



**Office of Court Administration**

**Collection Improvement Program**

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

**City of Carrollton**

**October 16, 2013**

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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 the City of Carrollton (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 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 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 Carrollton'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 *Government Auditing Standards* issued by the Comptroller General of the United States and 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 February 1, 2013 through March 31, 2013, 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 Carrollton provided a list of cases with plea dates during the period of February 1, 2013 through March 31, 2013 where court costs, fees, and fines were assessed.

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

The City of Carrollton provided two different populations of cases. One population included cases with a status of payment plan, capias issued, capias pending, and extension. The other population was a list of all closed cases with a plea date from February 1, 2013 through March 31, 2013. Once a case is placed in closed status it is not possible to tell if the defendant paid immediately or was on a payment plan. We combined the cases with a status of payment plan, extension, and closed to test Procedures 8-11 listed below (tested 578 to get 43 cases). We then combined the remaining capias statuses in order to test Procedures 12-14 listed below (tested 45 to get 39 cases).

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

A completed survey was obtained and reviewed for information pertinent to the engagement. Responses were used to determine compliance in Procedures 4 – 6 below.

4. *Evaluate the survey to determine if the 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.*

Per the survey, the City has one dedicated staff member and one additional staff member available as backup. This was confirmed to be the case on site during the engagement.

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.*

Per the survey, the City runs daily reports using the collections software and makes telephone calls within three days of delinquent notice being sent. It was confirmed that this was happening with the payment plan cases; however, the phone calls were occurring later, or sometimes not at all, on cases where the defendant had an extension to pay.

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

Per the survey, the City continues to make phone calls and send out letters to collect on seriously delinquent cases. While on site it was communicated that the final step is to issue a Capias Pro Fine.

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.*

Per the Regional Collection Specialist, the City of Carrollton is compliant with the program's reporting requirements.

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

Of the 43 cases that were tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between .12% and 10.52%. The City 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 43 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 6.70%. The City is 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 43 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 6.70%. The City 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 43 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 6.70%. The City 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 39 cases that were tested, eight (8) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 10.37% and 30.66%. The City 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 39 cases that were tested, four (4) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 2.63% and 17.88%. The City 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 39 cases that were tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 0.13% and 11.07%. The City 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).*

The City of Carrollton is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The City is compliant with all four (4) of the Operational Components, and maintained a compliance rate greater than 80% for all of the seven (7) Defendant Communication Components.

## **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 of Carrollton (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 1 TAC §175.3.

### **Scope**

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of February 1, 2013 through March 31, 2013, 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 City 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 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**

Greg Magness, CIA, CGAP; Audit Manager  
Amanda Price, CFE; Auditor



**REPORT DISTRIBUTION**

Mr. Deryl Corley  
Municipal Court Administrator  
City of Carrollton  
P.O. Box 110535  
Carrollton, Texas 75011-0535

Ms. Maria Chamorro  
Collections Clerk  
City of Carrollton  
P.O. Box 110535  
Carrollton, Texas 75011-0535

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

Ms. Mary Cowherd  
Deputy Director  
Office of Court Administration  
205 W. 14<sup>th</sup> Street, Suite 600  
Austin, Texas 78711-2066

Ms. Glenna Bowman  
Chief Financial Officer  
Office of Court Administration  
205 W. 14<sup>th</sup> Street, Suite 600  
Austin, Texas 78711-2066

Mr. Jim Lehman  
Collection Improvement Program Technical Support  
Office of Court Administration  
205 W. 14<sup>th</sup> Street, Suite 600  
Austin, Texas 78711-2066

Ms. Cynthia Montes  
Regional Collection Specialist  
Office of Court Administration  
110 W. Hickory Street, Ste. 226  
Denton, TX 76201