



Office of Court Administration

Collection Improvement Program

Independent Auditor's Report on Court Collections

City of San Antonio

October 13, 2017

CONTENTS

Transmittal Letter

Executive Summary	1
Detailed Procedures and Findings	3
Appendix A – Objective, Scope, and Methodology	7
Appendix B – Report Distribution.....	8
Appendix C – OCA Administrative Director’s Directive.....	9

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 the City of San Antonio (City). The procedures were performed to assist you in evaluating whether the collection program of the City 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 program for the City is not compliant with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. In testing the required components, the City was found to be non-compliant in three components, and compliant in four components of the Defendant Communications section of 1 TAC §175.3. In addition, the City was compliant with all four of the Operational Components of 1 TAC §175.3. Audit standards for compliance in 1 TAC §175.5 were applied.

According to Section 133.058(e) of the Local Government Code, the City has 180 days to re-establish compliance in order to continue retaining a service fee for the collection. However, a directive from the OCA's Administrative Director stipulated that because Chapter 175 was amended effective January 1, 2017, your jurisdiction's follow-up audit will be conducted on procedures your collection program(s) implemented to satisfy the amended rules. Due to the timing of the follow-up audit and the implementation of the amended rules, your jurisdiction's follow-up audit will be considered a first-time audit under the amended rules, see appendix C. Thereafter, Section 133.058(e) of the Local Government Code applies if your jurisdiction fails an audit under the amended rules.

We were not engaged to, and did not, conduct an examination of the City, the objective of which would be the expression of an opinion on the City'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.

The City of San Antonio'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 auditee, 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 City 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 May 1, 2016 through June 30, 2016, 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.*

The City of San Antonio provided a list cases that were adjudicated during the period of May 1, 2016 through June 30, 2016.

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

After obtaining a population of all adjudicated cases from the program for the audit period, the cases were reviewed to eliminate the cases that were ineligible for testing (i.e. dismissed, drivers safety course, juvenile, etc.). The eligible cases were then randomly sorted, and imported into the test sheet.

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

A completed survey was obtained and reviewed from the program for pertinent information to the engagement. The responses were used to determine compliance with procedures 4 - 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 program has staff dedicated to the collection processes, who works to establish and monitor payment plans. The staffing was verified and staff interviewed during field work.

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 program utilizes various reports out of the case management software to monitor the defendant's compliance with the terms of the payment plans.

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.*

If the defendant becomes seriously delinquent on complying with the payment plan, the case is referred back to the originating court for further actions; including issuing a Capias pro fine, reporting the defendant to OMNI, and turning the case over to a third party collector.

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.*

According to OCA's online reporting system, The City of San Antonio is current with the CIP reporting requirements.

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 72 cases tested, 53 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 65.85% and 81.37%.

The City is not compliant with the 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 31 cases tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 1.12% and 18.22%.

The City is compliant with the 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 31 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be less than 13.86%.

The City is compliant with the 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 72 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be less than 3.71%.

The City is compliant with the 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 33 cases tested, twenty three (23) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be between 56.57% and 82.82%.

The City is not compliant with the 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 34 cases tested, twenty two (22) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be between 51.26% and 78.15%.

The City is not compliant with the 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 43 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would less than 6.71%.

The City is compliant with the 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).*

The City of San Antonio is not compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

Management Response:

The City of San Antonio is in compliance with the components of TAC Chapter 175 in regards to formal payment plans as ordered by a judge. When a formal payment plan was ordered by a judge the program was properly implemented, staffed, and operated. Court staff correctly communicates with defendants and documents those communications. The cases in which the City was found not to be in compliance were cases where defendants were given an extension for time to pay by a judge and did not pay. These were not formal payments plans, but discretionary extensions provided by a judge and comprised less than 1% of the adjudicated sampling provided to the OCA auditor. The Court has modified its practice and is now monitoring payment extensions.

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 the City San Antonio (responsible party) have agreed-upon, to determine if the City's collection program is compliant with Article 103.0033 of the Code of Criminal Procedure and Title 1, §175.3 of the Texas Administrative Code (TAC).

Scope

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of May 1, 2016 through June 30, 2016, 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

The CIP Audit Department 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 City has complied, in all material respects, with the 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 City 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

David Cueva, CFE; Audit Manager
Edward Smith, CFE; Auditor

FINAL REPORT TO BE DISTRIBUTED TO THE FOLLOWING

Mr. Fred Garcia
Municipal Court Clerk
City of San Antonio
100 Military Plaza
San Antonio, TX 78205

The Honorable John William Bull
Presiding Municipal Judge
City of San Antonio
401 S. Frio Street
San Antonio, Texas 78207

Mr. David Slayton
Administrative Director
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066

Mr. Scott Griffith
Director
Research and Court Services Division
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066

Ms. Jennifer Henry
Chief Financial Officer
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066

Ms. Amanda Stites
Court Services Manager
Research and Court Services
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066



OFFICE OF COURT ADMINISTRATION

David Slayton
Administrative Director

To: David Cueva
 From: David Slayton *DS*
 Cc: Jennifer Henry, Scott Griffith, Amanda Stites, Mena Ramon
 Subject: Procedure for Open Audits During the Transition to New Procedures under Amended Chapter 175, Texas Administrative Code
 Date: May 1, 2017

The jurisdictions listed below were audited during calendar years 2016 and 2017 and found to be out of compliance with the requirements of Art. 103.0033 of the Code of Criminal Procedure and the Collection Improvement Program rules (Chapter 175, Texas Administrative Code) in effect prior to January 1, 2017. Pursuant to Local Government Code Sec. 133.058(e), when a program receives notice of noncompliance, they have 180 days to reestablish compliance or lose the ability to retain a portion of collected fees. However, because Chapter 175 was amended effective January 1, 2017, any follow-up audits of the jurisdictions listed below would have to be conducted on procedures that the programs have implemented under the amended rules.

The timing of the follow-up audits after the implementation of the new rules could result in jurisdictions being penalized for failing to show they are in compliance with the new rules rather than the rules under which they were originally audited. Because of the timing of the follow-up audits and the amendments to the rules, I direct that any follow-up audits that need to be done for the jurisdictions listed below be considered first-time audits under the amended rules. If one of the listed jurisdictions fails an audit under the amended rules, it will have 180 days from receiving notice that they are not in compliance with the requirements to reestablish compliance under the amended rules. Any other course of action would be inappropriate and procedurally unfair for those jurisdictions subject to a follow-up audit during a period when the old rules are no longer in effect.

Brazoria County
 Maverick County
 Orange County
 City of Brownsville
 City of San Antonio