



Office of Court Administration

Collection Improvement Program

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

City of Plano

August 31, 2012

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EXECUTIVE SUMMARY

Audit Results

The Collection Improvement Program (CIP) Audit Department of the state 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 Plano (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 Plano'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 the engagement procedures enumerated below 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 January 1, 2012 through February 29, 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 Plano provided a list of defendants who accepted payment plans for their court costs, fees, and fines during the period of January 1, 2012 through February 29, 2012. After the auditors removed defendants that should not have been in the population, 1,888 cases remained.

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

The 1,888 remaining cases were divided into three separate populations and a randomly-generated, statistically valid sample was taken from each. The categories and number of samples tested are listed below:

- Cases with no missed payments or *capias pro fines* issued – 30 cases were tested for Procedures 8 - 11 listed below.
- Cases with missed payments – 33 cases were tested for Procedures 12-13 listed below.
- Cases where a *capias pro fine* was issued – 30 cases tested for Procedure 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. 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.*

The City has four (4) staff members dedicated to the collection program, including one (1) Team Lead and three (3) Collection Specialists, all working to establish and monitor payment plans.

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, a report is generated daily listing the defendants who missed payments the prior day. A Collection Specialist will either mail a letter or make a phone call to the defendant that day. Three letters and a phone call are made prior to the issuance of a warrant.

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

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

Per the survey, after three letters, phone calls, and issuance of the *capias pro fine*, the Police Department is given 90 days to collect. During the 90 days the police make phone calls and attempt to make contact with the defendant, and the collection department continues to search for information via social media. If the case is still open after the 90 days, it is forwarded to the Collection Agency (MSB).

While on-site and during a subsequent phone conversation, auditors verified that this is the process.

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 Regional Specialist was contacted and she confirmed the City has submitted reports of collection activity as required.

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 30 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 9.27%.

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 30 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 9.27%.

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 30 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 9.27%.

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 1 TAC §175.3(c)(4).*

Of the 30 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 9.27%.

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 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 8.46%.

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 33 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 8.46%.

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 33 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 8.46%.

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 Plano (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 January 1, 2012 through February 29, 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

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
Edward Smith, CFE, Lead Auditor
Amanda Price, CFE, Auditor

REPORT DISTRIBUTION

Ms. Vicki Smith
Court Administrator
City of Plano
900 East 15th Street
Plano, Texas 75086

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

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

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

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

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