



Office of Court Administration

Collection Improvement Program

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

City of Grand Prairie

May 20, 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 Grand Prairie (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 not in compliance with one (1) Operational Component and one (1) Defendant Communication Component. 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.

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 Grand Prairie'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 September 1, 2012 through October 31, 2012, 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 Grand Prairie provided a list of defendants who accepted a payment plan as means to pay their court costs, fees, and fines assessed for the period of September 1, 2012 through October 31, 2012 (original population). The original population included a total of 664 cases.

Of the 664 cases provided, 202 cases were identified as defendants who defaulted on the payment plan agreement and the court sought a *capias pro fine* warrant. These cases were removed from the original population and were documented as the *capias* population. The remaining 462 cases make up the payment plan population.

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

A randomly-generated, statistically-valid sample was taken from the main population and the *capias* population. The categories and number of samples tested are listed below:

- The payment plan population - cases with an extension and/or payment plans – 45 cases were tested as detailed in Procedure Steps 8 through 11 listed below.
- The payment plan population - cases with an extension and/or payment plans and a missed payment identified – 54 cases were tested as detailed in Procedure Steps 12 and 13 listed below.
- The *capias* population – cases where a *capias pro fine* was issued – 36 cases were tested as detailed in Procedure Step 14 listed below.

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

A completed survey was obtained and reviewed for information pertinent to the engagement. Survey responses were used to determine compliance with Procedures four (4) through six (6) listed 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.*

The City has four (4) full-time staff members and one (1) part-time staff member dedicated to the collection program. The City also utilizes several full-time front counter clerks who participate in obtaining, verifying, and interviewing a defendant while setting up a payment plan.

While on-site, the auditor met, observed, and discussed the dedicated staff's collection program responsibilities.

The City 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.*

When defendants cannot pay the assessed court costs, fees, and fines in full on the date of assessment, they are directed to staff members at the cashier window, and given a payment plan application form to complete. A staff member interviews the defendants and verifies the application information to confirm the information submitted is accurate and up-to-date. The interview and verification process takes place immediately with the defendants in-person and via telephone call(s), respectively.

Dedicated staff monitors extension due dates, payment term agreements, and delinquencies electronically via the court's case management system (Incode). The assessment or plea date is used as the determining factor to monitoring defendants' compliance with the terms of their payment terms. The court's procedure is to provide default notices via telephone and mailings initiated after the defendants miss a scheduled payment or the extension due date.

While on-site, the auditor verified the process described above. While it appears the City has developed a process to monitor payment plans, the process was not working as described. The City was not attempting telephone contact for past-due payments as required. See Procedure Step 12 below for further explanation.

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.*

The City uses license plate recognition software, marshals, and issuance of capias warrants as means to improve the collections of balances more than 60 days past due. Capias Pro Fine notices are mailed via postcard mailings through the U.S. Postal Service. Postcard mailings are generated by a third-party vendor, created from a spreadsheet generated by the City.

While on-site, the auditor verified that the process was described correctly.

The City 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 City is current with reporting requirements based on the reporting activity documented in the OCA, CIP Court Collection Report software. All of 2012 calendar year and the first two months of 2013 (January and February) reporting activity were submitted by Mr. Steven Cherry, Court Service Director.

The City is compliant with this component.

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 45 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.13%.

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 45 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.13%.

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 45 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.13%.

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 45 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.13%.

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 54 cases tested, 41 errors were noted. No telephone contact attempts were documented in the 41 cases found in error. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 66.94% and 84.92%.

The City is not in compliance 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 54 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 5.07%.

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 36 cases tested, five (5) errors were found; however, it was noted that some of the contacts were compliant because the initial delinquency notification telephone call was performed after the 30-day requirement (see Procedure 12 above). When the City addresses that issue, attention to the Capias Pro Fine notice procedure will be necessary to ensure the notifications are sent out in a timely manner. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 5.30% and 22.47%.

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 Grand Prairie is not compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The City complied with three (3) of the four (4) Operational Components; however, the process for monitoring payment plans or extensions does not appear to be working as intended.

In addition, the City was compliant with six (6) of the seven (7) Defendant Communication Components, but was not in compliance with the requirement to document the telephone contact with the defendant after a missed payment.

Management Response: (We) agree with the results of the audit, and have implemented measures to ensure that we are compliant on our notices.

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 Grand Prairie (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 September 1, 2012 through October 31, 2012, 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

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