

# VENTURA COUNTY

Audit Report

## COURT REVENUES

*July 1, 2008, through June 30, 2015*



**BETTY T. YEE**  
California State Controller

October 2018



**BETTY T. YEE**  
California State Controller

October 23, 2018

The Honorable Jeffery Burgh, Auditor-Controller  
Ventura County  
Hall of Administration  
800 South Victoria Avenue  
Ventura, CA 93009

Michael Planet, Court Executive Officer  
Superior Court of California, Ventura County  
Hall of Justice  
800 South Victoria Avenue  
Ventura, CA 93009

Dear Mr. Burgh and Mr. Planet:

The State Controller's Office audited Ventura County's court revenues for the period of July 1, 2008, through June 30, 2015.

Our audit found that the county overremitted a net of \$768,022 in state court revenues to the State Treasurer because it:

- Underremitted the 50% excess of qualified fines, fees, and penalties by \$181,779;
- Overremitted state parking surcharges by \$96,760;
- Underremitted Health and Safety Bail Bond forfeitures by \$59,765;
- Overremitted State Emergency Medical Air Transportation penalties by \$438,652; and
- Overremitted state penalties and fines from red light traffic cases by \$474,154.

The county should reduce subsequent remittances to the State Treasurer by \$768,022.

If you have any questions regarding the audit findings, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3183.

If you have any questions regarding payments, TC-31s, or interest and penalties, please contact the Tax Accounting Unit by email at [lgpsdtaxaccounting@sco.ca.gov](mailto:lgpsdtaxaccounting@sco.ca.gov).

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/as

The Honorable Jeffery Burgh,  
Auditor-Controller  
Michael Planet, Court Executive Officer

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October 23, 2018

cc: Peter Foy, Chair  
    Ventura County Board of Supervisors  
Grant Parks, Manager  
    Internal Audit Services  
    Judicial Council of California  
Julie Nauman, Executive Officer  
    California Victim Compensation Board  
Anita Lee, Senior Fiscal and Policy Analyst  
    Legislative Analyst's Office  
Don Lowrie, Fiscal Analyst  
    Local Government Policy Unit  
    State Controller's Office  
Richard Nelson, Manager  
    Tax Administration Unit  
    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 by Ventura County (county) on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2008, through June 30, 2015.

Our audit found that the county overremitted a net of \$768,022 in state court revenues to the State Treasurer because it:

- Underremitted the 50% excess of qualified fines, fees, and penalties by \$181,779;
- Overremitted state parking surcharges by \$96,760;
- Underremitted Health and Safety Bail Bond forfeitures by \$59,765;
- Overremitted State Emergency Medical Air Transportation (EMAT) penalties by \$438,652; and
- Overremitted state penalties and fines from red light traffic cases by \$474,154.

## 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 the SCO to review the reports and records to ensure that all fines and forfeitures have been transmitted. GC section 68104 authorizes the SCO to examine records maintained by the court. Furthermore, GC section 12410 provides the SCO with general audit authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

## Objective, Scope, and Methodology

Our audit objective was to determine whether the county and the Superior Court of California, Ventura County (court) remitted all court revenues for the period of July 1, 2008, through June 30, 2015, pursuant to the TC-31 process.

To achieve our objective, we performed the following procedures:

### General

- Gained an understanding of the county and court's revenue collection and reporting processes by interviewing key personnel and reviewing documentation supporting the transaction flow;

- Scheduled monthly TC-31 remittances prepared by the county and the court showing court revenue distributions to the State; and
- Performed a review of the complete TC-31 remittance process for revenues collected and distributed by the county and the court.

#### Cash Collections

- Scheduled monthly cash disbursements prepared by the county and the court showing court revenue distributions to the State, county, and cities for all fiscal years in the audit period;
- Performed analytical procedures using ratio analysis for state and county revenues to assess the reasonableness of the revenue distributions based on statutory requirements; and
- Recomputed the annual maintenance-of-effort (MOE) calculation for all fiscal years in the audit period to check the accuracy and completeness of the 50% excess of qualified fines, penalties, and assessments remitted to the State.

#### Distribution Testing

- Scheduled parking surcharge revenues collected from entities that issue parking citations within the county to ensure that revenues were correct, completed, and remitted in accordance with state statutory requirements; and
- Performed a risk evaluation of the county and the court and identified violation types susceptible to errors due to statutory changes during the audit period. Based on the risk evaluation, judgmentally selected a non-statistical sample of 49 cases for eight violation types. Errors found were not projected to the intended population. Then, we:
  - Recomputed the sample case distributions and compared them to actual distributions; and
  - Calculated the total dollar amount of material overremittances to the State.

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 objective.

We did not audit the financial statements of the county, court, or the various parking citation issuing agencies. We considered the county and court's internal controls only to the extent necessary to plan the audit. We did not review the timeliness of any court revenue remittances that the county and court may be required to make under GC sections 70353 and 77201.1(b), included in the TC-31.

**Conclusion**

Our audit found instances of noncompliance with the requirements outlined in the Objective, Scope, and Methodology section of this audit report. These instances are quantified in the Schedule and described in the Findings and Recommendations section of this audit report.

Our audit found that the county overremitted a net of \$768,022 in state court revenues to the State Treasurer as follows:

- Underremitted the 50% excess of qualified fines, fees, and penalties by \$181,779;
- Overremitted state parking surcharges by \$96,760;
- Underremitted Health and Safety Bail Bond forfeitures by \$59,765;
- Overremitted state EMAT penalties by \$438,652; and
- Overremitted state penalties and fines from red light traffic cases by \$474,154.

The county should reduce subsequent remittances to the State Treasurer by \$768,022.

**Follow-up on Prior Audit Findings**

The county has satisfactorily resolved the findings noted in our prior audit report, issued October 29, 2010.

**Views of Responsible Officials**

We issued a draft audit report on August 7, 2018. Jeffery Burgh, Auditor-Controller, responded by letter dated August 16, 2018 (Attachment A), agreeing with the audit results. In addition, Michael Planet, Court Executive Officer, responded by letter dated August 15, 2018 (Attachment B), agreeing with the audit results. These responses are included as attachments to this audit report.

**Restricted Use**

This audit report is solely for the information and use of Ventura County; Superior Court of California, Ventura County; the Judicial Council of California; and the SCO; it is not intended and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

October 23, 2018

**Schedule—**  
**Summary of Audit Findings by Fiscal Year**  
**Affecting Remittances to the State Treasurer**  
**July 1, 2008, through June 30, 2015**

Findings <sup>1</sup>	Fiscal Year							Total	Reference <sup>2</sup>
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15		
<b>Underremitted 50% Excess of Qualified Fines, Fees, and Penalties</b>									
State Trial Court Improvement and Modernization Fund – GC §77205	\$ (2,258)	\$ (2,258)	\$ 3,118	\$ 55,268	\$ 44,479	\$ 40,636	\$ 42,794	\$ 181,779	
Total	(2,258)	(2,258)	3,118	55,268	44,479	40,636	42,794	181,779	Finding 1
<b>Overremitted State Parking Surcharges</b>									
State Court Facilities Construction Fund – Immediate and Critical Needs Account (ICNA) – GC §70372(b)	-	-	10,518	26,826	20,712	-	-	58,056	
State Court Facilities Construction Fund – GC §70372(b)	-	-	5,259	13,413	10,356	-	-	29,028	
State Trial Court Trust Fund – GC §76000.3(a)	-	-	(33,307)	(84,949)	(65,588)	-	-	(183,844)	
Total	-	-	(17,530)	(44,710)	(34,520)	-	-	(96,760)	Finding 2
<b>Underremitted Health and Safety Bail Bond Forfeitures</b>									
State General Fund (Health and Safety) – H&SC §11502	37,037	37,037	37,037	37,037	37,038	37,038	37,038	259,262	
State Trial Court Improvement and Modernization Fund (2% Automation) – GC §68090.8	71	72	72	72	72	72	72	503	
State Penalty Fund – PC §1464	(12,102)	(12,102)	(12,102)	(12,102)	(12,102)	(12,102)	(12,102)	(84,714)	
State Court Facilities Construction Fund – GC §70372(a) – Criminal Violations	(5,212)	(5,212)	(5,212)	(5,212)	(5,212)	(5,212)	(5,213)	(36,486)	
State DNA Identification Fund – GC §76104.7	(4,130)	(4,130)	(4,130)	(4,130)	(4,130)	(4,130)	(4,130)	(28,910)	
State General Fund (20% State Surcharge) – PC §1465.7	(3,556)	(3,557)	(3,557)	(3,557)	(3,557)	(3,557)	(3,557)	(24,898)	
State Court Facilities Construction Fund – ICNA – GC §70372(a) – Criminal Violations	(3,087)	(3,087)	(3,087)	(3,087)	(3,087)	(3,088)	(3,088)	(21,611)	
State DNA Identification Fund (Prop 69) – GC §76104.6	(432)	(432)	(432)	(432)	(432)	(433)	(433)	(3,026)	
State Trial Court Trust Fund (Court Operations Assessment) – PC §1465.8	(28)	(28)	(28)	(29)	(29)	(29)	(29)	(200)	
State Restitution Fund – PC §1463.18	(22)	(22)	(22)	(22)	(22)	(22)	(23)	(155)	
Total	8,539	8,539	8,539	8,538	8,539	8,536	8,535	59,765	Finding 3
<b>Overremitted State Emergency Medical Air Transportation Penalties for TVS Cases</b>									
State Emergency Medical Air Transportation Fund – GC §76000.10	-	-	-	(121,332)	(98,604)	(106,556)	(112,160)	(438,652)	
Total	-	-	-	(121,332)	(98,604)	(106,556)	(112,160)	(438,652)	Finding 4
<b>Overremitted Distribution of Red Light Traffic Cases</b>									
State Court Facilities Construction Fund – GC §70372(a) – Criminal Violations	-	-	(52,650)	(52,650)	(52,650)	(52,651)	(52,651)	(263,252)	
State Court Facilities Construction Fund – ICNA – GC §70372(a) – Criminal Violations	-	-	(35,020)	(35,020)	(35,020)	(35,020)	(35,020)	(175,100)	
State Emergency Medical Air Transportation Fund – GC §76000.10	-	-	(7,160)	(7,160)	(7,160)	(7,161)	(7,161)	(35,802)	
Total	-	-	(94,830)	(94,830)	(94,830)	(94,832)	(94,832)	(474,154)	Finding 5
<b>Net amount underpaid (overpaid) to the State Treasurer</b>	<b>\$ 6,281</b>	<b>\$ 6,281</b>	<b>\$(100,703)</b>	<b>\$(197,066)</b>	<b>\$(174,936)</b>	<b>\$(152,216)</b>	<b>\$(155,663)</b>	<b>\$ (768,022)</b>	

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

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



# Findings and Recommendations

## **FINDING 1— Underremitted 50% Excess of Qualified Fines, Fees, and Penalties**

The county underremitted by a net of \$181,779 the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the period of July 1, 2008, through June 30, 2015.

GC section 77205 requires the county to remit 50% of qualified revenues that exceed the amount specified in GC section 77201.1(b)(2) for the fiscal year (FY) 1998-99, and each fiscal year thereafter, to the State Trial Court Improvement and Modernization Fund.

The following table calculates:

- The excess qualified revenues amount above the base; and
- The county overremittances and underremittances to the State Treasurer by comparing 50% of the excess qualified revenues amount above the base to actual county remittances:

Fiscal Year	Qualifying Revenues	Base Amount	Excess Amount Above the Base	50% Excess Amount Due the State	County Remittance to the State Treasurer	County (Over) / Underremittance to the State Treasurer <sup>1</sup>
2008-09	\$8,366,827	\$(4,637,294)	\$ 3,729,533	\$ 1,864,767	\$ (1,867,025)	\$ (2,258)
2009-10	7,299,916	(4,637,294)	2,662,622	1,331,311	(1,333,569)	(2,258)
2010-11	6,934,472	(4,637,294)	2,297,178	1,148,589	(1,145,471)	3,118
2011-12	6,841,407	(4,637,294)	2,204,113	1,102,057	(1,046,789)	55,268
2012-13	6,363,165	(4,637,294)	1,725,871	862,936	(818,457)	44,479
2013-14	5,959,656	(4,637,294)	1,322,362	661,181	(620,545)	40,636
2014-15	6,209,718	(4,637,294)	1,572,424	786,212	(743,418)	42,794
<b>Total</b>						<b>\$ 181,779</b>

<sup>1</sup> Should be identified on the TC-31 as State Trial Court Improvement and Modernization Fund – GC §77205.

The error occurred because the county understated fines by \$363,557. The actual adjustment is \$181,779, representing 50% of the understated fines. The \$363,557 is calculated as follows:

- From July 2010 through June 2015, the court incorrectly distributed a portion of Traffic Violator School (TVS) bail from TVS violations as county base fines. For TVS violations, the amount normally distributed to the County TVS fee for county violations (77% of revenue reported in the MOE calculation) was instead distributed as the county base fine (75% of revenue reported in the MOE calculation). As a result, an amount of \$76,168 should have been included in the MOE calculation for TVS bail.
- From July 2010 through June 2015, the court incorrectly distributed 30% of County Emergency Medical Services (EMS) and EMS additional penalties, GC section 76104 and GC section 76000.5, respectively for Red Light TVS cases. This error caused the county TVS bail fund, Vehicle Code (VC) section 42007, to be overstated by \$74,621. As a result, a net total of \$57,458 ( $\$74,621 \times 77\%$ ) should have been excluded from the MOE calculation.

- As noted in Finding 2, the City of Ventura incorrectly allocated revenue from parking surcharges from January 2011 through March 2013. As a result, County General Fund revenues per GC section 76000(c) were understated for the period. A net total of \$38,704 should have been included in the MOE calculation.
- As noted in Finding 3, the court incorrectly distributed bail bond forfeiture cases from July 2008 through June 2015. The incorrect distribution caused an understatement of \$4,672 ( $\$6,229 \times 75\%$ ) to the county base fines per Penal Code (PC) section 1463.001 and an overstatement of \$36,291 to the County 30% penalties per PC section 1464. As a result, a net total of \$31,619 should have been excluded in the MOE calculation.
- As noted in Finding 4, the court overremitted EMAT funds for TVS cases from July 2011 through June 2015. As a result, County TVS bail revenues per VC section 42007 were understated by \$438,652. A net total of \$337,762 ( $\$438,652 \times 77\%$ ) should have been included in the MOE calculation.

#### Recommendation

We recommend that the county remit \$181,779 to the State Treasurer, and report on the TC-31 an increase to the State Trial Court Improvement and Modernization Fund.

#### County's Response

We concur with the audit finding.

#### Court's Response

The court concurs with the finding. The court's revenue and distribution system has been revised to reflect the recommended distribution methods for qualified fines, fees, and penalties. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous years should be completed by the end of 2018 to reflect correction of an underremittance total of \$181,779.

## **FINDING 2— Overremitted State Parking Surcharges**

The City of Ventura incorrectly allocated revenues for parking surcharges from January 2011 through March 2013. The entire \$12.50 parking surcharge (per citation) was erroneously distributed to the State Trial Court Trust Fund. In processing receipts of the city's parking surcharges, the county did not identify and correct the misallocation of revenue.

GC section 76000(c) requires the county to deposit \$2.50 parking penalty in both the County Courthouse Construction Fund and Criminal Justice Facilities Construction Fund, from each parking fine or forfeiture collected. Further, this section requires \$1 of each \$2.50 parking penalties to be distributed to the County General Fund. GC section 70372(b) requires the issuing agencies to distribute a state surcharge of \$4.50 to the State Court Facilities Construction Fund and State Court Facilities Construction Fund – Immediate Critical Needs Account (ICNA) for every

parking fine or forfeiture starting January 2009. GC section 76000.3 requires the issuing agencies to distribute to the State Trial Court Trust Fund an additional State Surcharge of \$3 for every parking fine or forfeiture starting December 2010.

The incorrect remittances for state parking surcharges affected the revenues reported to the State Trial Court Improvement and Modernization Fund under the MOE formula pursuant to GC section 77205. A net total of \$38,704 should have been included in the MOE calculation.

In addition, the incorrect distribution had the following effect:

Account Title	Underremitted / (Overremitted)
State Court Facilities Construction Fund – ICNA – GC §70372(b) – Parking Violations	\$ 58,056
State Court Facilities Construction Fund – GC §70372(b) – Parking Violations	29,028
State Trial Court Trust Fund – GC §76000.3(a)	(183,844)
	<u>(96,760)</u>
County General Fund – GC §76000(b)	38,704
County Courthouse Construction Fund – GC §76100	29,028
County Criminal Justice Facilities Construction Fund – GC §76101	29,028
	<u>\$ 96,760</u>

Recommendation

We recommend that the county:

- Establish and implement procedures to ensure that state parking surcharges are correctly distributed in accordance with statutory requirements; and
- Reduce remittances to the State Treasurer by \$96,760, and report on the TC-31 a decrease of \$183,844 to the State Trial Court Trust Fund, and increases of \$58,056 to the State Court Facilities Construction Fund – ICNA and \$29,028 to the State Court Facilities Construction Fund.

County’s Response

We concur with the audit finding. Our procedures for reviewing and processing parking citation surcharges are sufficient. If an agency misallocates parking surcharges, we will continue to notify the issuing agency of our observation and recommend that they provide a revised allocation summary. Outreach efforts will be documented in our files.

**FINDING 3—  
Underremitted Health  
and Safety and Penal  
Code Bail Bond  
Forfeitures**

The court did not distribute bail bond forfeitures as required under PC section 1463.009 and Health and Safety Code (H&SC) section 11502. The court incorrectly distributed revenues to the state and county penalty funds. Court personnel indicated that the required distribution was inadvertently overlooked.

PC section 1463.009 requires that revenues from bail bond forfeitures be distributed pursuant to PC section 1463. PC section 1463.001(b)(1) further states that the base that is subject to specific distribution shall be distributed to the specified funds of the State or the local agency. H&SC section 11502, a specific distribution, requires 75% of all forfeited bail within Division 10 (H&SC section 11000-11592) be remitted to the State Treasurer. The remaining 25% should be distributed pursuant to the arresting agency in accordance with PC section 1463.001. Additionally, GC section 68090.8 requires that 2% be deducted from all fines, penalties, and forfeitures for automation purposes.

The incorrect distributions for bail bond forfeitures affect the revenues reported to the State Trial Court Improvement and Modernization Fund under the MOE formula pursuant to GC section 77205. A net total of \$31,619 should have been excluded from the MOE calculation.

In addition, the incorrect distribution had the following effect:

Account Title	Underremitted / (Overremitted)
State General Fund (Health and Safety) – H&SC § 11502	\$ 259,262
State Trial Court Improvement and Modernization Fund (2% Automation) – GC § 68090.8	503
State Penalty Fund – PC § 1464	(84,714)
State Court Facilities Construction Fund – GC § 70372(a) – Criminal Violations	(36,486)
State DNA Identification Fund – GC § 76104.7	(28,910)
State General Fund (20% State Surcharge) – PC § 1465.7	(24,898)
State Court Facilities Construction Fund – ICNA – GC § 70372(a) – Criminal Violations	(21,611)
State DNA Identification Fund (Prop 69) – GC § 76104.6	(3,026)
State Trial Court Trust Fund (Court Operations Assessment) – PC § 1465.8	(200)
State Restitution Fund – PC § 1202.4	(155)
	<u>59,765</u>
County Controlled Substances Forfeited Bail – H&SC § 11502	43,180
County Base Fines and Forfeitures – PC § 1463.001	6,229
County General Fund (State Penalty 30%) – PC § 1464	(36,291)
County Juvenile Justice Facilities Construction Fund – GC § 76251	(30,273)
County Courthouse Construction Fund – GC § 76100	(24,212)
County Maddy Emergency Medical Services Fund – GC § 76104	(24,212)
County Maddy Emergency Medical Services Fund – GC § 76000.5	(21,611)
County DNA Identification Fund (Prop 69) – GC § 76104.6	(9,078)
County Automated Fingerprint Identification Fund – PC § 76102	(6,043)
County Formal Probation Fines	(5,895)
County Additional Penalty Lab Fees	(614)
County Alcohol Program Fees	(388)
City of Camarillo – Controlled Substance Fines – H&SC § 11502	980
City of Oxnard – Criminal Fines – PC § 1463.001	(337)
City of Oxnard – Traffic Fines – PC § 1463.001	36,281
City of Oxnard – Controlled Substance Fines – H&SC § 11502	(30)
City of Port Hueneme – Controlled Substance Fines – H&SC § 11502	980
City of Simi Valley – Controlled Substance Fines – H&SC § 11502	8,642
City of Thousand Oaks – Controlled Substance Fines – H&SC § 11502	987
City of Ventura – Controlled Substance Fines – H&SC § 11502	1,940
	<u>\$ (59,765)</u>

Recommendation

We recommend that the court establish and implement procedures to ensure that Health and Safety and Penal Code Bail Bond Forfeitures are correctly distributed in accordance with statutory requirements.

We also recommend that the county remit \$59,765 to the State Treasurer, and report on the TC-31 increases and decreases to the state accounts noted above.

County’s Response

Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court’s response.

Court’s Response

The court concurs with the finding. The court’s revenue and distribution system has been revised to ensure that Health and Safety and Penal Code Bail Bond Forfeitures are correctly distributed in accordance with statutory requirements. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous fiscal years should be completed by the end of 2018 to reflect correction of an underremittance total of \$59,765.

**FINDING 4—  
Overremitted State  
Emergency Medical  
Air Transportation  
Penalties for Traffic  
Violator School Cases**

The court incorrectly distributed the \$4 State EMAT penalty on TVS violations from July 2011 through June 2015. Court personnel indicated the required distribution was inadvertently overlooked.

Starting January 1, 2011, GC section 76000.10 requires a \$4 penalty upon every fine levied on criminal offenses, including traffic offenses. However, upon the election of traffic school, the fine and penalties are converted to TVS bail, as mandated by VC section 42007. Therefore, as EMAT penalties are not included in the exceptions listed within VC section 42007, they should remain as TVS bail.

The incorrect distributions for bail bond forfeitures affects the revenues reported to the State Trial Court Improvement Fund under the MOE formula pursuant to GC section 77205. A net total of \$337,762 should have been included in the MOE calculation.

In addition, the incorrect distributions had the following effect:

Account Title	Underremitted / (Overremitted)
State Emergency Medical Air Transportation Fund – GC §76000.10	\$ (438,652)
County Traffic Violator School Fee – VC §42007	\$ 438,652

Recommendation

We recommend that the court establish and implement procedures to ensure that TVS bails are correctly distributed in accordance with statutory requirements.

We also recommend that the county reduce remittances to the State Treasurer by \$438,652, and report on the TC-31 a decrease of \$438,652 to the State Emergency Medical Air Transportation Fund.

County's Response

Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court's response.

Court's Response

The court concurs with the finding. The court's revenue and distribution system has been revised to ensure that TVS bails are correctly distributed in accordance with statutory requirements. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous fiscal years should be completed by the end of 2018 to reflect correction of an over-remittance total of \$438,652.

**FINDING 5—  
Incorrect Distribution  
of Red Light Cases**

The court made the following errors for regular red light traffic violations from July 2010 through June 2015:

- The court did not distribute 30% of State Court Facilities Construction Fund, State Court Facilities Construction Fund – ICNA, GC section 70372(a) penalties and State Emergency Medical Air Transportation Fund, GC section 76000.10 penalties to the issuing agencies starting from July 2010 through June 2015.
- The court incorrectly distributed 30% of County EMS additional penalties, GC section 76000.5 to the issuing agencies causing the EMS fund to be underremitted from January 2010 through June 2015.

PC section 1463.11 requires the first 30% of red light violation base fines, state and county penalties, (PC section 1463 and section 1464, GC section 76100, respectively) to be distributed to the general fund of the county or city in which the violation occurred. GC section 70372(a) State Court Construction penalties are not referenced in the statute; however, GC section 70372(a) is subject to the distribution requirements in accordance with PC section 1463. Therefore, State Court Construction penalties are subject to the 30% allocation. The remaining 70% should be distributed in accordance with PC section 1463 or VC section 42007 when TVS is elected. Additionally, pursuant to PC section 1463.11, the 30% excludes the state surcharge and other penalty assessments, such as GC section 76000.5 EMS.

The incorrect distributions had the following effect:

Account Title	Underremitted / (Overremitted)
State Court Facilities Construction Fund – GC §70372(a) – Criminal Violations	\$ (263,252)
State Court Facilities Construction Fund – ICNA – GC §70372(a) – Criminal Violations	(175,100)
State Emergency Medical Air Transportation Fund – GC §76000.10	(35,802)
	<u>(474,154)</u>
County Maddy Emergency Medical Services Fund – GC §76000.5	177,808
County General Fund Red Light Violations – GC §1463.11	4,930
Camarillo, City of	5,535
Fillmore, City of	759
Moorpark, City of	5,027
Moorpark Community College	115
Ojai, City of	164
Oxnard, City of	97,929
Oxnard Community College	13
Port Hueneme, City of	1,054
Simi Valley, City of	10,307
Santa Paula, City of	1,854
Thousand Oaks, City of	8,662
Ventura, City of	159,927
Ventura Community College	70
	<u>\$ 474,154</u>

#### Recommendation

We recommend that the court establish and implement procedures to ensure that red light bails are correctly distributed in accordance with statutory requirements.

We also recommend that the county reduce remittances to the State Treasurer by \$474,154, and report on the TC-31 decreases of \$263,252 to the State Court Facilities Construction Fund, \$175,100 to the State Court Facilities Construction Fund – ICNA, and \$35,802 to the State Emergency Medical Air Transportation Fund.

#### County's Response

Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court's response.

#### Court's Response

The court concurs with the finding. The court's revenue and distribution system has been revised to ensure that Red Light bails are correctly distributed in accordance with statutory requirements. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous fiscal years should be completed by the end of 2018 to reflect correction of an overremittance total of \$474,154.

**FINDING 6—  
Incorrect Distribution  
of Base Fines and  
Other Fines, Penalties  
and Fees for DUI and  
Fish and Game Cases**

From July 2008 through June 2015, the court did not consistently calculate base fines correctly for both driving under the influence (DUI) and Fish and Game cases. In addition, for DUI cases the court did not deduct the 2% state automation per GC section 68098.8 for EMAT penalties, per GC section 76000.10 and additional lab fees to the county per PC section 1463.14(a)(b).

PC section 1463.001 requires that base fines resulting from county arrests be transferred to the proper funds of the county. Base fines resulting from city arrests should include an amount equal to the applicable county percentages set forth in PC section 1463.002. Fish and Game section 13003 requires fish and game fines to be distributed 50% each to the State Fish and Game Preservation Fund and the County Fish and Wildlife Propagation Fund. Pursuant to GC section 68090.8, the 2% deposit for automation applies to all fines, penalties, and forfeitures including GC section 76000.10, State EMAT and PC section 1463.14(a)(b) additional county lab fees.

A redistribution of the base fines does not appear to be either material or cost effective due to the difficulty in identifying and redistributing the various accounts. However, if the incorrect distributions continue, a material overstatement may occur in future periods.

Recommendation

We recommend that the court establish and implement procedures to ensure that DUI and Fish and Game bails are correctly distributed in accordance with statutory requirements.

County's Response

Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court's response.

Court's Response

The court concurs with the finding. The court's revenue and distribution system will be revised to ensure that DUI and Fish and Game bails are correctly distributed in accordance with statutory requirements.



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

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**JEFFERY S. BURGH  
AUDITOR-CONTROLLER**

COUNTY OF VENTURA  
800 SOUTH VICTORIA AVE.  
VENTURA, CA 93009-1540



**ASSISTANT  
AUDITOR-CONTROLLER**  
JOANNE McDONALD

**CHIEF DEPUTIES**  
BARBARA BEATTY  
AMY HERRON  
JILL WARD  
MICHELLE YAMAGUCHI

August 16, 2018

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

SUBJECT: AUDIT OF COURT REVENUES FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2015

Dear Ms. Kurokawa,

On August 9, 2018, we received your letter dated August 7, 2018, along with the draft Audit Report on Court Revenues for the period from July 1, 2008, through June 30, 2015. Our responses are as follows:

FINDING 1 The Ventura County Auditor-Controller's Office under-remitted by \$181,779, the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the seven fiscal years period starting July 1, 2008, and ending June 30, 2015.

**COUNTY RESPONSE:** *We concur with the audit finding.*

FINDING 2 The City of Ventura incorrectly allocated revenues for parking surcharges from January 2011 through March 2013.

**COUNTY RESPONSE:** *We concur with the audit finding. Our procedures for reviewing and processing parking citation surcharges are sufficient. If an issuing agency misallocates parking surcharges, we will continue to notify the issuing agency of our observation and recommend that they provide a revised allocation summary. Outreach efforts will be documented in our files.*

The following findings relate to distribution errors on the part of the Ventura County Superior Court:

FINDING 3 The Ventura County Superior Court did not make a proper distribution of forfeited bail as required under PC § 1463.009 and Health and Safety Code (H&SC) Section 11502.

**COUNTY RESPONSE:** *Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court's response.*

FINDING 4 The Ventura County Superior Court incorrectly distributed the \$4 State Emergency Medical Air Transportation (EMAT) penalty on traffic violator school violations (TVS) from January 2011 through June 2015.

**COUNTY RESPONSE:** *Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court's response.*

FINDING 5 The Ventura County Superior Court did not distribute to the issuing agency 30% of State Court Facility Construction and State Emergency Medical Air Transportation penalties from red-light traffic violations from July 2010 through June 2015. The Ventura County Superior Court incorrectly distributed to the issuing agency 30% of County Emergency Medical Services (EMS) penalties causing the EMS fund to be underremitted from red-light traffic violations from July 2010 through June 2015.

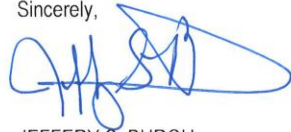
**COUNTY RESPONSE:** *Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court's response.*

FINDING 6 The Ventura County Superior Court did not consistently calculate base fines correctly for both driving under the influence (DUI) and Fish & Game cases from July 2008 through June 2015.

**COUNTY RESPONSE:** *Ventura County Superior Court has responded separately. We concur with the audit finding and the Ventura County Superior Court's response.*

If you have any questions or require additional information, please contact me at 805-654-3151 or [Jeff.Burgh@ventura.org](mailto:Jeff.Burgh@ventura.org).

Sincerely,



JEFFERY S. BURGH  
Auditor-Controller

C: Michael Powers, County Executive Officer  
Michael Planet, Court Executive Officer

**Attachment B—  
Superior Court’s Response to Draft Audit Report**

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*Superior Court of  
California*

COUNTY OF VENTURA  
Hall of Justice  
800 South Victoria Avenue  
Ventura, CA 93009

**Michael D. Planet**  
*Executive Officer/Clerk  
and Jury Commissioner*

August 15, 2018

Mr. Jeffery V. Brownfield  
Chief, Division of Audits  
California State Controller's Office  
Post Office Box 942850  
Sacramento, California, 94250

Re: Draft Audit Responses

Dear Mr. Brownfield:

Following are our responses to the draft audit report dated August 7, 2018.

**1 – Underremitted 50% Excess of Qualified Fines, Fees, and Penalties by \$181,779**

**Recommendation**

The county should remit \$181,779 to the state Treasurer, and report on the TC-31 an increase to the State Trial Court Improvement and Modernization Fund.

**Court Response**

The court concurs with the finding. The court's revenue distribution system has been revised to reflect the recommended distribution methods for qualified fines, fees, and penalties. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous years should be completed by the end of 2018 to reflect correction of an underremittance total of \$181,779.

**FINDING 2 – Overremitted State parking surcharges by \$96,760**

**Recommendation**

The county should:

- Establish and implement procedures to ensure that state parking surcharges are correctly distributed in accordance with statutory requirements; and

Mailing Address: P.O. Box 6489, Ventura, California 93006-6489

Mr. Jeffery V. Brownfield  
Chief, Division of Audits  
California State Controller's Office  
August 15, 2018  
Page Two

- Reduce remittances to the State Treasurer by \$96,760, and report on the TC-31 a decrease of \$183,844 to the State Trial Court Trust Fund, and increases of \$58,056 to the State Court Facilities Construction Fund – ICNA and \$29,028 to the State Court Facilities Construction Fund.

**Court Response**

No response required. Finding is not applicable to the court.

**FINDING 3 – Underremitted Health and Safety and Penal Code Bail Bond Forfeitures by \$59,765**

**Recommendation**

The court should establish and implement procedures to ensure that Health and Safety and Penal Code Bail Bond Forfeitures are correctly distributed in accordance with statutory requirements.

The county should remit \$59,765 to the State Treasurer, and report on the TC-31 increases and decreases to the state accounts noted.

**Court Response**

The court concurs with the finding. The court's revenue distribution system has been revised to ensure that Health and Safety and Penal Code Bail Bond Forfeitures are correctly distributed in accordance with statutory requirements. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous years should be completed by the end of 2018 to reflect correction of an underremittance total of \$59,765.

**FINDING 4 – Overremitted State Emergency Medical Air Transportation Penalties for Traffic Violator School Cases by \$438,652**

**Recommendation**

The court should establish and implement procedures to ensure that TVS bails are correctly distributed in accordance with statutory requirements.

The county should reduce remittances to the State Treasurer by \$438,652, and report on the TC-31 a decrease of \$438,652 to the State Emergency Medical Air Transportation Fund.

Mr. Jeffery V. Brownfield  
Chief, Division of Audits  
California State Controller's Office  
August 15, 2018  
Page Three

**Court Response**

The court concurs with the finding. The court's revenue distribution system has been revised to ensure that TVS bails are correctly distributed in accordance with statutory requirements. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous years should be completed by the end of 2018 to reflect correction of an over-remittance total of \$438,652.

**FINDING 5 – Incorrect Distribution of Red Light Cases by \$474,154**

**Recommendation**

The court should establish and implement procedures to ensure that Red Light bails are correctly distributed in accordance with statutory requirements

The county should reduce remittances to the State Treasurer by \$474,154 and report on the TC-31 decreases of \$263,252 to the State Court Facilities Construction Fund, \$175,100 to the State Court Facilities Construction Fund – ICNA, and \$35,802 to the State Emergency Medical Air Transportation Fund.

**Courts Response**

The court concurs with the finding. The court's revenue distribution system has been revised to ensure that Red Light bails are correctly distributed in accordance with statutory requirements. The court has completed redistributions for FY 2017-18. Redistribution of revenues for previous years should be completed by the end of 2018 to reflect correction of an overremittance total of \$474,154.

**FINDING 6 – Incorrect Distribution of Base Fines and Other Fines, Penalties and Fees for DUI and Fish and Game Cases**

**Recommendation**

The court should establish and implement procedures to ensure that DUI and Fish and Game bails are correctly distributed in accordance with statutory requirements.

**Court Response**

The court concurs with the finding. The court's revenue distribution system will be revised to ensure that DUI and Fish and Game bails are correctly distributed in accordance with statutory requirements.

Mr. Jeffery V. Brownfield  
Chief, Division of Audits  
California State Controller's Office  
August 15, 2018  
Page Four

Please let us know if you have questions or need further clarification.

Sincerely,

A handwritten signature in blue ink that reads "Michael D. Planet". The signature is written in a cursive style with a large initial "M".

Michael D. Planet  
Court Executive Officer

cc: Hon. Patricia Murphy, Presiding Judge  
Hon. Jeff Burgh, Ventura County Auditor-Controller  
Grant Parks, Principle Manager, Judicial Council Audit Services



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

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