



Office of Court Administration

Collection Improvement Program

Independent Auditor's Report on Court Collections

Henderson County

February 21, 2017

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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 Henderson 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, one (1) finding was 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.

Henderson 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 November 1, 2015 through December 31, 2015, 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.*

Henderson County (County) provided a list of defendants who accepted a payment plan or extension as a means to pay their court costs, fees, and fines assessed during the period of November 1, 2015 through December 31, 2015. The County provided an eligible population of 332 cases from the case management systems of each of the five (5) justice courts, the County Courts-at-Law, and the District Courts.

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

A randomly-generated, statistically-valid sample of cases was generated from the population of cases submitted by the County. During testing, cases that did not meet the definition of an eligible case were skipped. In order to calculate the number of eligible cases present in the sample, a ratio proportionate calculation was performed to adjust the population. The results of these calculations produced the following numbers:

- 134 cases with Payment Plans – tested in procedure 8 through 11 below
- 141 cases with Missed Payments – tested in procedure 12 below
- 131 cases with Missed Payments – tested in procedure 13 below
- 91 cases with a Capias Notice issued – tested in procedure 14 below

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

A completed survey was obtained from the jurisdiction, and reviewed for information pertinent to the engagement. The survey responses were used to determine compliance in procedures 4 through 6 below.

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 collection programs in the County have dedicated personnel which include collection activities as an essential job function in their job descriptions. While on-site, the auditor met, observed, and discussed the dedicated staff's collection responsibilities.

The County is compliant with this component.

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 utilizes several methods to monitor defendants' compliance with the terms of their payment plans or extensions.

Justice Courts utilize a manual and electronic system for monitoring defendants' compliance with the terms. Staff maintains a written copy of the payment plan terms in file folders. When payments are made, staff members document the payment in the file folder. Extensions to pay are also noted in the file. Additionally, payments and extensions are documented in Odyssey, an electronic case management system.

The Court Enforcement Division uses an electronic system, IPlow, to monitor compliance with payment plan terms. IPlow electronically tracks defendant's payments and monitors compliance with the terms.

The Community Supervision and Corrections Department (CSCD) monitors defendants' financial obligations and payment history with an electronic system. Payments are documented in the case notes for each defendant.

While on-site, the auditor met, observed, and discussed program monitoring responsibilities.

The County is compliant with this component.

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 County utilizes electronic and manual tickler systems to send out delinquency letters, Show Cause Notices and makes phone calls to defendants with delinquent balances. If the defendant failed to contact the court to make payment arrangements, a *capias pro fine* was issued.

The CSCD monitors defendants' financial obligations and payment history. Delinquencies are discussed with defendants during their office visits and/or home visits with the Probation Officer.

The County is compliant with this component.

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 County is current with reporting requirements based on the reporting activity documented in the OCA's CIP Court Collection Report software.

The County is compliant with this component.

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 134 cases tested, four (4) errors were noted. Taking into consideration the inherent sampling error, we are 95% confident the error rate is between 8.04% and 17.63%.

The County is compliant with this component.

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 134 cases tested, nine (9) errors were noted. Taking into consideration the inherent sampling error, we are 95% confident that the error rate is between 27.03% and 40.47%.

The County is partially compliant with this component.

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 134 cases tested, four (4) errors were noted. Taking into consideration the inherent sampling error, we are 95% confident the error rate is between 6.36% and 18.11%.

The County is compliant with this component.

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 134 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 95% confident the error rate is less than 8.17%.

The County is compliant with this component.

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 141 cases tested, seven (7) errors were noted. Taking into consideration the inherent sampling error, we are 95% confident the error rate is between 13.71% and 30.18%.

The County is compliant with this component.

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 131 cases tested, five (5) errors were noted. Taking into consideration the inherent sampling error, we are 95% confident the error rate is between 13.43% and 23.43%.

The County is compliant with this component.

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.*

Of the 91 cases tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident the error rate is less than 16.70%.

The County is compliant with this component.

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).*

Henderson County is in partial compliance with Article 103.0033 of the Code of Criminal Procedure and with 1 TAC §175.3 based on the criteria defined in TAC §175.3(c). The County complied with all four (4) of the Operational Components; in addition, the County was partially compliant with one (1) of the seven (7) Defendant Communication Components. To be found in compliance, no more than one component can be partially compliant.

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 Henderson County (responsible party) have agreed-upon, to determine if the County's collection program is 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 November 1, 2015 through December 31, 2015, 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

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