

**Table D**  
**Audit Objectives and the Methods Used to Address Them**

AUDIT OBJECTIVE	METHOD
<p>1 Review and evaluate the laws, rules, and regulations significant to the audit objectives.</p>	<p>Reviewed and documented federal and state laws and regulations, as well as CDCR, CalVCB, FTB, Contra Costa Superior Court, Kern Probation, Kern Superior Court, San Diego Office of Revenue, and San Diego Superior Court policies and procedures relevant to the audit procedure.</p>
<p>2 Evaluate the State's and a selection of counties' processes for collecting and disbursing restitution. In doing so, determine the following:</p>	
<p>a. To the extent possible, the amount of restitution that has been ordered, collected, and remains outstanding in the last 10 years, the breakdown of actual amounts of interest collected vs. paid to victims on the restitution fine order, and the processes for collecting interest.</p>	<ul style="list-style-type: none"> <li>• Acquired and compiled transaction-level data from CDCR, FTB, Contra Costa, and San Diego Office of Revenue to calculate the number and amount of restitution orders and fines imposed and collected, and the amounts outstanding for any order or fine imposed on or after July 1, 2014.</li> <li>• Calculated the associated interest collected.</li> <li>• Obtained account-level reports from Contra Costa and San Diego Office of Revenue, as well as monthly collection data from Kern Probation.</li> <li>• Made a selection of cases and performed selected attribute testing. Reviewed data from FTB's Court-Ordered Debt claim schedules and case status logs and calculated total amounts of restitution FTB has collected and remitted to CalVCB, CDCR, and selected counties.</li> </ul>
<p>b. The percentage of restitution collected that has been disbursed to victims.</p>	<ul style="list-style-type: none"> <li>• Acquired and compiled data from CDCR, and San Diego Office of Revenue, and Contra Costa and calculated percentage of amounts of restitution orders collected and distributed to victims and percentage of amounts of restitution fines ordered and collected.</li> </ul>
<p>c. The portion of restitution that CDCR, FTB, and selected county collection programs have retained as administrative fees, penalties, or interest.</p>	<ul style="list-style-type: none"> <li>• Acquired and compiled FTB's annual appropriations, expenditures, and revenue data. Analyzed FTB data on fees, amounts collected, number of clients, and surplus disbursed. Conducted interviews with FTB staff to confirm data accuracy and procedures for retaining administrative fees. Calculated FTB fees.</li> <li>• Acquired and analyzed county and CDCR collection and revenue records to calculate the amount of administrative fees collected each year.</li> </ul>
<p>d. The factors that have contributed to the gap between the amount of restitution ordered and the amount disbursed to victims.</p>	<ul style="list-style-type: none"> <li>• Interviewed FTB Court-Ordered Debt program staff and reviewed annual JCC Court Collections reports to determine counties' participation as FTB clients. Conducted interviews with staff at selected county superior courts and/or revenue collection departments to evaluate incentives and barriers for choosing to participate in FTB's Court-Ordered Debt program.</li> <li>• Interviewed CDCR staff; reviewed its public-facing website, policy documents, and monthly restitution collection lists detailing amounts collected from specified individuals for CalVCB to forward to designated victims. In many cases, however, no victim is identified.</li> </ul>

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AUDIT OBJECTIVE	METHOD
<p>3 Assess agency practices and oversight of the State's and a selection of counties' restitution systems by evaluating the following:</p> <p>a. The extent that CDCR, FTB, and selected counties coordinate and differ in their restitution collection practices.</p> <p>b. Any discrepancies between statutes and actual practices in the garnishment of wages and trust accounts.</p> <p>c. The process courts, probation departments, and CDCR use to establish collection rates and modifications of restitution orders.</p>	<ul style="list-style-type: none"> <li>• Reviewed FTB's policies, reports, and publications on collecting court-ordered debt. Evaluated relevant requirements in state law governing FTB's process for collecting court-ordered debt. Conducted interviews with FTB staff about its processes for establishing payment plans with debtors.</li> <li>• Obtained and reviewed CDCR's policies and procedures, interviewed staff, and documented the process, electronic systems, and relevant controls in place.</li> <li>• Obtained and reviewed county policies and procedures, interviewed staff, and documented relevant controls in place.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Conducted interviews and reviewed county policies to determine the extent of their coordination with FTB.</li> <li>• Documented CDCR procedures for referring delinquent restitution debt to FTB and compared its process with the processes of the selected counties.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Obtained CDCR data and tested a sample of trust account deposits to ensure the proper amount was withheld and collected to pay restitution obligations.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Reviewed county and court policies to determine how payment schedules are set and interviewed county and court staff to determine how these schedules may be modified.</li> </ul>
<p>4 Identify the demographic breakdown of individuals ordered to pay restitution (by race, income level, age, and education) and, to the extent possible, determine the following:</p> <p>a. The extent that formerly incarcerated people are barred from parole, expungement, or employment because of unpaid restitution.</p> <p>b. To the extent that such information is collected and available, the effects of restitution-related garnishments on reentry, family financial stability, and mental health.</p>	<ul style="list-style-type: none"> <li>• Reviewed and summarized data from CDCR, Contra Costa, and San Diego Office of Revenue to determine what demographic information was available for each entity.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Reviewed county and superior court policies and interviewed county and superior court staff regarding impacts of restitution on probation, expungement, and employment.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Reviewed available reports and academic studies on the effects of restitution orders and fees on individuals who owe restitution.</li> </ul>
<p>5 Review and assess the victim's compensation eligibility and funding process by performing the following:</p> <p>a. To the extent possible, assess how CalVCB makes eligibility decisions and the number of victims denied funding annually.</p> <p>b. Determine the portion of disbursements from the State Restitution Fund that goes directly to victims compared to that used for administrative costs.</p> <p>c. Identify payments of restitution to victims by CalVCB during the last 10 years, and, to the extent possible, determine the average length of time it takes for victims to receive restitution payment after it has been ordered.</p>	<ul style="list-style-type: none"> <li>• Acquired data on victims' compensation applications for fiscal years 2014–15 through 2024–25 and compiled data on denied applications. Reviewed criteria in state law for restitution eligibility requirements.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Obtained CalVCB's financial reports and the State Restitution Fund's Fund Condition Statements for fiscal years 2014–15 through 2024–25. Compiled data on restitution fines and orders received from counties and CDCR, sources of revenue, and annual administrative expenses. Compared total amounts of restitution and compensation disbursed to total amounts available in the State Restitution Fund.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Compiled data on disbursed restitution orders and disbursed compensation funds for fiscal years 2014–15 through 2024–25. Judgmentally selected 15 approved compensation applications from fiscal years 2021–22 through 2023–24 and calculated the length of time it took for victims to receive restitution payments after they were ordered.</li> <li>• For San Diego Office of Revenue, Contra Costa, and CDCR, calculated the number of individuals and cases with paid obligations for victim restitution.</li> </ul>

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AUDIT OBJECTIVE	METHOD
<p>6 Assess the current status of and long-term outlook for the State Restitution Fund, including its fiscal solvency, and determine the following:</p> <p>a. How much CDCR, FTB, and selected counties annually spend on collection efforts.</p> <p>b. The mechanisms that exist to ensure that restitution obligations are properly collected and disbursed.</p>	<ul style="list-style-type: none"> <li>• Acquired and reviewed CalVCB’s Funding Condition Statements for fiscal years 2014–15 through 2023–24. Conducted interviews with CalVCB staff to evaluate the status and outlook of the State Restitution Fund.</li> <li>• Acquired and compiled FTB’s annual appropriations, expenditures, and revenue data. Analyzed FTB data on fees, amounts collected, number of clients, and surplus disbursed. Calculated FTB’s collection costs and net fees withheld for administrative expenses.</li> <li>• Obtained and reviewed accounting data—such as monthly expense reports—related to its restitution collection efforts from CDCR from fiscal years 2021–22 through 2023–24 and interviewed accounting and OVSRS staff.</li> <li>• Obtained and reviewed county and court staffing cost and timesheet data related to its restitution collection efforts for the fiscal years 2021–22 through 2023–24.</li> <li>• Obtained and reviewed CalVCB’s policies and procedures on monthly payment processing and overview of the Restitution Program.</li> <li>• Obtained and reviewed FTB’s policies and procedures for collecting and distributing restitution as part of its Court-Ordered Debt program.</li> <li>• Obtained and reviewed CDCR’s policies and procedures, interviewed staff, and documented the process, electronic systems, and relevant controls in place.</li> <li>• Obtained and reviewed county and court policies and procedures, interviewed staff, and documented the process, electronic systems, and relevant controls in place.</li> </ul>
<p>7 Review and assess any other issues that are significant to the audit.</p>	<ul style="list-style-type: none"> <li>• Interviewed members of the following advocacy groups that advocate for judicial reform: Californians for Safety and Justice, Crime Victims United, Initiate Justice, Smart Justice, and the UC Berkeley School of Law Policy Advocacy Clinic to understand the effects of the victim restitution system on both the individuals that owe restitution and the victims that receive it.</li> <li>• Reviewed the laws and policies of an original selection of 11 states, which were selected to be politically diverse or similar in population to California. Reviewed the policies of an additional 19 states to determine how widespread certain best practices were.</li> </ul>

Source: Audit workpapers.