

EL DORADO COUNTY

Audit Report

COURT REVENUES

July 1, 2002, through June 30, 2009



JOHN CHIANG
California State Controller

October 2011



JOHN CHIANG
California State Controller

October 20, 2011

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

Tania G. Ugrin-Capobianco
Court Executive Officer
Superior Court of California,
El Dorado County
2850 Fairlane Court
Placerville, CA 95667

Dear Mr. Harn and Ms. Ugrin-Capobianco:

The State Controller's Office audited El Dorado County's court revenues for the period of July 1, 2002, through June 30, 2009.

Our audit disclosed that the county underremitted \$489,182 in court revenues to the State Treasurer because it:

- Overremitted the 50% excess of fines, fees, and penalties by \$171,386;
- Underremitted traffic school violator fees by \$676,976;
- Overremitted the state Domestic Violence Fee by \$37,983; and
- Incorrectly distributed the DNA penalty assessment by \$21,575.

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.

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, 2002, through June 30, 2009.

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

The Honorable Joe Harn
Tania G. Ugrin-Capobianco

-2-

October 20, 2011

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/vb

cc: 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
Cindy Giese, Supervisor, Tax Programs Unit
 Division of Accounting and Reporting
 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 El Dorado County for the period of July 1, 2002, through June 30, 2009.

Our audit disclosed that the county underremitted \$489,182 in court revenues to the State Treasurer because it:

- Overremitted the 50% excess of fines, fees, and penalties by \$171,386;
- Underremitted traffic school violator fees by \$676,976;
- Overremitted the state Domestic Violence Fee by \$37,983; and
- Incorrectly distributed the DNA penalty assessment by \$21,575.

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, 2002, through June 30, 2009. 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 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

El Dorado County underremitted \$489,182 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 December 17, 2003.

Views of Responsible Official

We issued a draft audit report on May 25, 2011. Tania Ugrin-Capobianco, Court Executive Officer, El Dorado Superior Court, responded by letter dated June 21, 2011 (Attachment), agreeing with the audit results. We did not receive a response from the El Dorado County Auditor-Controller.

Restricted Use

This report is solely for the information and use of El Dorado County, the El Dorado 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

October 20, 2011

Schedule 1— Summary of Audit Findings by Fiscal Year July 1, 2002, through June 30, 2009

Description	Account Title ¹	Code Section	Fiscal Year							Total	Reference ²
			2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09		
County											
Overremitted 50% excess of fines, fees, and penalties	State Trail Court Improvement Fund	GC §77205	\$ 14,726	\$ (16,629)	\$ 19,406	\$ (26,825)	\$ (51,402)	\$ (56,392)	\$ (54,270)	\$ (171,386)	Finding 1
Court											
Incorrectly distributed Traffic Violator Revenues School (TVS)	\$20 Court Security Fee per case	PC §1465.8	—	—	—	73,620	109,420	98,240	105,580	386,860	Finding 2
	\$3 State Court Facility Construction Fund TVS cases	GC §70372(a)	—	—	—	54,406	75,256	79,117	82,566	291,345	Finding 2
	20% State Surcharge	PC §1465.7	—	—	—	(1,229)	—	—	—	(1,229)	Finding 2
Overremitted State Domestic Violence Fee		PC §1203.097	—	(2,162)	(5,737)	(6,511)	(7,754)	(7,688)	(8,131)	(37,983)	Finding 3
Incorrect distribution of DNA penalty assessment	State PA State Court Facility Construction Fund	PC §1464	—	—	—	—	12,590	22,067	23,173	57,830	Finding 4
	State DNA Penalty	GC §70372(a)	—	—	—	—	5,396	9,457	9,931	24,784	Finding 4
	DNA Penalty Assessment – State portion	GC §76104.7	—	—	—	—	1,799	3,152	3,310	8,261	Finding 4
	County share of State Penalty Fund	GC §76104.6	—	—	—	—	(22,662)	(27,190)	(19,448)	(69,300)	Finding 4
	County Penalty Fund	PC §1464	—	—	—	—	—	—	—	—	Finding 4
	Additional EMS Penalty Assessment	GC §76000	—	—	—	—	—	—	—	—	Finding 4
	DNA Penalty Assessment	GC §76000.5	—	—	—	—	—	—	—	—	Finding 4
	DNA Penalty Assessment	GC §76104.6	—	—	—	—	—	—	—	—	Finding 4

Schedule 1 (continued)

Description	Account Title ¹	Code Section	Fiscal Year							Total	Reference ²
			2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09		
Court (continued)											
Underremitted 2% state automation fee	State Trial Court Improvement Fund	GC §68090.8	1,878	5,885	7,165	8,482	8,307	5,499	5,935	43,151	Finding 5
	State Court Facility Construction Fund	GC §70372(a)	(1,878)	(5,885)	(7,165)	(8,482)	(8,307)	(5,499)	(6,186)	(43,402)	Finding 5
	Total State Immediate & Critical Needs (\$2 PA) 2% overstated from State Critical Needs Traffic School	GC §70372(a)	—	—	—	—	—	—	(942)	(942)	Finding 5
		GC §70371.5	—	—	—	—	—	—	1,193	1,193	Finding 5
Net amount underpaid (overpaid) to the State Treasurer			<u>\$ 14,726</u>	<u>\$ (18,791)</u>	<u>\$ 13,669</u>	<u>\$ 93,461</u>	<u>\$ 122,643</u>	<u>\$ 120,763</u>	<u>\$ 142,711</u>	<u>\$ 489,182</u>	

Legend: GC=Government Code; PC=Penal Code

¹ 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.

² See the Findings and Recommendations section.

**Schedule 2—
Summary of Underremittances by Month
Trial Court Trust Fund
July 1, 2002, through June 30, 2009**

Month	Fiscal Year			
	2005-06	2006-07	2007-08	2008-09
July	\$ 6,135	\$ 9,118	\$ 8,187	\$ 8,798
August	6,135	9,118	8,187	8,798
September	6,135	9,118	8,187	8,798
October	6,135	9,118	8,187	8,798
November	6,135	9,118	8,187	8,798
December	6,135	9,118	8,187	8,798
January	6,135	9,118	8,187	8,798
February	6,135	9,118	8,187	8,798
March	6,135	9,118	8,187	8,798
April	6,135	9,118	8,187	8,798
May	6,135	9,120	8,185	8,800
June	6,135	9,120	8,185	8,800
Total underremittances to the State Treasurer	<u>\$ 73,620</u>	<u>\$ 109,420</u>	<u>\$ 98,240</u>	<u>\$ 105,580</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.

**Schedule 3—
Summary of Underremittances by Month
Trial Court Improvement Fund
July 1, 2002, through June 30, 2009**

<u>Month</u>	<u>Fiscal Year 2002-03</u>	<u>Fiscal Year 2004-05</u>
July	\$ —	\$ —
August	—	—
September	—	—
October	—	—
November	—	—
December	—	—
January	—	—
February	—	—
March	—	—
April	—	—
May	—	—
June ¹	<u>14,726</u>	<u>19,406</u>
Total underremittances to the State Treasurer	<u>\$ 14,726</u>	<u>\$ 19,406</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.

**Schedule 4—
Summary of Underremittances by Month
State Court Facilities Construction Fund
July 1, 2002, through June 30, 2009**

Month	Fiscal Year						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
July	\$ —	\$ —	\$ —	\$ 3,827	\$ 5,579	\$ 6,135	\$ 6,365
August	—	—	—	3,827	5,579	6,135	6,365
September	—	—	—	3,827	5,579	6,135	6,365
October	—	—	—	3,827	5,579	6,135	6,365
November	—	—	—	3,827	5,579	6,135	6,365
December	—	—	—	3,827	5,579	6,135	6,365
January	—	—	—	3,827	5,579	6,135	6,365
February	—	—	—	3,827	5,579	6,135	6,365
March	—	—	—	3,827	5,579	6,135	6,365
April	—	—	—	3,827	5,579	6,135	6,365
May	—	—	—	3,827	5,579	6,135	6,365
June	(1,878)	(5,885)	(7,165)	3,827	5,580	6,133	6,364
Total underremittances to the State Treasurer	<u>\$ (1,878)</u>	<u>\$ (5,885)</u>	<u>\$ (7,165)</u>	<u>\$ 45,924</u>	<u>\$ 66,949</u>	<u>\$ 73,618</u>	<u>\$ 76,379</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 5—
Summary of Overremittances by Month
July 1, 2002, through June 30, 2009**

Month	Fiscal Year						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
July	\$ (156)	\$ (671)	\$ (1,075)	\$ (1,352)	\$ (3,227)	\$ (3,365)	\$ (2,892)
August	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
September	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
October	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
November	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
December	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
January	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
February	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
March	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
April	(156)	(671)	(1,075)	(1,352)	(3,227)	(3,365)	(2,892)
May	(162)	(666)	(1,077)	(1,350)	(3,226)	(3,362)	(2,896)
June	(156)	(17,300)	(1,075)	(28,177)	(54,629)	(59,757)	(57,162)
Total overremittances to the State Treasurer	<u>\$ (1,878)</u>	<u>\$ (24,676)</u>	<u>\$ (12,902)</u>	<u>\$ (43,047)</u>	<u>\$ (90,125)</u>	<u>\$ (82,732)</u>	<u>\$ (88,978)</u>

Findings and Recommendations

FINDING 1— Overremitted excess of qualified fines, fees, and penalties

The County Auditor-Controller's Office overremitted by \$171,386 the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the seven-fiscal-year (FY) period starting July 1, 2002, and ending June 30, 2009.

Government Code (GC) section 77201(b)(2) requires El Dorado County, for its base revenue obligation, to remit \$1,028,349 for FY 2002-03 and each fiscal year thereafter. In addition, GC 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 because the county used incorrect entries in its maintenance-of-effort (MOE) distribution working papers and as a result of conditions identified as follows.

- When preparing the MOE, the county did not include all qualified revenues for a proper calculation. A net total of \$91,444 should have been included in the MOE.
- As stated in Finding 2, the El Dorado Superior Court did not appropriately distribute the Traffic Violator School (TVS) bail. This caused an overstatement of the county TVS account by a net total of \$459,001, which should not have been included in the MOE.
- As stated in Finding 4, El Dorado Superior Court did not appropriately distribute the DNA Penalty Assessment Fund. This caused an understatement of the county share of 30% State Penalty Assessment Fund by \$24,784, which should have been included in the MOE

The adjusted qualified revenues reported for FY 2002-03 were \$1,537,363. The excess, above the base of \$1,028,349, is \$509,014; this amount should be divided equally between the county and State resulting in \$254,507 excess due the State. The county has remitted a previous payment of \$239,781, causing an underremittance of \$14,726.

The adjusted qualified revenues reported for FY 2003-04 were \$1,541,354. The excess, above the base of \$1,028,349, is \$513,005; this amount should be divided equally between the county and State, resulting in \$256,503 excess due the State. The county has remitted a previous payment of \$273,132, causing an overremittance of \$16,629.

The adjusted qualified revenues reported for FY 2004-05 were \$1,474,038. The excess, above the base of \$1,028,349, is \$445,689; this amount should be divided equally between the county and State resulting in \$222,845 excess due the State. The county has remitted a previous payment of \$203,439, causing an underremittance of \$19,406.

The adjusted qualified revenues reported for FY 2005-06 were \$1,494,999. The excess, above the base of \$1,028,349, is \$466,650; this amount should be divided equally between the county and State resulting in \$233,325 excess due the State. The county has remitted a previous payment of \$260,150, causing an overremittance of \$26,825.

The adjusted qualified revenues reported for FY 2006-07 were \$1,405,718. The excess, above the base of \$1,028,349, is \$377,369; this amount should be divided equally between the county and State resulting in \$188,684 excess due the State. The county has remitted a previous payment of \$240,086, causing an overremittance of \$51,402.

The adjusted qualified revenues reported for FY 2007-08 were \$1,338,546. The excess, above the base of \$1,028,349, is \$310,197; this amount should be divided equally between the county and State resulting in \$155,099 excess due the State. The county has remitted a previous payment of \$211,491, causing an overremittance of \$56,392.

The adjusted qualified revenues reported for FY 2008-09 were \$1,376,883. The excess, above the base of \$1,028,349, is \$348,534; this amount should be divided equally between the county and State resulting in \$174,267 excess due the State. The county has remitted a previous payment of \$228,537, causing an overremittance of \$54,270.

The under- and overremittances had the following effect:

Account Title	Understated/ (Overstated)
Trial Court Improvement Fund–Government Code section 77205:	
FY 2002-03	\$ 14,726
FY 2003-04	(16,629)
FY 2004-05	19,406
FY 2005-06	(26,825)
FY 2006-07	(51,402)
FY 2007-08	(56,392)
FY 2008-09	(54,270)
County General Fund	171,386

Recommendation

The county should reduce the subsequent remittance to the State Treasurer by \$171,386 and report on the remittance advice form (TC-31) a decrease to the State Trial Court Improvement Fund–GC section 77205. The county should also make the corresponding account adjustments.

**FINDING 2—
Inappropriate
distribution of Traffic
Violator School (TVS)
bail**

The El Dorado Superior Court did not properly distribute Traffic Violator School (TVS) bail from July 2002 through June 2009. The court made following distribution errors:

- A \$20 fee on every conviction for a criminal offense was not distributed to the Court Security Fee.
- The \$3 per \$10 upon every fine, penalty or forfeiture imposed and collected was not distributed to State Court Facility Construction Penalty Fund.
- The \$1 for jailhouse construction and \$1 for courthouse construction were inappropriately deducted solely from the overall county TVS account.
- An incorrect formula was used to compute the county emergency medical service fund and overstated its distribution amount.

The errors occurred because the court's accounting system has not been programmed properly to comply with the statutory requirements affecting the distribution of TVS bail, and manual calculations were made incorrectly for items that the system can not properly calculate.

Effective August 1, 2003, Penal Code (PC) section 1465.8 requires \$20 court security fee imposed and distributed on every conviction for a criminal offense.

GC section 70372(a) requires that a state court facility construction fund to be levied in a amount equal to \$3 for every \$10 or fraction thereof, upon every criminal fine, forfeiture when penalties are imposed. Prior to an agreement between the county and the Judicial Council (State) for responsibility for court house construction and maintenance, the penalties remitted to the State are reduced by the difference, if any, between the \$3 and the amount of the local penalty remitted to the local courthouse construction fund pursuant to GC section 76000.

Effective January 1, 2003, for all traffic school violations, Vehicle Code (VC) section 42007 requires the amount of fee that is attributable to GC section 70372(a) shall be transferred to State Court Facility Construction Penalty Fund.

GC section 77205 states that county collects fees pursuant to VC section 42007 that would have been deposited into the general fund pursuant to these sections as they read on December 31, 1997.

VC section 42007, as read on December 31, 1997, declares that \$1 to the county courthouse construction GC section 76100 and \$1 to the county jailhouse construction GC section 76101 shall be deducted from the remaining 23% of the county TVS fee collected.

Effective January 1, 2000, for all traffic school violations, VC section 42007 requires \$2 for every \$7 that would have been collected pursuant to GC section 76000 on a fine distribution to be deposited in the Emergency Medical Services Fund.

Failure to properly distribute TVS bail affected the revenues reported to the State Trial Court Improvement Fund under the maintenance-of-effort formula (see Finding 1) by a net total of \$459,001. Additionally, the incorrect distribution had the following effect:

Account Title	Understated/ (Overstated)
State Court Security Fee–PC §1465.8	\$ 386,860
State Court Facility Construction Penalty Fund–GC §70372(a)	291,345
State 20% Surcharge–PC §1465.7	(1,229)
County General Fund	(676,976)

Recommendation

The county should remit \$676,976 to the State Treasurer and report on the remittance advice form (TC-31) the following: an increase in the amount of \$386,860 to the State Court Security Fee–PC 1465.8, an increase in the amount of \$291,345 to State Court Facility Construction Penalty Fund–GC section 70372(a), and a decrease in the amount of \$1,229 to the 20% State Surcharge. The court also should implement other adjustments noted above to comply with statutory requirements for TVS bail distribution. The court should make redistribution for the period of July 2009 through the date on which the current system is revised.

**FINDING 3—
Overremitted state
domestic violence fee**

The El Dorado County Superior Court incorrectly distributed the domestic violence fees from January 2004 through June 2009. The state Domestic Violence Fund was overstated by \$37,983. The error occurred because the court’s accounting system was incorrectly programmed to distribute domestic violence fees.

PC section 1203.097(a) requires that a \$400 minimum fee to be imposed as condition of probation on domestic violence cases. The statute requires 2/3 of the fee should go to the county domestic violence fund. The remaining 1/3 should be split evenly between the state Domestic Violence Restraining Order Fund and the state Domestic Violence Training and Education Program.

The incorrect distribution had the following effect:

Account Title	Understated/ (Overstated)
State Domestic Violence Restraining Order Fund	\$ (18,992)
State Domestic Violence Training and Education Program	(18,991)
County Domestic Violence Fund	37,983

Recommendation

The county should reduce subsequent remittances to the State Treasurer by \$37,983 and report on the remittance advice form (TC-31) the following: a decrease of \$18,992 to the State Domestic Violence Restraining Order Fund–PC section 120.097 and a decrease of \$18,991 to the State Domestic Violence Training and Education Program.

**FINDING 4—
Incorrect distribution
of DNA Penalty
Assessment – Court**

The El Dorado County Superior Court incorrectly distributed \$2 per every \$10 fine to the DNA penalty assessment, instead of the required \$1 distribution from July 2006 through June 2009. As a result, the state revenues were understated by \$21,575. The error occurred because an incorrect formula in the court’s case management system is used to distribute revenues.

GC section 76104.6 states that a \$1 penalty for every \$10 or fraction thereof upon every fine, penalty and forfeiture shall be levied on criminal offenses, including traffic offenses, and distributed to the DNA Penalty Assessment.

In calendar year 2005 and 2006, 70% of the DNA collection should be remitted to the State, and the remaining 30% goes to the county DNA account.

In calendar year 2007, the DNA penalty assessment collections should be split 50/50 between the State and county.

In calendar year 2008 and each year thereafter, 25% of the DNA penalty assessment collections should be remitted to the State, and the remaining 75% should go to the county DNA fund.

Failure to properly distribute the DNA penalty assessment affected the revenues reported to the State Trial Court Improvement Fund under the maintenance-of-effort formula (see Finding 1) by a net total of \$24,784. Additionally, the incorrect distribution had the following effect:

Account Title	Understated/ (Overstated)
State Penalty Fund–PC §1464	\$ 57,830
State Court Facility Construction Penalty Fund–GC §70372(a)	24,784
State DNA Penalty Fund–GC §76104.7	8,261
County General Fund–GC §76000	57,830
County Share of State Penalty Fund–PC §1464	24,784
Additional Emergency Medical Service Fund–GC §76000.5	12,925
DNA Penalty Assessment Fund–State portion–GC §76104.6	(69,300)
DNA Penalty Assessment Fund–County portion–GC §76104.6	(117,114)

Recommendation

The county should remit \$21,575 to the State Treasurer and report on the remittance advice form (TC-31) the following: an increase in the amount of \$57,830 to the State Penalty Assessment Fund–PC section 1464, an

increase in the amount of \$24,784 to the State Court Facility Construction Penalty Fund–GC section 70372(a), an increase in the amount of \$8,261 to the State DNA Penalty Fund–GC section 76104.7, and a decrease of \$69,300 to the State DNA Identification Penalty Assessment Fund. The court also should implement the other adjustments noted above to comply with statutory requirements for DNA penalty distribution. The court should make redistribution from July 2009 through the date on which the current system is revised.

**FINDING 5—
Incorrect distribution
of 2% State Automation
Fee – Court**

The El Dorado County Court did not properly deduct a 2% automation fee on the State Court Facility Construction Penalty Fund–GC section 70372(a), State Immediate and Critical Needs Fund–GC section 70372(a), and State Critical Needs Traffic School–GC section 70371.5. The error occurred because court personnel were not aware of the distribution requirement of accounts listed above.

GC section 68090.8 requires that 2% automation fee should be deducted from all fines, penalties, and forfeitures. It should not be deducted from fees.

The incorrect distribution had the following effect:

Account Title	Understated/ (Overstated)
State 2% Automation Fee–GC §68090.8	\$ 43,151
State Court Facility Construction Penalty Fund–GC §70372(a)	(43,402)
State Immediate and Critical Needs Fund–GC §70372(a)	(942)
State Critical Needs Traffic School–GC §70371.5	1,193

Recommendation

The county should report on the remittance advice form (TC-31) the following: an increase in the amount of \$43,151 to the State Automation Fee–GC section 68090.8, an increase in the amount of \$1,193 to the State Critical Needs Traffic School–GC section 70371.5, a decrease in the amount of \$43,402 to the State Court Facility Construction Penalty Fund–GC section 70372(a), and a decrease in the amount of \$942 to the State Immediate & Critical Needs Fund–GC section 70372(a). The court should also make the corresponding account adjustments and redistribution from July 2009 through the date on which the current system is revised.

**FINDING 6—
Inappropriate
distribution of 30%
red-light traffic
allocation – Court**

The El Dorado County Superior Court incorrectly deducted 30% of the new emergency medical services (EMS) and DNA penalties from red-light traffic violations. The errors occurred because the court's accounting system has not been programmed to comply with the statutory requirements affecting the distribution of red light traffic bail.

PC section 1463.11 requires 30% of base fines, state and county penalties, (PC section 1463 and 1464, GC section 76100, respectively) pursuant to red-light violations to be distributed to the general fund of the county or city in which the offense occurred. State Court Facility Construction penalties are not referenced in this statute, however, GC section 70372 is subject to the distribution requirements in accordance with PC section 1463. Therefore, State Court Facility Construction penalties are subject to the 30% of allocation.

EMS penalties pursuant to GC section 76000.5 and DNA penalties pursuant to GC sections 76104.6 and 76104.7 are not subject to the 30% distribution. These statutes require full distribution prior to the requirements set forth in PC section 1463.

The inappropriate distributions for EMS penalties and DNA penalties affect the revenues reported to the State Trial Court Improvement Fund under the maintenance-of-effort formula pursuant to GC section 77205. We did not measure the effect, as it did not appear to be material and because doing so would not be cost effective due to the difficulty in identifying and redistributing to 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 EMS penalties pursuant to GC section 76000.5 and DNA penalties pursuant to GC sections 76104.6 and 76104.7 are not included as part of the 30% red-light offset distribution. An examination and potential redistribution should be made for the collection period starting July 2009 through the date on which the current system is revised.

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



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

June 21, 2011

Steven Mar, Chief, Local Government Audits Bureau
State Controller's Office
Division of Audits
P.O. Box 942850
Sacramento, CA 94250-5874

RE: El Dorado Audit-July 1, 2002-June 30, 2009

Dear Mr. Mar:

We have reviewed the audit findings and consider them to be accurate.

Please note that the \$272,725 was paid on TC31 C009 2554 in August, 2010 for the State Court Facilities Construction Fund. I have attached a copy for your reference.

Should you have any questions please contact Denise Chambless, Fiscal/HR Manager at 530-621-7472.

Sincerely,

Tania Ugrin-Capobianco
Court Executive Officer
El Dorado Superior Court
2850 Fairlane Court
Placerville, CA 95667
530-621-5155

Fiscal/Audit SCO 2010/06.21.11 response to SCO audit

CO# MONTH
09 01

REMITTANCE ADVISE NUMBER
CO 09 2554

REPORT TO STATE CONTROLLER OF REMITTANCE TO STATE TREASURER - TC-31

COUNTY NAME - NUMBER: EL DORADO - 09
COLLECTIONS FOR THE MONTH OF (Mo / Yr): JULY / 2010

STATE CONTROLLER'S USE ONLY						AMOUNT	DT	CODE SECTION & DESCRIPTION
FUND	AGENCY	FT	NO	REV / OBJ				
0268	8120	2010		125600			Peace Officer's Training Fund - Health & Safety 103680(b)	
0557	3960	2010		164300			Hazardous Substance Subaccount - Health & Safety 25189	
0587	0250	2010		161400			Family Law Trust Fund - H&S Code 103625(c), FC 1852 - Marriage Record Fees	
0641	0820	2010		299500			Domestic Violence Restraining Order Reimbursement Fund - Penal Code 1203.097	
0642	4265	2010		131700			Domestic Violence Training and Education Fund - Penal Code 1203.097	
0767	1110	2010		131700			Pharmacy Board Contingent Fund - Business & Professions Code 4238.4414	
0815	1900	2010		216500			Government Code 26822.3 & 72056.1 - Judges Retirement Fund	
0903	0690	2010		237500			State Penalty Fund - Penal Code 1464	
0903	0690	2010		237501			Penal Code 1464(b) State Penalty Fund - Traumatic Brain Injury - Vehicle Code 27315	
0903	0690	2010		237502			State Penalty Fund - Vehicle Code 40611 State Penalty Fund - Proof of Correction	
0903	0690	2010		237503			State Penalty Fund - Penal Code 1464 - Fish & Game Assessment	
0932	0250	2010		131705			Trial Court Trust Fund - GC 77201.3 (a)(1) Expenditure Base - Effective July 1, 2006	
0932	0250	2010		161903			Trial Court Trust Fund - W & 1903.1 - Effective January 1, 2010	
0932	0250	2010		164601			Trial Court Trust Fund - GC 77201.3 (a)(2) Revenue Base - Effective July 1, 2006	
0932	0250	2010		164707			Trial Court Trust Fund - GC 68085 - GC 26830(a)	
0932	0250	2010		164762			Trial Court Trust Fund - GC 68085.6 - Undesignated Fees MOE	
0932	0250	2010		164743			Trial Court Trust Fund - PC 1465.8 - Court Security Fee	
3016	0820	2010		131700			Missing Persons DNA Database Fund - Penal Code 14251(b)	
3037	0250	2010		164801	272,725.00		State Court Facilities Construction Fund - GC 70372(a) - Penalty on criminal fines	
TOTAL						272,725.00		

TO STATE CONTROLLER: I hereby certify that the foregoing report, as it relates to the agency I represent, is a correct statement of the State's share of collections deposited for the month stated above in accordance with Section 68101 of the Government Code. Remittance has been made to the State Treasurer.

PREPARED BY: *Kelly Webb* DATE: *8/2/10*
 OFFICIAL TITLE: Principal Administrative Analyst
 CONTACT PERSON: Kelly Webb
 PHONE: 530-621-6565 EMAIL: kelly.webb@edcgov.us
 ADDRESS: 330 Fair Lane, Placerville, CA 95667

STATE TREASURER'S ENDORSEMENT

002443 01 07/23/2010
 THIS CHECK IS ISSUED IN FULL PAYMENT OF THE WITHIN AMOUNT.
 IF NOT CORRECT, RETURN TO COUNTY AUDITOR WITHOUT ALTERATION, AND STATE DIFFERENCE.

NO. 1123094 01123094
 PLEASE DETACH THE
 VOUCHER FROM CHECK

C.V. #	DESCRIPTION	AMOUNT
CV201006719	09-10 ST CONTLLR TVS REMIT 7/2002-6/2009 FINDING 2	291344.00
CV201006719	09-10 ST CONTLLR TVS REMIT 7/2002-6/2009 FINDING 4	24784.00
CV201006719	09-10 ST CONTLLR TVS REMIT 7/2002-6/2009 FINDING 5	43403.00

COUNTY of EL DORADO

PLACERVILLE, CALIFORNIA 95667

COUNTY of EL DORADO

NO. 1123094

COUNTY AUDITOR-CONTROLLER
 PLACERVILLE, CALIFORNIA 95667

BANK OF AMERICA N T & SA
 PLACERVILLE, CA 95667

DATE CHECK/WARRANT NO. AMOUNT

07/23/2010 01123094

TWO HUNDRED SEVENTY TWO THOUSAND SEVEN HUNDRED,
 TWENTY FIVE DOLLARS AND NO CENTS
 THE TREASURER OF EL DORADO COUNTY WILL
 PAY TO THE ORDER OF

\$272,725.00

STATE TREASURER'S OFFICE
 CASH MANAGEMENT DIVISION
 0 80 942809
 SACRAMENTO CA 94209-0001

VOID SIX MONTHS FROM DATE OF ISSUANCE

JOE HARRIS AUDITOR-CONTROLLER

⑈1123094⑈ ⑆121000358⑆ 44893⑈ 50187⑈

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

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