



County of El Dorado

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Legislation Text

File #: 10-0670, **Version:** 1

Chief Administrative Office and Auditor Controller's Office recommending a transfer from Contingency in the amount of \$291,344 for payment to the State Controller's Office for under-remitted Traffic Violator School (TVS) bail from July 2002 through June 2009.

FUNDING: General Fund Contingency.

BUDGET SUMMARY:		
Total Estimated Cost		\$ 291,344
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other - Contingency	\$ 291,344	
Total Funding Available	\$	
Change To Net County Cost		\$ 291,344

Fiscal Impact/Change to Net County Cost: Contingency will be reduced by \$291,344 and Department 20 will be increased by the same amount which will be remitted to the State Controllers office.

Reason for Recommendation: An audit conducted by the State Controller's office found that the Courts did not properly distribute Traffic Violator School (TVS) bail from July 2002 through June 2009 for an amount of \$291,344. The State court facility construction fund (\$3 per \$10 fine) amount was remitted to the County instead of the State. The recommendation from the State Controller's office in their exit conference report is that the \$291,344 be remitted to the State.

The total estimated amount the County will have to remit to correct remittance errors is \$528,392, once the audit report is finalized which could take several months. The County will have the opportunity to challenge the amount, but it is unlikely the amount will change significantly. Of this estimated amount \$291,344 is how much the Courts have to pay penalties on because the Courts did not properly distribute the TVS bail. Information received from the Courts indicates that the penalty is being assessed back to 2005 at 1.5% per month, 18% per annum. The current penalty amount is approximately \$125,000 and the amount goes up monthly by 1.5%.

This distribution error has resulted in the County owing the State an estimated \$528,392 based on the audit findings. The payment of \$291,344 is a deposit towards what the County will eventually owe. In addition, the County would be providing relief to the Courts as the payment of \$291,344

would stop the incremental percentage increase on the penalty. The Courts have indicated that they have identified the funding to pay the \$125,000 penalty. In addition, the Courts have taken necessary steps to correct the collection system to avoid these errors in the future.

Action to be taken following Board approval:

- 1) The Budget Transfer will be processed.
- 2) The Auditor Controller's office will remit \$291,344 to the State Controller's office.
- 3) The Courts will remit their penalty assessment to the State Controller's office.