



Office of Court Administration

Collection Improvement Program

**Independent Auditor's Report
on Court Collections**

McLennan County

July 10, 2015

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EXECUTIVE SUMMARY

Audit Results

The Collection Improvement Program (CIP) Audit Department of the Office of Court Administration (OCA) has performed the procedures enumerated below, which were agreed to by the CIP Technical Support Department of the OCA and McLennan County (County). The procedures were performed to assist you in evaluating whether the collection program of the County has complied with Article 103.0033 of the Code of Criminal Procedure and Title 1, §175.3 of the Texas Administrative Code (TAC).

Our testing indicates the collection programs for the County are compliant with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. In testing the required components, no findings were noted.

We were not engaged to, and did not, conduct an examination of the County, the objective of which would be the expression of an opinion on the County's financial records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

McLennan County's management is responsible for operating the collection program in compliance with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

The sufficiency of these procedures is solely the responsibility of the CIP Technical Support Department of the OCA, and we make no representation regarding the sufficiency of the procedures for the purpose for which this report has been requested or for any other purpose.

The compliance engagement was conducted in accordance with standards for an agreed-upon procedures attestation engagement as defined in the attestation standards established by the American Institute of Certified Public Accountants.

Objective

The objective of the engagement was to determine if the County complied with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

Summary of Scope and Methodology

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of August 1, 2014 through September 30, 2014, but were not paid at the time of assessment. Cases were tested beyond the audit period to determine compliance with all components of the collection program. The procedures performed are enumerated in the Detailed Procedures and Findings section of this report.

Reporting of Sampling Risk

In performing the procedures, the auditor did not include a detailed inspection of every transaction. A random sample of cases was tested as required by 1 TAC §175.5(b). In consideration of the sampling error inherent in testing a sample of a population, a specific error rate cannot be reported; however, we can report the range within which we have calculated the error rate to fall.

DETAILED PROCEDURES AND FINDINGS

1. *Obtain a population of all adjudicated cases in which the defendant does not pay in full within one (1) month of the date court costs, fees, and fines are assessed.*

McLennan County provided a population of defendants who accepted an extension and/or payment plan as a means to pay their assessed court costs, fees, and fines during the period of August 1, 2014 through September 30, 2014.

The County provided a population of cases for each collection program in the County. A composite population was created from the eligible population of cases for each collection program which included a total of 507 cases.

Management Response:

See Appendix B

2. *Select a randomly-generated, statistically-valid sample of cases to be tested.*

A randomly-generated, statistically-valid sample of eligible cases was generated from each population of cases submitted by the County. A randomized sample of 40 cases were tested for each component detailed in the Procedure Steps 8 through 14 below.

Management Response:

See Appendix B

3. *Obtain a completed survey, in a form prescribed by CIP Audit, from the jurisdiction.*

A completed survey was obtained for each collection program in the County. The surveys were reviewed for information pertinent to the engagement. Survey responses were used to determine compliance with Procedure Steps 4 through 6 below.

Management Response:

See Appendix B

4. *Evaluate the survey to determine if each local collection program has designated at least one (1) employee whose job description contains an essential job function of collection activities. Answers received will be verified during field work.*

The County has at least one (1) person in each program whose job description contains collection activities as a primary job function. While on-site, the auditor met, observed, and discussed collection duties with County collection staff members.

The County is compliant with this component.

Management Response:

See Appendix B

5. *Evaluate the survey to determine if program staff members are monitoring defendants' compliance with the terms of their payment plans or extensions. Answers will be verified through testing of Defendant Communication components.*

The County has an electronic case management system to monitor defendants' compliance with the terms of their payment plans and extensions for each program in the county. While on-site, the auditor met, observed, and discussed program monitoring responsibilities.

The County is compliant with this component.

Management Response:

See Appendix B

6. *Evaluate the survey to determine if the program has a component designed to improve collection of balances more than 60 days past due. Answers will be verified through testing of Defendant Communication components.*

The County uses several methods to improve the collection of balances more than 60 days past due for each program in the county. The Community Supervision and Corrections Department (CSCD) monitors defendants, and addresses delinquencies with them during their visits with the Probation Officer. This can escalate to a Motion to Revoke Probation if the defendant does not work to get current with their payment plan.

The Central Collection and County Clerk Collection departments ask the judge to issue a Capias Pro Fine warrant when a defendant does not work to remain current with the payment terms. While on-site, the auditor verified collection efforts.

The County is compliant with this component.

Management Response:

See Appendix B

7. *Verify with CIP Technical Support and/or CIP Audit Financial Analyst(s) that the program is compliant with reporting requirements described in 1 TAC §175.4.*

The jurisdiction is current with reporting requirements based on the reporting activity documented in the OCA's CIP Court Collection Report software. All monthly reports were submitted for calendar year 2014.

The County is compliant with this component.

Management Response:

See Appendix B

8. *Test samples generated in Procedure 2 (above) to determine if an application or contact information was obtained within one (1) month of the assessment date, and contains both contact and ability-to-pay information for the defendant.*

Of the 40 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 5.59%.

The County is compliant with this component.

Management Response:

See Appendix B

9. *Test samples generated in Procedure 2 (above) to determine if contact information obtained within the application was verified within five (5) days of obtaining the data.*

Of the 40 cases tested, three (3) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 16.83%.

The County is compliant with this component.

Management Response:

See Appendix B

10. *Test samples generated in Procedure 2 (above) to determine if local program or court staff conducted an interview with the defendant within 14 days of receiving the application.*

Of the 40 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 5.59%.

The County is compliant with this component.

Management Response:

See Appendix B

11. *Test samples generated in Procedure 2 (above) to determine if the payment plans meet the Documentation, Payment Guidelines, and Time Requirements standards defined in TAC §175.3(c)(4).*

Of the 40 cases tested, three (3) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 17.04%.

The County is compliant with this component.

Management Response:

See Appendix B

12. *Test samples generated in Procedure 2 (above) to determine if telephone contact with the defendant within one (1) month of a missed payment was documented.*

Of the 40 cases tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 13.50%.

The County is compliant with this component.

Management Response:

See Appendix B

13. *Test samples generated in Procedure 2 (above) to determine if a written delinquency notice was sent to the defendant within one (1) month of a missed payment.*

Of the 40 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 5.59%.

The County is compliant with this component.

Management Response:

See Appendix B

14. *Test samples generated in Procedure 2 (above) to determine if another attempt of contact, either by phone or by mail, was made within one (1) month of the telephone contact or written delinquency notice, whichever is later, on any defendant in which a capias pro fine was sought.*

A total of eight (8) cases were tested from the courts that issued capias pro fine warrants. Of the eight (8) cases, three (3) errors were noted. While this calculates as a 37.5% error rate, the small population is not sufficient to statistically validate the component. While the error rate indicates an area that the County should address, the County passes this component without testing.

Management Response:

See Appendix B

15. *Make a determination, based on results of the testing in Procedures 5 – 14 (above), as to whether the jurisdiction is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3 based on the criteria defined in 1 TAC §175.5(c).*

McLennan County is compliant with the Article 103.0033 of the Code of Criminal Procedure and with 1 TAC §175.3 based on the criteria defined in 1 TAC §175.5(c). The County is compliant with the four (4) Operational Components, and maintained a compliance rate greater than 80% of the seven (7) Defendant Communication Components.

Management Response:

See Appendix B

APPENDICES

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The CIP Audit Department of the Office of Court Administration applied procedures, which the CIP Technical Support Department (client) and McLennan County (responsible party) have agreed-upon, to determine if the County's collection programs are compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

Scope

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of August 1, 2014 through September 30, 2014, but were not paid at the time of assessment. Cases were tested beyond the audit period to determine compliance with all components of the collection program. All cases that included court costs, fees, and fines that totaled \$10.00 or less were removed from testing.

Methodology

Performed the procedures outlined in the Detailed Procedures and Findings section of this report to test records to enable us to issue a report of findings as to whether the County has complied, in all material respects, with the compliance criteria described in Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

In performing the procedures, the 'tests' the auditor performed included tracing source documentation provided by the County to ensure the collection process met the terms of the criteria listed. Source documents include, but are not limited to, court dockets, applications for a payment plan, communication records, capias pro fine records, and payment records.

Criteria Used

Code of Criminal Procedure, Article 103.0033
Texas Administrative Code, Title 1, §175.3

Team Members

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Barbara Skinner; CIP Auditor



McLennan County Courthouse

Scott M. Felton
McLENNAN COUNTY JUDGE

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July 6, 2015

Dear Ms. Skinner,

McLennan County has reviewed the results of the OCA Collection Improvement Program Audit. No findings were noted in the Audit and McLennan County has no responses to add to the report. We thank you and the OCA staff for the professionalism exhibited during this study. It is a pleasure to work with you all.

Respectfully,

Scott M. Felton
McLennan County Judge

APPENDIX C

REPORT DISTRIBUTION

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