



Office of Court Administration

Collection Improvement Program

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

Cameron County

October 9, 2014

CONTENTS

Transmittal Letter	
Executive Summary	1
Detailed Procedures and Findings	2
Appendix A – Objective, Scope, and Methodology	9
Appendix B – Report Distribution.....	10

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 Cameron 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 program for the County 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, one 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.

Cameron 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 September 1, 2013 through October 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.*

Cameron County Clerk's collection department provided a list of 1,121 cases that applied for and accepted a payment plan for their court costs, fees, and fines during the audit period of September 1, 2013 through October 31, 2013. Cameron County District Clerk's collection department also provided a list of 160 cases that applied for and accepted a payment plan for their court costs, fees, and fines during the audit period. Cameron County's Justice of the Peace, Precinct 5, Place 1 (JP 5-1) provided a list of 570 citations that were issued during the audit period. The auditors researched the citations within the county's case management system (Odyssey), and determined that there were 63 cases that applied for and accepted a payment plan for their court costs, fees, and fines during the audit period.

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

A randomly-generated, statistically-valid sample was selected from the total population of 1,121 cases for the County Clerk's collection department. A randomly-generated, statistically-valid sample was selected from the total population of 160 cases for the District Clerk's collection department. A randomly-generated, statistically-valid sample was selected from the total population of 63 cases from the JP 5-1 collection department. All cases that were settled with a Drivers Safety Course, were deferred, un-adjudicated, out of audit scope, paid immediately, or were dismissed were removed from the population.

- Cases with no missed payments or capias pro fines issued – 297 cases were identified for the County Clerk's collection department, 160 cases were identified for District Clerk's collection department, and 28 cases were identified for JP 5-1 collection department for Procedures 8 - 11 listed below.
- Cases with missed payments – 825 cases were identified for County Clerk's collection department, 160 cases were identified for District Clerk's collection department, and 35 cases were identified for JP 5-1 collection department for Procedures 12-13 listed below.

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

A completed survey was obtained from the County, District, and JP 5-1 collection departments, and reviewed for information that was relevant to the audit engagement. The survey responses and discussions with the Collection Managers were used to answer Procedures 4 - 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 County Clerk's collection department has seven full-time staff and a manager dedicated to collection activities. The District Court's collection department has three full-time staff and a manager dedicated to collection activities. JP 5-1 has two full-time staff members dedicated to collection activities.

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 Clerk and District Clerk's collection departments monitor the payment plans electronically. Both departments utilize reports within the collection software (I-Plow) to monitor defendant payment plans. The system flags accounts that are delinquent, schedules them for phone calls, and generates a mailing list for delinquency letters.

JP 5-1 utilizes Microsoft Outlook and manual spreadsheets to monitor defendants' compliance with the terms of their payment plans. JP 5-1 makes phone calls and sends out delinquency letters manually.

Management Response:

JP 5-1: The auditor's office continues to monitor all JP offices regularly and we will work to automate as many processes as are feasible.

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 County Clerk's collection department utilizes and third-party vendor as its collection agency for defendants who become seriously delinquent. The department also reports delinquent defendants to Omnibase¹, and some cases are set for a show cause hearing.

Per the survey, the District Clerk's collection department reports seriously delinquent cases to Omnibase and/or the County Tax Assessor utilizing Scofflaw. In addition, delinquency letters are sent out on a continuous basis.

Per the survey, JP 5-1 refers seriously delinquent cases to the warrant officer and/or a third-party collection agency.

Management Response:

County Clerk: The County Clerk's Office refers delinquent cases to the County Tax Assessor Collector under the Scofflaw program.

JP: The Auditor's Office has worked with Commissioners Court to have all JPs refer delinquent case collections to the Tax Assessor Collector for participation in the Scofflaw program. The majority of JP office do participate in the Scofflaw program.

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 OCA reporting website, Cameron County is compliant with reporting requirements.

¹ OmniBase Services of Texas maintains and administers the central database for the cities and counties contracted to use the Department of Public Safety's Failure to Appear (FTA) Program. The FTA program provides an effective collection and enforcement tool by restricting the violator's ability to renew their driver's license for outstanding violations.

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 46 cases tested for the County Clerk's collection department, 19 errors were detected. Of the four cases tested for JP 5-1 collections, two errors were detected. Of the 25 cases tested for the District Clerk's collection department, no errors were detected. The majority of the errors were cases that were granted 30-day extensions, but the defendant did not pay the court costs, fees, and fines within the 30 days. Since no attempt to obtain an application was made during the 30 days after a plea was made, this resulted in the errors. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be between 21.11% and 35.25% if all of the cases were tested.

The County is in partial compliance with this component.

Management Response:

County Clerk: This issue pertains to JP cases that utilize the payment plan process and then fail to complete the application process. Per OCA rules two (2) attempts must be made within 30 days of plea if a person does not make it to the centralized collection department (County Clerk). Therefore they are immediately given an application when referred over and every 15 days a report is run identifying who did not show up; a no show letter plus an application is then mailed to them. It is our opinion that this method is in compliance with OCA guidelines.

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 24 cases tested for the County Clerk's collection department, one (1) error was detected. Of the two cases tested for JP 5-1 collections, no errors were detected. Of the 13 cases tested for the District Clerk's collection department, no errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be below 9.14% if all of the cases were tested.

The County 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 24 cases tested for the County Clerk's collection department, one (1) error was detected. Of the two cases tested for JP 5-1 collections, no errors were detected. Of the 13 cases tested for the District Clerk's collection department, no errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be below 9.14% if all of the cases were tested.

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 24 cases tested for the County Clerk's collection department, no errors were detected. Of the two cases tested for JP 5-1 collections, no errors were detected. Of the 13 cases tested for the District Clerk's collection department, two (2) errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be below 12.36% if all of the cases were tested.

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 34 cases tested for the County Clerk's collection department, two (2) errors were detected. Of the one (1) case tested for JP 5-1 collections, one (1) error was detected. Of the seven (7) cases tested for the District Clerk's collection department, no errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be between 1.55% and 17.20% if all of the cases were tested.

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 34 cases tested for the County Clerk's collection department, no errors were detected. Of the one (1) case tested for JP 5-1 collections, one (1) error was detected. Of the seven (7) cases tested for the District Clerk's collection department, no errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be below 12.48% if all of the cases were tested.

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.*

Capias pro fine warrants are not sought for delinquent accounts; therefore, this component was not tested for compliance.

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).*

Cameron County is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The County was compliant with all four (4) of the Operational Components. The County was partially compliant with one (1) of the Defendant Communication Components pertaining to obtaining an application within 30 days of the assessment date, and maintained a compliance rate over 80% for the remaining six (6) 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 Cameron 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 September 1, 2013 through October 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 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

Team Members

Greg Magness, CIA, CGAP; Audit Manager
Edward Smith, CFE, Auditor

REPORT DISTRIBUTION

The Honorable Dan A. Sanchez
County Commissioner, Precinct 4
201 N. T Street
Harlingen, Texas 78550

Mr. Joe Rivera
County Clerk
964 E. Harrison Street
Brownsville, Texas 78520

Ms. Martha Galarza
County Auditor
1100 E. Monroe Street
Brownsville, Texas 78520

Mr. Salatiel Cano, Collections Supervisor
District Clerk's Office
964 E. Harrison Street
Brownsville, Texas 78520

Mr. David Slayton
Administrative 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. Aaron Castillo,
Regional Collection Specialist
Office of Court Administration
1902 Joe Stephens Ave.
Weslaco, Texas 78596

Ms. Aurora De La Garza
District Clerk
964 E. Harrison Street
Brownsville, Texas 78520

The Honorable Sallie Gonzalez
Justice of the Peace, Precinct 5, Place 1
3302 W. Wilson Rd
Harlingen, Texas 78552

Mr. Robert Briones, Collections Manager
County Clerk's Office
964 E. Harrison Street
Brownsville, Texas 78520

Mr. Gabriel Flores
Justice of the Peace Clerk
3302 W. Wilson Rd.
Harlingen, Texas 78552

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

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