\$ 353,407</u>	<u>\$ 347,618</u>	<u>\$ 360,270</u>	<u>\$ 347,789</u>

**Schedule 3—  
Summary of Underremittances by Month  
State Court Facilities Construction Fund  
July 1, 2003, through June 30, 2007**

Month	Fiscal Year			
	2003-04	2004-05	2005-06	2006-07
July	\$ 10,297	\$ 15,473	\$ 9,369	\$ 6,400
August	12,625	22,894	8,772	5,130
September	13,775	19,449	9,529	6,929
October	14,858	19,297	8,985	7,080
November	13,695	14,863	6,519	5,990
December	17,727	18,428	7,614	7,288
January	13,516	14,069	5,581	4,066
February	18,773	14,707	6,875	4,855
March	19,134	19,998	10,361	4,105
April	19,450	15,809	5,974	4,904
May	12,457	15,218	6,846	8,929
June	15,319	11,570	5,298	4,080
Total underremittances to the State Treasurer	<u>\$ 181,626</u>	<u>\$ 201,775</u>	<u>\$ 91,723</u>	<u>\$ 69,756</u>

NOTE: Delinquent State Court Facilities Construction 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 70377. The SCO will calculate and bill the county for the penalty after the county pays the underlying amount owed.

**Schedule 4—  
Summary of Overremittances by Month  
July 1, 2003, through June 30, 2007**

Month	Fiscal Year			
	2003-04	2004-05	2005-06	2006-07
July	\$ 4,240	\$ 6,371	\$ 3,858	\$ 2,635
August	5,199	9,427	3,612	2,112
September	5,672	8,009	3,924	2,853
October	6,118	7,946	3,700	2,915
November	5,639	6,120	2,684	2,467
December	7,299	7,588	3,135	3,001
January	5,565	5,793	2,298	1,674
February	7,730	6,056	2,831	1,999
March	7,879	8,234	4,266	1,690
April	8,009	6,510	2,460	2,019
May	5,129	6,266	2,819	3,677
June	6,308	4,764	2,181	1,681
Total overremittances to the State Treasurer	<u>\$ 74,787</u>	<u>\$ 83,084</u>	<u>\$ 37,768</u>	<u>\$ 28,723</u>

# Findings and Recommendations

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

The County Auditor-Controller's Office underremitted by \$1,409,084 the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the four-fiscal-year period starting July 1, 2003, and ending June 30, 2007.

Government Code section 77201(b)(2) requires Los Angeles County, for its base revenue obligation, to remit \$71,002,129 for fiscal year (FY) 1998-99 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 underremittances occurred because incorrect entries were used in the county's and court's distribution working papers, and from the fiscal impact of conditions identified in this report's findings as follows:

- For all four fiscal years, the court did not appropriately distribute \$1 to the Jail Facility Fund and \$1 to the Court Facilities Construction Fund from the county's 23% portion. Instead, it was taken out of the total traffic violator school (TVS) bail. Therefore, 77% of the TVS bail applicable to the maintenance-of-effort (MOE) included this amount. \$2,914,324 ( $\$3,784,837 \times .77$ ) should have been included in the MOE.
- As stated in Finding 2, from January 2003 through July 2007, state court construction facility penalties were not applied to probation fines. The increased adjustment to the State Court Construction Facilities Fund caused a decrease to the MOE as follows: \$96,155 should not have been included in the MOE for the 30% "state" penalties.

The adjusted qualified revenues reported for FY 2003-04 were \$101,310,788. The excess, above the base of \$71,002,129, is \$30,308,659. This amount should be divided equally between the county and the State, resulting in \$15,154,330 excess due the State. The county has remitted a previous payment of \$14,800,923, causing an underremittance of \$353,407.

The adjusted qualified revenues reported for FY 2004-05 were \$100,201,380. The excess, above the base of \$71,002,129, is \$29,199,251. This amount should be divided equally between the county and the State, resulting in \$14,599,625 excess due the State. The county has remitted a previous payment of \$14,252,007, causing an underremittance of \$347,618.

The adjusted qualified revenues reported for FY 2005-06 were \$98,936,354. The excess, above the base of \$71,002,129, is \$27,934,225. This amount should be divided equally between the county and the State, resulting in \$13,967,112 excess due the State. The county has remitted a previous payment of \$13,606,842, causing an underremittance of \$360,270.

The adjusted qualified revenues reported for FY 2006-07 were \$98,534,361. The excess, above the base of \$71,002,129, is \$27,532,232. This amount should be divided equally between the county and the State, resulting in \$13,766,116 excess due the State. The county has remitted a previous payment of \$13,418,327, causing an underremittance of \$347,789.

The underremittances had the following effects:

Account Title	Understated/ (Overstated)
Trial Court Improvement Fund–Government Code section 77205:	
FY 2003-04	\$ 353,407
FY 2004-05	347,618
FY 2005-06	360,270
FY 2006-07	347,789

### Recommendation

The county should remit \$1,409,084 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.

### County’s Response

There is a typing error in the third paragraph on page 8. The 2<sup>nd</sup> bullet referencing Finding 2 should state “starting January 2003 through June 2007.”

The four paragraphs that begin with “The qualified revenues reported for” at the bottom of page 8 and the top of page 9 should begin with “The adjusted qualified revenues for”, because these amounts were never reported and they represent the auditor’s adjusted amounts.

We agree with the finding. The courts have already made the corresponding account adjustments and the County remitted the \$1,409,084 to the State Treasurer on TC-31 remittance advice #CO191034 on August 15, 2008. We request that the report reflect that the adjustments and payment have already been made.

### Court’s Response

The court agrees with the recommendation. The adjustment was made and reported to the Auditor-Controller in the May 2008 month-end revenue report.

### SCO’s Comment

The 2<sup>nd</sup> bullet referencing Finding 2 has been revised to reference January 2003.

The four paragraphs referencing “qualified revenues” have been revised to “adjusted qualified revenues.”

The County has satisfied this finding by remitting \$1,409,084 to the State Treasurer on TC-31, Remittance Advice Number CO191034, dated August 15, 2008.

**FINDING 2—  
Underremitted state  
court facilities  
construction penalties**

The Los Angeles County Probation Department did not appropriately deduct state court facilities construction penalties from probation violations, starting January 2003 through June 2007. County personnel indicated that the required distribution was inadvertently overlooked.

Starting October 1, 2002, Los Angeles County Courts are required to include a \$3 penalty to be collected pursuant to Government Code section 70372(a) on every \$10 fine or portion thereof. The distribution should be deposited in the State Court Facilities Construction Fund.

The inappropriate distribution of penalties affects the revenues reported to the State Trial Court Improvement Fund under the maintenance-of-effort formula pursuant to Government Code section 77205. In addition, the inappropriate distribution had the following effects:

Account Title	Understated/ (Overstated)
State Court Facilities Construction Fund— Government Code §70372(a)	\$ 544,880
State Penalty Fund—Penal Code §1464	(224,362)
County General Fund	(96,155)
County Jail Facilities Fund	(80,129)
County Court Construction Fund	(64,104)
Emergency Medical Service Fund	(64,104)
Automated Fingerprint Fund	(16,026)

Recommendation

The county should remit \$320,518 to the State Treasurer and report on the remittance advice form (TC-31) an increase of \$544,880 to the State Court Facilities Construction Fund—Government Code section 70372(a) and a decrease of \$224,362 to the State Penalty Fund—Penal Code Section 1464. The county should also make the corresponding account adjustments.

The Probation Department should establish formal procedures to ensure that all fines and penalties are correctly distributed in accordance with statutory requirements. A redistribution should be made for the collection period starting July 2007 through the date the current system is revised.

County’s Response

We agree with the finding. The county has already made the account adjustments and also the net payment of \$320,517 to the State Treasurer on TC-31 remittance advice #CO191021 on June 15, 2008. As requested, the TC-31 reflected an increase of \$544,879 to the State Court Facilities Construction Fund – Government Code Section 70372(a) and a decrease of \$224,362 to the State Penalty Fund – Penal Code Section 1464.

Probation has corrected their system for this distribution and made the account adjustments for the collection periods following June, 2007. We request that the report reflect that the adjustments and payments have already been made.

Court's Response

The Court has no response since the finding referenced is for the County Probation Department.

SCO's Comment

The county has satisfied this finding by remitting \$320,517 (net payment) to the State Treasurer on TC-31, Remittance Advice No. C0191021, State Treasurer's endorsement dated June 19, 2008.

**FINDING 3—  
Inequitable distribution  
of operating costs from  
the comprehensive  
collection program**

The Los Angeles County Courts did not equitably distribute operating costs from the comprehensive collection program to the accounts on which collections were made for the quarter ending June 2007. Three employees who were included in the offset formula applied by the county CEO's office were also included in the court's offset. Court personnel indicated that the required distribution was inadvertently overlooked.

Penal Code section 1463.007 allows a court collection entity which implements a comprehensive collection program that satisfies specific statutory requirements, to deduct program operating costs in an equitable manner from program revenue collections. This section further allows a court collection entity to distribute those amounts to the county treasury prior to distribution of those revenues to the state, county and cities. The program must have separate and distinct revenue collection activity that identifies total collections received from qualifying accounts and their related operating costs.

The State Controller's Comprehensive Collection Program Accounting Guidelines state that operating costs are to be equitably offset against the sources from which the collections were received. The excess of the related supportable operating costs are required to be redistributed monthly. However, if the program's operating costs for a given month exceed revenues collected, the excess costs may be carried forward until qualifying revenues are available to fully recover eligible costs.

Failure to make the required priority distribution caused distributions to the State and county to be inaccurately stated by \$26,443. A redistribution did not appear to be either material or cost effective due to the difficulty in identifying and redistributing the various accounts. However, if this practice continues, a material overstatement may occur during future periods.

Recommendation

The Court should establish formal procedures to ensure that all expenditure offsets from the comprehensive collection program are not already claimed by county sources. An examination and potential redistribution should be made for the collection period starting July 2007 through the date the current system is revised.

County's Response

The Superior Court of California will respond to this finding.

Court's Response

The Court agrees with the recommendation. The adjustment was made by the Court in September 2008.

**FINDING 4—  
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 over-distribution 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 only a case-by-case basis review.

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); and again during the period of July 1999 through June 2003 (report issued April 29, 2005). 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.

County's Response

Superior Court of California will respond to this finding.

Court's Response

To the extent possible, the Court will place bail deposits in a trust account pending disposition. At this time, due to the volume of transactions, the Court implemented procedures to place amounts over \$5,000 in trust. In the future, when the Statewide California Case Management System (CCMS) is implemented to automatically track and account for trust items, the Court will consider placing lower amounts in trust.

SCO's Comment

As noted in the above finding, the county's current practice regarding cash bail deposits less than \$5,000 is inconsistent with section 6.61 of the State Controller's *Manual of Accounting and Audit Guidelines for Trial Courts* and contrary to generally accepted accounting principles. The finding remains as stated.

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

---



WENDY L. WATANABE  
AUDITOR-CONTROLLER

MARIA M. OMS  
CHIEF DEPUTY

**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

ADDRESS ALL CORRESPONDENCE TO:  
ACCOUNTING DIVISION  
500 W. TEMPLE ST., ROOM 603  
LOS ANGELES, CA 90012-2713

April 8, 2009

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

Attn: Steven Mar, Chief  
Local Governments Audits Bureau

**RESPONSE TO DRAFT AUDIT REPORT FOR COURT REVENUES**

We have reviewed the draft audit report of Los Angeles County's court revenues for the period July 1, 2003 through June 30, 2007 and have the following comments:

**Findings and Recommendations**

**Finding 1 (page 8 and 9)**

There is a typing error in the third paragraph on page 8. The 2<sup>nd</sup> bullet referencing Finding 2 should state "starting January 2003 through June 2007."

The four paragraphs that begin with "The qualified revenues reported for" at the bottom of page 8 and the top of page 9 should begin with "The adjusted qualified revenues for", because these amounts were never reported and they represent the auditor's adjusted amounts.

We agree with the finding. The courts have already made the corresponding account adjustments and the County remitted the \$1,409,084 to the State Treasurer on TC-31 remittance advice #CO191034 on August 15, 2008. We request that the report reflect that the adjustments and payment have already been made.

**Finding 2 (page 10)**

We agree with the finding. The County has already made the account adjustments and also the net payment of \$320,517 to the State Treasurer on TC-31 remittance advice

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State Controller's Office  
April 8, 2009  
Page 2

#CO191021 on June 15, 2008. As requested, the TC-31 reflected an increase of \$544,879 to the State Court Facilities Construction Fund – Government Code Section 70372(a) and a decrease of \$224,362 to the State Penalty Fund – Penal Code Section 1464.

Probation has corrected their system for this distribution and made the account adjustments for the collection periods following June, 2007. We request that the report reflect that the adjustments and payments have already been made.

**Finding 3 (page 11)**

The County has no response to this finding. The State has agreed to remove this finding based on their discussions with the Superior Court of California.

**Finding 4 (page 12)**

Superior Court of California will respond to this finding.

**Finding 5 (page 13)**

Superior Court of California will respond to this finding.

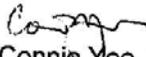
**Summary**

The stated under-remittance in the audit report of \$1,729,602 has already been paid by the County prior to the finalization of this audit.

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

  
Connie Yee, Division Chief  
Accounting Division

WLW:JN:CY:wm

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

c: Rene Phillips, Superior Court of California

**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*

April 10, 2009

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

Attention: Steven Mar, Chief  
Local Government Audits Bureau

We have reviewed the Los Angeles County Court Revenue Audit Report for the period July 1, 2003 through June 30, 2007. Below are our responses to the audit findings and recommendations:

**Recommendation #1 - Underremitted Excess of Qualified Fines, Fees and Penalties**

The county should remit \$1,409,084 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.

Court Response:

The court agrees with the recommendation. The adjustment was made and reported to the Auditor-Controller in the May 2008 month-end revenue report.

**Recommendation #2**

The Court has no response since the finding referenced is for the County Probation Department.

Jeffrey V. Brownfield

-2-

April 10, 2009

**Recommendation #3 – Inequitable distribution of operating costs from the comprehensive collection program.**

The Court should establish formal procedures to ensure that all expenditure offsets from the comprehensive collection program are not already claimed by county sources. An examination and potential redistribution should be made for the collection period starting July 2007 through the date the current system is revised.

Court Response:

The Court agrees with the recommendation. The adjustment was made by the Court in September 2008.

**Recommendation #4 – Bail Money distributed before disposition of the cases**

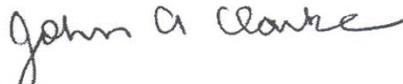
The Court Administrator of the Superior Court Central District Branch should implement procedures to revise its accounting systems to distribute bail only after dissolution of the related cases. All bail deposits should be placed in a trust account pending disposition.

Court Response:

To the extent possible, the Court will place bail deposits in a trust account pending disposition. At this time, due to the volume of transactions, the Court implemented procedures to place amounts over \$5,000 in trust. In the future, when the Statewide California Case Management System (CCMS) is implemented to automatically track and account for trust items, the Court will consider placing lower amounts in trust.

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

Yours truly,



John A. Clarke  
Executive Officer

JAC:dsh

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