

GLENN COUNTY

Audit Report

COURT REVENUES

July 1, 2017, through June 30, 2021



MALIA M. COHEN
California State Controller

November 2023



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

November 13, 2023

Dear County, Court, and City Representatives:

The State Controller's Office (SCO) audited Glenn County's court revenues for the period of July 1, 2017, through June 30, 2021.

Our audit found that \$15,766 in state court revenues was underremitted to the State Treasurer. Specifically, we found that the county underremitted a net of \$14,614 in court revenues to the State Treasurer because it:

- Underremitted the State Trial Court Improvement and Modernization Fund (Government Code section 77205) by \$15,238; and
- Overremitted the State Court Facilities Construction Fund (Vehicle Code section 40611) by \$624.

In addition, we found that the City of Orland underremitted \$1,152 in parking surcharges to the State Treasurer via Glenn County. On March 29, 2023, the city remitted the \$1,152 to the county and on April 3, 2023, the county remitted \$1,152 to the State Treasurer via the TC-31.

In addition, we found that the Superior Court of California, Glenn County made incorrect distributions related to DUI, fish and game, proof of financial responsibility, red-light, red-light traffic violator school, speeding, and speeding traffic violator school violations.

The county should remit \$14,614 to the State Treasurer via the Report to State Controller of Remittance to State Treasurer (TC-31), and include the Schedule of this audit report. On the TC-31, the county should specify the account name identified on the Schedule of this audit report and state that the amounts are related to the SCO audit period of July 1, 2017, through June 30, 2021.

The county should not combine audit finding remittances with current revenues on the TC-31. A separate TC-31 should be submitted for the underremitted amounts for the audit period. For your convenience, the TC-31 and directions for submission to the State Treasurer's Office are located at https://www.sco.ca.gov/ard_trialcourt_manual_guidelines.html.

The underremitted amounts are due no later than 30 days after receipt of this final audit report. The SCO will add a statutory 1.5% per month penalty on the applicable delinquent amounts if payment is not received within 30 days of issuance of this final audit report.

Once the county has paid the underremitted amounts, the Tax Programs Unit will calculate interest on the underremitted amounts and bill the county and applicable entities in accordance with Government Code sections 68085, 70353, and 70377.

County, Court, and City Representatives
November 13, 2023
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Please mail a copy of the TC-31 and documentation supporting the corresponding adjustments to the attention of the following individual:

Tax Programs Unit Supervisor
Bureau of Tax Administration and Government Compensation
Local Government Programs and Services Division
State Controller's Office
Post Office Box 942850
Sacramento, CA 94250

If you have questions regarding payments, TC-31s, or interest and penalties, please contact Jennifer Montecinos, Manager, Tax Administration Section, by telephone at (916) 324-5961, or by email at lgpsdtaxaccounting@sco.ca.gov.

If you have questions regarding the audit findings, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138, or by email at lkurokawa@sco.ca.gov.

Sincerely,

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

KT/ac

Attachment

cc: The Honorable Grant Carmon, Chair
Glenn County Board of Supervisors
Matt Espenshade, Principal Manager
Internal Audit Services
Judicial Council of California
Lynda Gledhill, Executive Officer
California Victim Compensation Board
Anita Lee, Senior Fiscal and Policy Analyst
Legislative Analyst's Office
Sandeep Singh, Manager
Local Government Policy Unit
State Controller's Office
Jennifer Montecinos, Manager
Tax Administration Section
State Controller's Office

Recipient Addresses

Humberto Medina, CPA, Director of Finance
Glenn County
516 West Sycamore Street
Willows, CA 95988

Diana Baca, Court Executive Officer
Superior Court of California, Glenn County
526 West Sycamore Street
Willows, CA 95988

Rebecca Pendergrass, Director of Administrative
Services
City of Orland
815 Fourth Street
Orland, CA 95963

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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 Glenn County on the Report to State Controller of Remittance to State Treasurer (TC-31) for the period of July 1, 2017, through June 30, 2021.

Our audit found that \$15,766 in state court revenues was underremitted to the State Treasurer. Specifically, we found that the county underremitted a net of \$14,614 in state court revenues and that the City of Orland underremitted \$1,152 in parking surcharges to the State Treasurer via the county.

In addition, we found that the Superior County of California, Glenn County made incorrect distributions related to DUI, fish and game, proof of financial responsibility, red-light, red-light traffic violator school (TVS), speeding, and speeding TVS violations.

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 receive 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 is 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.

The SCO publishes the *Trial Court Revenue Distribution Guidelines (Distribution Guidelines)* to provide direction on the distribution of fines, fees, forfeitures, penalties, and assessments. The *Distribution Guidelines* group code sections that share similar exceptions, conditions, or distributions into a series of nine tables.

The Judicial Council of California (JCC) provides forms and worksheets to ensure the proper calculation and distribution of fines, fees, forfeitures, penalties, and assessments. The guidance includes forms used to compute the annual maintenance-of-effort (MOE) calculation and worksheets to verify the more complex revenue distributions.

Audit Authority

We conducted this audit under the authority of GC section 68103, which requires the SCO to review the county's reports and records to ensure that all fines and forfeitures have been transmitted. In addition, 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 superintend the fiscal concerns of the State.

Objective, Scope, and Methodology

Our audit objective was to determine the propriety of the court revenues remitted to the State Treasurer pursuant to the TC-31 process. The audit period was July 1, 2017, through June 30, 2021.

To achieve our objective, we performed the following procedures.

General

- We gained an understanding of the county and court's revenue collection and reporting processes and of the criteria that were significant to our audit objective.
- We interviewed county and court personnel regarding the monthly TC-31 remittance process, the revenue distribution process, the case management system, and the MOE calculation.
- We reviewed documents supporting the transaction flow.
- We scheduled the monthly TC-31 remittances prepared by the county and the court showing court revenue distributions to the State.
- We performed a review of the complete TC-31 remittance process for revenues collected and distributed by the county and the court.
- We assessed the reliability of data from the case management system based on interviews and our review of documents supporting the transaction flow. We determined that the data was sufficiently reliable for purposes of this report.

Cash Collections

- We 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.
- We performed analytical procedures using ratio analysis for state and county revenues to assess the reasonableness of the revenue distributions based on statutory requirements.
- We recomputed the annual MOE calculation for all fiscal years in the audit period to verify the accuracy and completeness of the 50% excess of qualified revenues remitted to the State.

Distribution Testing

- We assessed the priority of installment payments by haphazardly selecting a non-statistical sample of four installment payments to verify priority. Errors found were not projected to the intended (total) population.
- We scheduled parking surcharge revenues collected from entities that issue parking citations within the county to ensure that revenues were correct, complete, and remitted in accordance with state statutory requirements. We contacted entities that did not remit the required parking surcharges and reviewed their required distributions. Errors found were not projected to the intended (total) population.

- We performed a risk evaluation of the county and court, and identified violation types that are prone to errors due to either their complexity or statutory changes during the audit period. Based on the risk evaluation, we haphazardly selected a non-statistical sample of 33 cases for eight violation types. We were not able to identify the case population due to the inconsistent timing of when tickets were issued versus when they were paid, and the multitude of entities that remit collections to the county for remittance to the State. We tested the sample as follows:
 - We recomputed the sample case distributions and compared them to the actual distributions; and
 - We calculated the total dollar amount of significant underremittances and overremittances to the State and county.

Errors found were not projected to the intended (total) population.

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 objective. 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, the court, or the various agencies that issue parking citations. We did not review 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

As a result of performing the audit procedures, we found instances of noncompliance with the requirements described in our audit objective. Specifically, we found that a net of \$15,766 in state court revenues was underremitted to the State Treasurer as follows:

- The State Trial Court Improvement and Modernization Fund (GC section 77205) was underremitted by \$15,238.
- The State Court Facilities Construction Fund (Vehicle Code [VC] section 40611) was overremitted by \$624.
- The State Trial Court Trust Fund (GC section 76000.3) was underremitted by \$1,152 in state parking surcharges from the City of Orland.

These instances of noncompliance are quantified in the Schedule and described in the Findings and Recommendations section of this audit report.

We also found that the court made incorrect distributions related to DUI, fish and game, proof of financial responsibility, red-light, red-light TVS, speeding, and speeding TVS violations.

We notified the City of Orland of the underremittance during the audit. On March 29, 2023, the city remitted \$1,152 to the county. On April 3, 2023, the county remitted \$1,152 to the State Treasurer via the TC-31.

The county should remit the remaining balance of \$14,614 to the State Treasurer.

Follow-up on Prior Audit Findings

The county has satisfactorily resolved the findings noted in our prior audit report, for the period of July 1, 2006, through June 30, 2015, issued June 9, 2017, with the exception of Findings 4 and 5 of this audit report.

Views of Responsible Officials

We issued a draft audit report on September 12, 2023. The county's representative responded by e-mail dated September 15, 2023, agreeing with the audit results. In addition, the court's representative responded by e-mail dated September 12, 2023, agreeing with the audit results.

Restricted Use

This audit report is solely for the information and use of Glenn County; the Superior Court of California, Glenn County; the City of Orland; the JCC; 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 audit report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

November 13, 2023

Schedule— Summary of Audit Findings Affecting Remittances to the State Treasurer July 1, 2017, through June 30, 2021

Finding ¹	Fiscal Year				Total	Reference ²
	2017-18	2018-19	2019-20	2020-21		
Underremitted 50% excess of qualified revenues State Trial Court Improvement and Modernization Fund – GC §77205	\$ 8,938	\$ 6,300	\$ -	\$ -	\$ 15,238	Finding 1
Underremitted parking surcharges – City of Orland State Trial Court Trust Fund – GC §76000.3	411	333	216	192	1,152	Finding 2
Incorrect distribution of proof of correction violations State Court Facilities Construction Fund – VC §40611	-	-	(324)	(300)	(624)	Finding 3
Net amount underremitted to the State Treasurer	<u>\$ 9,349</u>	<u>\$ 6,633</u>	<u>\$ (108)</u>	<u>\$ (108)</u>	<u>\$ 15,766</u>	

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

²See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Underremitted the 50% excess of qualified revenues

During our recalculation of the 50% excess of qualified revenues, we found that the county had used incorrect qualified revenue amounts in its calculation for each fiscal year. These errors resulted in the county underremitting the 50% excess of qualified revenues by \$15,238 during the audit period. The errors occurred because the county misinterpreted the required calculations.

The county provided support for its calculation of the 50% excess of qualified revenues during the audit period. We reviewed the county's calculation and reconciled the qualified revenues to revenue collection reports provided by the court.

We recalculated the county's qualified revenues based on actual court revenues collected for each fiscal year. After our recalculation, we found that the county had understated qualified revenues by \$47,256 for the audit period.

The county understated qualified revenues for the following reasons:

- It incorrectly excluded revenues collected for the city base fines (VC section 42007[c]) from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$5,694.
- It incorrectly excluded revenues collected for the County Courthouse Construction Fund (\$1 per TVS case) (GC section 76100) and the County Criminal Justice Facilities Construction Fund (\$1 per TVS case) (GC section 76101) from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$6,814.
- It incorrectly excluded revenues collected for the Emergency Medical Services Fund (GC section 76104) on TVS cases from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$34,072.
- It incorrectly excluded revenues collected for the Maddy Emergency Medical Services Fund (GC section 76000.5) on TVS cases from its calculation of the TVS fee (VC section 42007) line item, resulting in an understatement of \$9,978.
- It incorrectly included 100% of the county base fines (Penal Code [PC] section 1463.001) collected on county cases in its calculation of the county base fines (PC section 1463.001) line item instead of including only 75% for March 2020, May 2020, and June 2021, resulting in an overstatement of \$6,794.
- It made an incorrect entry for February 2019 during its calculation of the county base fines (PC section 1463.001) collected on city cases, resulting in an overstatement of \$741.
- It incorrectly included 100% of the TVS fees (VC section 42007) in its calculation of the TVS fees (VC section 42007) line item instead of including only 77% for September 2019, resulting in an overstatement of \$4,747.

- It omitted March 2020 collections from the total amount collected for the State Penalty Fund (PC section 1464) in its calculation of the State Penalty Fund (PC section 1464) line item, resulting in an understatement of \$2,376.
- It incorrectly reported the amounts collected for the county’s general fund (GC section 76000[c]) in its calculation of the county general fund (GC section 76000[c]) line item, resulting in an understatement of \$604.

The following table shows the audit adjustments to qualified revenues:

	Fiscal Year				Totals
	2017-18	2018-19	2019-20	2020-21	
Qualified revenues reported	\$ 449,900	\$ 378,234	\$ 322,099	\$ 261,058	\$ 1,411,291
Audit adjustments:					
VC section 42007(c) understatement	2,134	1,618	1,158	784	5,694
GC section 76100, 76101 understatement	2,554	1,936	1,386	938	6,814
GC section 76104 understatement	12,768	9,682	6,930	4,692	34,072
GC section 76000.5 understatement	-	-	5,286	4,692	9,978
PC section 1463.001 (county) overstatement	-	-	(2,817)	(3,977)	(6,794)
PC section 1463.001 (city) overstatement	-	(741)	-	-	(741)
VC section 42007 overstatement	-	-	(4,747)	-	(4,747)
PC section 1464 understatement	-	-	2,376	-	2,376
GC section 76000(c) understatement	419	105	50	30	604
Total	<u>17,875</u>	<u>12,600</u>	<u>9,622</u>	<u>7,159</u>	<u>47,256</u>
Adjusted qualified revenues	<u>\$ 467,775</u>	<u>\$ 390,834</u>	<u>\$ 331,721</u>	<u>\$ 268,217</u>	<u>\$ 1,458,547</u>

As a result of miscalculating the qualified revenues, the county underremitted the 50% excess of qualified revenues by \$15,238 for the audit period.

The following table shows the excess of qualified revenues, and—by comparing the 50% excess amount due to the State to the county’s actual remittances—the county’s underremittance to the State Treasurer.

Fiscal Year	Qualifying Revenues	Base Amount	Excess Amount Above the Base	50% Excess Amount Due the State	County Remittance to the State Treasurer	County Underremittance to the State Treasurer ¹
2017-18	\$ 467,775	\$ 360,974	\$ 106,801	\$ 53,401	\$ 44,463	\$ 8,938
2018-19	390,834	360,974	29,860	14,930	8,630	6,300
2019-20	331,721	360,974	(29,253)	-	-	-
2020-21	268,217	360,974	(92,757)	-	-	-
Total						<u>\$ 15,238</u>

¹Should be identified on the TC-31 as State Trial Court Improvement and Modernization Fund – GC section 77205

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

Recommendation

We recommend that the county:

- Remit \$15,238 to the State Treasurer and report on the TC-31 form an increase to the State Trial Court Improvement and Modernization Fund; and
- Ensure that the proper accounts are included in the calculations of each line item on the 50-50 Excess Split Revenue Computation Form.

County's Response

The county agreed with the finding.

**FINDING 2—
Underremitted
parking surcharges –
City of Orland**

During our analysis of parking surcharges remitted to the county, we found that the City of Orland had imposed and collected incorrect parking surcharges, resulting in an underremittance of \$1,152 to the State. The error occurred because the city was unaware of the statutory requirements relating to parking surcharges.

External parking agencies are required to collect revenues for parking violations and remit the revenues to the county. Revenues are remitted to the county on a monthly basis and collection reports are included to support the remitted revenues. During our analysis of the collection reports, we found that the City of Orland had collected a total of \$5.00 in county parking surcharges, but it had not collected the required state parking surcharges—\$4.50 for the State Court Facilities Construction Fund (GC section 70372[b]) or \$3.00 for the State Trial Court Trust Fund (GC section 76000.3)—on every parking violation. The city should have collected a total of \$12.50 in state and county parking surcharges on every parking violation.

Although the city did not collect any state parking surcharges for the period, it was required to remit \$3.00 for each parking violation to the State Treasurer in accordance with GC section 76000.3. Unlike other parking surcharge statutes, GC section 76000.3 requires the remittance of \$3.00 per parking violation regardless of collection.

On March 29, 2023, the City of Orland remitted \$1,152 to the county. On April 3, 2023, the county remitted \$1,152 to the State Treasurer via the TC-31.

The underremitted parking surcharges are as follows:

Account Title	Underremitted/ (Overremitted)
State Trial Court Trust Fund — GC §76000.3	\$ 1,152
City of Orland	\$ (1,152)

GC section 76000(b) requires, provided that the board of supervisors has adopted a resolution stating that the implementation of this subdivision is necessary to the county, that for each authorized fund established pursuant to GC section 76100 or GC section 76101, for every parking offense where a parking penalty, fine, or forfeiture is imposed, an added penalty of \$2.50 be included in the total penalty, fine, or forfeiture..

GC section 76000(c) requires the county treasurer to deposit \$1.00 of every \$2.50 collected for the County Courthouse Construction Fund and County Criminal Justice Facilities Construction Fund into the county’s general fund.

GC section 76000(d) states that, upon the transfer of responsibility for court facilities from the county to the JCC, the authority to impose the \$2.50 penalty from the County Courthouse Construction Fund shall be reduced to \$1.00.

GC section 70372(b) requires the issuing agencies to collect a state surcharge of \$4.50 for every parking penalty, fine, or forfeiture, for deposit in the State Court Facilities Construction Fund.

During the audit period, GC section 70372(f) required that one-third of the \$4.50 be deposited in the State Court Facilities Construction Fund and two-thirds be deposited in the Immediate and Critical Needs Account. GC section 70372 was amended by Statutes of 2021, Chapter 79, which abolished the Immediate and Critical Needs Account and made various changes to existing law.

GC section 76000.3 requires that parking agencies pay to the State Treasurer a state surcharge of \$3.00 on each parking violation, for deposit in the State’s Trial Court Trust Fund.

Recommendation

We recommend that the City of Orland collect and remit the required state and county parking surcharges to the county, totaling \$12.50 per violation.

**FINDING 3—
Incorrect distribution
of revenues from
proof of correction
violations**

During our testing of proof of correction cases, we found that the court had not properly distributed the related revenues, resulting in an overremittance to the State of \$624. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. In four of the six cases tested, we found that the court had incorrectly distributed 33% of the first \$10.00 of the transaction fee to the State Court Facilities Construction Fund (VC section 40611), instead of distributing the amount to the arresting agency.

The incorrect distributions had the following effect:

Account Title	Underremitted/ (Overremitted)
State Court Facilities Construction Fund — VC §40611	\$ (624)
County General Fund — VC §40611	\$ 515
City of Orland General Fund — VC §40611	\$ 76
City of Willows General Fund — VC §40611	\$ 33

VC section 40611 requires a \$25 transaction fee upon proof of correction of an alleged violation of VC sections 12500, 12951, 40610; or upon submission of evidence of financial responsibility pursuant to VC section 16028(e). For each citation, \$10 should be allocated as follows:

- 33% to the county or city general fund of the local government entity within whose jurisdiction the citation was issued;
- 34% to the State Treasury for deposit in the State Penalty Fund; and
- 33% to the county’s general fund.

The remainder of the fees collected on each citation are required to be deposited in the State Court Facilities Construction Fund.

Recommendation

We recommend that the county offset subsequent remittances to the State Treasurer by \$624 and report on the TC-31 a decrease to the State Court Facilities Construction Fund (VC section 40611).

We recommend that the court correct its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC’s testing sheets.

Court’s Response

The court agreed with the finding.

**FINDING 4—
Incorrect distribution
of revenues from DUI
violations (repeat
finding)**

During our testing of DUI violation cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

We tested four cases, and found the following errors:

- For a FY 2017-18 case, the court collected excessive amounts for the county base fines (PC section 1463.001), city base fines (PC section 1463.002), and County Special Account (PC section 1463.14[b]). The court also did not distribute \$50 of the fine to the County Special Account (PC section 1463.14[a]), or the 2% of State Restitution Fund (PC section 1202.4) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8 – 2% Automation).
- For a FY 2019-20 case, the court collected excessive amounts for the county base fines (PC section 1463.001) and County Special Account (PC section 1463.14[a]). The court also did not distribute 2% of State Restitution Fund (PC section 1202.4) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8 – 2% Automation).
- For a FY 2019-20 case, the county base fines (PC section 1463.001) were overstated, and the revenues collected for the following funds were understated:
 - State Penalty Fund (PC section 1464);
 - State DNA Identification Fund (GC sections 76104.6 and 76104.7);
 - Courthouse Construction Fund (GC section 76100);
 - Criminal Justice Facilities Construction Fund (GC section 76101);
 - Emergency Medical Services Fund (GC section 76104);
 - Maddy Emergency Medical Services Fund (GC section 76000.5); and
 - State Court Facilities Construction Fund (GC section 70372[a]).
- For a FY 2019-20 case, the court did not distribute 2% of the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]) and State Restitution Fund (PC section 1202.4) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8 – 2% Automation).

We performed an analysis of the State Restitution Fund (PC section 1463.18), Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]), and State Restitution Fund (PC section 1202.4) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found

that the errors did not have a material impact on the revenues remitted to the State.

As discussed in Finding 3 of our prior audit report dated June 9, 2017, the court did not distribute 2% of the State Restitution Fine to the State Trial Court Improvement and Modernization Fund. This is a repeat finding, as the court did not correct the distribution errors noted in our prior audit report. In addition, as discussed in Finding 4 of our prior audit report dated June 9, 2017, the court made incorrect distributions of revenues from DUI violations. This is a repeat finding, as the court did not correct the distribution errors noted in our prior audit report.

PC section 1463.001 requires the state penalties and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

PC section 1463.14(a) requires \$50 of each fine collected for each conviction of a violation of VC sections 23103, 23104, 23105, 23152, or 23153 to be deposited in a special account, , to be used exclusively to pay for drug and alcohol testing.

PC section 1463.14(b) authorizes an additional penalty, of an amount equal to the cost of testing for alcohol content (less the \$50 prescribed by PC section 1463.14[a]), upon each defendant convicted of a violation of VC sections 23152 or 23153; the additional penalty should not exceed \$50.

GC section 68090.8(b) requires the county treasurer, prior to making any other required distribution, to transmit 2% of all fines, penalties, and forfeitures collected in criminal cases to the State Trial Court Improvement and Modernization Fund, to be used exclusively to pay the costs of automated systems for the trial courts.

Recommendation

We recommend that the court correct its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The court agreed with the finding.

FINDING 5— Incorrect distribution of revenues from fish and game violations (repeat finding)

During our testing of fish and game cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

We tested four cases and found the following errors:

- For the two FY 2017-18 cases, the court collected excessive amounts for the Fish and Game Preservation Fund (Fish and Game code [FGC] section 13003) and the county general fund (FGC section 13003). In addition, the court did not distribute 2% of the State Restitution Fund (PC section 1202.4) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8 – 2% automation).
- For a FY 2020-21 case, the court did not collect sufficient amounts for the Fish and Game Preservation Fund (FGC section 13003). In addition, the court did not distribute 2% of the State Restitution Fund (PC section 1202.4) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8 – 2% automation).

We performed an analysis of the State Restitution Fund (PC section 1202.4) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

As discussed in Finding 3 of our prior audit report dated June 9, 2017, the court did not distribute 2% of the State Restitution Fine to the State Trial Court Improvement and Modernization Fund. This is a repeat finding, as the court did not correct the distribution errors noted in our prior audit report.

GC section 68090.8(b) requires the county treasurer, prior to making any other required distribution, to transmit 2% of all fines, penalties, and forfeitures collected in criminal cases to the State Trial Court Improvement and Modernization Fund, to be used exclusively to pay the costs of automated systems for the trial courts.

Recommendation

We recommend that the court correct its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The court agreed with the finding.

FINDING 6— Incorrect distribution of revenues from proof of financial responsibility violations

During our testing of proof of financial responsibility cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

We tested four cases, and found the following errors:

- For the two FY 2017-18 cases, the court collected excessive amounts for the county base fines (PC section 1463.001).
- For the two FY 2020-21 cases, the court did not distribute 2% of the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]) and the Maddy Emergency Medical Services Fund (GC section 76000.5) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8 – 2% automation).

We performed an analysis of the Emergency Medical Air Transportation and Children’s Coverage Fund (GC section 76000.10[c]) and the Maddy Emergency Medical Services Fund (GC section 76000.5) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

PC section 1463.001 requires the state penalties and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

GC section 68090.8(b) requires the county treasurer, prior to making any other required distribution, to transmit 2% of all fines, penalties, and forfeitures collected in criminal cases to the State Trial Court Improvement and Modernization Fund to be used exclusively to pay the costs of automated systems for the trial courts.

Recommendation

We recommend that the court correct its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC’s testing sheets.

Court’s Response

The court agreed with the finding.

FINDING 7— Incorrect distribution of revenues from red- light traffic violator school violations

During our testing of red-light TVS cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The error was corrected in September 2019 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. For two of the three cases tested, we found that the court had collected excessive amounts for the TVS Fee (VC section 42007). In addition, the court had incorrectly

distributed 30% of the Emergency Medical Services Fund (GC section 76104) revenues to the red-light allocation fund (VC section 42007.3).

We performed an analysis of the red-light allocation fund (VC section 42007.3) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

VC section 42007(a)(1) requires the court to collect a fee, in an amount equal to the total bail set forth for the eligible offense on the uniform countywide bail schedule, from every person ordered or permitted to attend a traffic violator school pursuant to VC section 41501 or 42005.

VC section 42007(b) requires counties with an established Maddy Emergency Medical Services Fund to collect \$2 for every \$7 that would have been collected pursuant to GC section 76000, and, beginning January 1, 2009, to collect an additional \$2 for every \$10 that would have been collected pursuant to GC section 76000.5 for deposit in the fund.

Recommendation

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The court agreed with the finding.

FINDING 8— Incorrect distribution of revenues from red- light violations

During our testing of red-light violation cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The error was corrected in September 2019 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. For two of the four cases tested, we found that the court had not distributed 30% of the State Penalty Fund (PC section 1464), Courthouse Construction Fund (GC section 76100), Criminal Justice Facilities Construction Fund (GC section 76101), and Emergency Medical Services Fund (GC section 76104) revenues to the red-light allocation fund (PC section 1463.11). In addition, the court had not collected sufficient amounts for the county base fines (PC section 1463.001) and the city base fines (PC section 1463.002).

We performed an analysis of the red-light allocation fund (PC section 1463.11) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

PC section 1463.11 requires that the first 30% of red-light violation base fines, state penalties, and county penalties (PC sections 1463 and 1464, and GC section 76100, respectively) collected be distributed to the general fund of the county or city where the violation occurred.

Recommendation

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The court agreed with the finding.

FINDING 9— Incorrect distribution of revenues from speeding violations

During our testing of speeding cases, we found that the court had not properly distributed the related revenues. The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions.

We tested four cases, and found the following errors:

- For the two FY 2017-18 cases, the court collected excessive amounts for the county base fines (PC section 1463.001).
- For a FY 2020-21 case, the court did not distribute 2% of the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) and Maddy Emergency Medical Services Fund (GC section 76000.5) revenues to the State Trial Court Improvement and Modernization Fund (GC section 68090.8 – 2% automation).

We performed an analysis of the Emergency Medical Air Transportation and Children's Coverage Fund (GC section 76000.10[c]) and the Maddy Emergency Medical Services Fund (GC section 76000.5) revenues collected by the court to determine the fiscal effect of the distribution errors. Upon completion of our analysis, we found that the errors did not have a material impact on the revenues remitted to the State.

PC section 1463.001 requires the state penalties and county penalties imposed under PC section 1214.1 to be transferred to the proper funds as required by law.

GC section 68090.8(b) requires the county treasurer, prior to making any other required distribution, to transmit 2% of all fines, penalties, and forfeitures collected in criminal cases to the State Trial Court Improvement and Modernization Fund to be used exclusively to pay the costs of automated systems for the trial courts.

Recommendation

We recommend that the court correct its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The court agreed with the finding.

**FINDING 10—
Incorrect distribution
of revenues from
speeding traffic
violator school
violations**

During our testing of speeding TVS cases, we found that the court had collected excessive amounts for the TVS fee (VC section 42007). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system. The error was corrected in September 2019 when the court implemented a new case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. In two of the four cases tested, we found that the court had collected excessive amounts for the TVS fee (VC section 42007).

We did not measure this error because it is not a distribution error that results in overremitted funds to the State Treasurer. Rather, the court overcharged the defendants on each case, meaning that the excess revenues collected are actually owed to the defendants. However, we believe that it would be impractical and difficult for the court to return the overcharged amounts to each defendant.

VC section 42007(a) requires the court to collect a fee, in an amount equal to the total bail set forth on the uniform countywide bail schedule, from every person ordered or permitted to attend a traffic violator school pursuant to VC section 41501 or 42005.

Recommendation

We recommend that the court continue to monitor its case management system to ensure that revenues are distributed in accordance with statutory requirements, and periodically verify the accuracy of its distributions using the JCC's testing sheets.

Court's Response

The court agreed with the finding.

**FINDING 11—
Incorrect priority of
installment payments**

During our testing of court cases, we found that the court had not properly distributed revenues in accordance with the order of priority stated in PC section 1203.1d, subparagraph (b). The error occurred because the court misinterpreted the *Distribution Guidelines* and incorrectly configured its case management system.

We verified, on a sample basis, distributions made by the court using its case management system. For each sample case, we recomputed the distributions and compared them to the actual distributions. During our testing of cases, we found that the court had incorrectly programmed “other reimbursable costs” as priority-three distributions instead of programming them as priority-four distributions.

We did not measure the effect of the error, because it would be impractical and difficult to redistribute revenues on every case involving installment payments.

PC section 1203.1d, subparagraph (b) requires that installment payments be disbursed in the following order of priority:

1. Restitution ordered to victims (PC section 1202.4[f]);
2. State surcharge (PC section 1465.7);
3. Fines, penalty assessments, and restitution fines (PC section 1202.4[b]); and
4. Other reimbursable costs.

Recommendation

We recommend that the court correct its case management system to ensure that installment payments are distributed in accordance with the statutory priority requirements of PC section 1203.1d, subparagraph (b).

Court’s Response

The court agreed with the finding.

Appendix— Summary of Prior Audit Findings

The following table shows the implementation status of Glenn County's corrective actions related to the findings contained in our prior audit report dated June 9, 2017:

Prior Audit Finding Number	Finding Title	Implementation Status
1	Overremitted the 50% excess of qualified fines, fees, and penalties	Fully implemented
2	Underremitted parking surcharges	Fully implemented
3	Incorrect distribution of the 2% state automation fee	Not implemented— see current Findings 4 and 5
4	Incorrect distribution of DUI bail	Not implemented— see current Finding 4
5	Incorrect distribution of DUI bail (county's probation department)	Not verified— probation cases are processed by the Superior Court of California, Shasta County
6	Failure to adopt a board of supervisors' resolution to distribute local penalties	Fully implemented

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