



Office of Court Administration

Collection Improvement Program

Annual Audit Plan

Fiscal Year 2014

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**Office of Court Administration
Collection Improvement Program
Audit Department**

The Collection Improvement Program Audit department (CIP Audit) has completed a risk assessment, and developed the Annual Audit Plan for Fiscal Year (FY) 2014. CIP Audit plans to perform three (3) types of projects with the following jurisdictions:

Compliance Engagements

Bastrop County	Midland County
Cameron County	Montgomery County
* Collin County	San Patricio County
El Paso County	Smith County
Fort Bend County	Victoria County
Galveston County	Walker County
* Hays County	Webb County
Hidalgo County	** City of Grand Prairie

* Collin and Hays counties are included in the FY2014 audit rankings, and will be audited unless one (1) or more jurisdictions fail a compliance engagement, and follow-up audits are needed.

** The City of Grand Prairie is scheduled for a follow-up audit, and automatically included in the FY 2014 Annual Audit Plan

Pre-implementation Rate Review

City of Longview

Post-implementation Rate Review

Brazos County	City of Beaumont
Liberty County	City of Garland
Taylor County	City of Lubbock
	City of Plano

Background

Senate Bill 1863, 79th Legislature, Regular Session (2005), added Code of Criminal Procedure, Article 103.0033, effective September 1, 2005. This article provides for a Collection Improvement Program (CIP), to be developed and implemented by the Office of Court Administration (OCA) in cooperation with the Texas Comptroller of Public Accounts (CPA).

The program's purpose is to improve the collection of court costs, fees, and fines imposed in criminal cases. The OCA's CIP Technical Assistance department provides information and assistance to the cities and counties by developing a set of principles and a process for managing cases when defendants are not prepared to pay all court costs, fees, and fines at the time of assessment and when time to pay is requested.

The legislation requires cities with a population of 100,000 or more, and counties with a population of 50,000 or more, to implement a mandatory collection improvement program. Seventy-eight (78) cities and counties were originally identified that fall within the parameters of the 2005 legislation. As a result of the 2010 Census, another thirteen (13) cities and counties were added to the number of jurisdictions required to maintain a collection program.

The original legislation required the CPA to determine if the cities/counties required to maintain a program are in compliance with the requirements of the mandatory program. In addition, the CPA was required to calculate the collection rate of the cities and counties.

As a result of House Bill 2949, 81st Legislature, Regular Session, and Senate Bill 1, 81st Legislature, 1st Called Session, the functions performed by the CPA were transferred to the OCA. As a result, the CIP Audit department was created within the OCA.

The OCA's CIP Audit department consists of an Audit Manager, a Financial Analyst, four CIP Auditors, and an Administrative Assistant. The CIP Audit staff report to the Chief Financial Officer, operating independently of the CIP Technical Assistance department who report to the Director of Research and Court Services.

Types of Projects

Compliance Engagements

The OCA has developed procedures to determine if a jurisdiction is in compliance with Article 103.0033 of the Code of Criminal Procedure and 1 Texas Administrative Code (TAC) §175.3. The procedures are conducted in accordance with standards for an agreed-upon procedures attestation engagement as defined in *Government Auditing Standards* issued by the Comptroller General of the United States and attestation standards established by the American Institute of Certified Public Accountants.

Rate Reviews (Pre-implementation and Post-implementation)

The CIP Audit department performs projects to calculate the collection rate for cities and counties prior to implementation of their mandatory programs (Pre-implementation), and again after they have implemented their mandatory programs (Post-implementation). These rates are gathered to help measure the effectiveness of the collection programs over time.

Methodology

The CIP Audit department performed the procedures below to determine which jurisdictions would be audited for compliance during the Fiscal Year 2014.

1. Identify the Audit Universe - There are currently 91 jurisdictions that are required to maintain a collection program. These counties have a population of at least 50,000, while the cities have a population of at least 100,000.

Counties

Anderson	Gregg	Orange
Angelina	Guadalupe	Parker
Bastrop	Hardin	Potter
Bell	Harris	Randall
Bexar	Harrison	Rockwall
Bowie	Hays	Rusk
Brazoria	Henderson	San Patricio
Brazos	Hidalgo	Smith
Cameron	Hood	Starr
Cherokee	Hunt	Tarrant
Collin	Jefferson	Taylor
Comal	Johnson	Tom Green
Coryell	Kaufman	Travis
Dallas	Liberty	Van Zandt
Denton	Lubbock	Victoria
Ector	Maverick	Walker
El Paso	McLennan	Webb
Ellis	Midland	Wichita
Fort Bend	Montgomery	Williamson
Galveston	Nacogdoches	Wise
Grayson	Nueces	

Municipalities

Abilene	El Paso	McAllen
Amarillo	Fort Worth	McKinney
Arlington	Frisco	Mesquite
Austin	Garland	Midland
Beaumont	Grand Prairie	Pasadena
Brownsville	Houston	Plano
Carrollton	Irving	San Antonio
Corpus Christi	Killeen	Waco
Dallas	Laredo	Wichita Falls
Denton	Lubbock	

Compliance Engagements

From the list above, certain jurisdictions were excluded based on the following criteria:

- 37 jurisdictions have previously undergone a Compliance Engagement;
- 13 jurisdictions are newly required to maintain a Collection Improvement Program based on the 2010 Census and need time to fully implement their programs;
- Two (2) jurisdictions have received a waiver from the mandatory program; and
- Seven (7) jurisdictions have not been released for audit in FY2014.

The remaining 32 jurisdictions were ranked according to risk to determine which would undergo a Compliance Engagement during FY2014.

Pre-implementation Rate Reviews

No ranking was performed for this category. As of August 31, 2013, all jurisdictions that have implemented a collection improvement program required by Article 103.0033 of the Code of Criminal Procedure have undergone a rate review to determine the collection rate prior to implementation of their mandatory programs. One request to perform a Pre-implementation Rate Review was received from a jurisdiction that has implemented a voluntary collection program.

Post-implementation Rate Reviews

Of the 37 jurisdictions that have already undergone a compliance engagement, 14 have already undergone a Post-implementation Rate Review. The remaining 23 jurisdictions were ranked by risk to determine which would undergo a rate review during FY2014.

2. Determine the Risk Factors – The CIP Audit staff met to discuss the various risk factors on which jurisdictions would be rated to determine the risk ranking.

Compliance Engagements

For these engagements, the risk factors include how the jurisdiction performed on walk-through testing conducted by the CIP Technical Assistance staff, the amount of time elapsed since the walk-through testing, the number of collection programs maintained in the jurisdiction, the total dollars assessed by the jurisdiction during FY2012 (most recent year available), and input received directly from the CIP Technical Assistance staff as to each jurisdiction's performance.

Post-implementation Rate Reviews

To determine which jurisdictions would undergo a post-implementation rate review during FY2014, the risk ranking was based on the time elapsed since a compliance engagement was performed.

3. Determine Risk Ranking – The risk rankings were determined as follows:

Compliance Engagements

CIP Audit staff obtained walk-through reports for each jurisdiction from the CIP Technical Assistance staff. From these reports, staff gathered program ratings, the date of each report to determine the amount of time passed since the walk-through was performed, and the number of programs each jurisdiction maintains. Next, a report was run from the Court Collection Reporting System to determine the total dollars assessed by each jurisdiction during FY2012. Finally, CIP Technical Assistance staff provided input regarding each jurisdiction's performance and compliance efforts. Each risk factor was weighted based on the importance of that risk factor to the overall achievement of program goals.

Post-implementation Rate Reviews

CIP Audit staff reviewed internal records to determine the date of the last compliance audit for each jurisdiction in the audit universe. The jurisdictions were then ranked based on the amount of time elapsed since the compliance audit to determine which would undergo a rate review during FY2014.

4. Develop Annual Audit Plan – From the risk rankings developed above, the CIP Audit staff determined which jurisdictions would undergo a compliance engagement or rate review. The number of compliance engagements performed (16) will remain the same from FY2013 to FY2014. The number of rate reviews performed will be reduced from 16 in FY2013 to eight (8) in FY2014 to allow time for the CIP Audit Department to develop a Data Integrity audit program for use in the future.

Annual Audit Plan

Based on the amount of time needed to perform the projects, a determination was made to perform sixteen (16) compliance engagements and eight (8) rate reviews. Four (4) compliance engagements and two (2) rate reviews will be assigned to each auditor to complete during FY2014.

Compliance Engagements

The sixteen jurisdictions rated the highest on the Risk Assessment were assigned to undergo a compliance engagement during FY2014. These jurisdictions include:

Bastrop County	Midland County
Cameron County	Montgomery County
* Collin County	San Patricio County
El Paso County	Smith County
Fort Bend County	Victoria County
Galveston County	Walker County
* Hays County	Webb County
Hidalgo County	** City of Grand Prairie

* Collin and Hays counties are included in the FY2014 audit rankings, and will be audited unless one (1) or more jurisdictions fail a compliance engagement, and follow-up audits are needed.

** The City of Grand Prairie is scheduled for a follow-up audit, and therefore automatically included in the FY 2014 Annual Audit Plan

Pre-implementation Rate Reviews

The CIP Audit department was asked to perform a Pre-implementation Rate Review with a jurisdiction that has implemented a voluntary collections program. A Pre-implementation Rate Review will be performed on the following jurisdictions:

City of Longview

Post-implementation Rate Reviews

After a jurisdiction has passed a compliance engagement, a Post-implementation Rate Review is performed to help measure the effectiveness of the jurisdiction's collection program(s). A Post-implementation Rate Review will be performed on the following jurisdictions:

Brazos County	City of Beaumont
Liberty County	City of Garland
Taylor County	City of Lubbock
	City of Plano