



Office of Court Administration

Collection Improvement Program

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

Victoria County

September 22, 2014

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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 Victoria 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 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 County was found to be out of compliance with two components. According to Section 133.058(e) of the Local Government Code, the County has 180 days from the date of the Final Report 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 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.

Victoria 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 July 1, 2013 through August 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.*

Victoria County provided a list of cases where a payment plan for the payment of court costs, fees and fines during the period of July 1, 2013 through August 31, 2014 was requested and accepted. The cases were reviewed for scope eligibility. The county provided a total population of one hundred and sixty-one (161) cases for the Central program and thirty (30) cases for the District program. The Central population was divided into three (3) testing populations including missed payments, payment plans, and Capias Pro Fine.

Cases outside of the audit scope, as identified in the Request for Information letter, were removed from all of the populations.

Management Response: *Agreed*

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

Randomly-generated, statistically-valid samples of eligible cases were generated from the population of cases. The samples were divided into the following groups: 44 payment plan cases in the Central program, 87 cases with missed payment in the Central program, 20 cases where a Capias Pro Fine was sought by the Central program, and 20 District Court cases that were handled by the Community Supervision and Corrections Department (CSCD).

Management Response: *Agreed*

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

Completed surveys were 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.

Management Response: *Agreed*

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 Central collection program has three (3) staff members whose job functions are solely collection activities. During the audit process, the auditor met, observed, and discussed the County's collection staff job duties.

The survey completed for the District program indicated there were no staff dedicated to collection activities. However, during the audit of the District program, the auditor observed all Probation Officers were engaged in collection activities as documented in case notes.

The County is compliant with this component.

Management Response: Agreed

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.*

Central Program:

Collection staff members utilize a manual and electronic system for monitoring defendants' compliance with the terms. Staff maintains a written copy of the payment plan terms in file folders. When payments are made, staff members check off the payment date. Extensions to pay are also noted in the file. Additionally, payments and extensions are documented in Odyssey, an electronic case management system.

District: (CSCD)

CSCD staff members utilize electronic software to monitor compliance with the terms of the payment plan agreements. Payments and extensions are documented in defendant case notes and financial records.

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

The County is compliant with this component.

Management Response: Agreed

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.*

Some of the Justice of the Peace courts work with a third-party provider, nCourt, to obtain payment for court costs, fees and fines before the defendant leaves the courtroom.

The processes for improving the collection of balances more than 60 days past due is as follows:

Central Program

The collection staff uses file folders and Odyssey to monitor delinquent collection activities. When a defendant's outstanding balance is seriously delinquent, a notification is sent to the appropriate court requesting the issuance of a Capias Pro Fine.

District Program (CSCD):

CSCD staff members monitor the collection of delinquent court costs, fees, and fines with an in-house software system. The system generates an invoice which details the total amount assessed for court costs, fees, fines. In addition, restitution, the required monthly payment, a payment history, and outstanding balances are listed. Probation Officers provide invoices and discuss collection activities with defendants during monthly office visits, home visits, and telephone contacts.

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

The County is compliant with this component.

Management Response: Agreed

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 County is current with reporting requirements based on the reporting activity documented in Office of Court Administration's CIP Court Collection Report software. All monthly reports were submitted for the 2013 calendar year.

The County is compliant with this component.

Management Response: Agreed

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 32 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 95% confident the error rate is below 5.07%.

The County is compliant with this component.

Management Response: Agreed

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 32 cases tested, three (3) errors were noted. Taking into consideration the inherent sampling error, we are 95% confident the error rate is between 1.89% and 16.86%.

The County is compliant with this component.

Management Response: Agreed

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 32 eligible cases tested, no errors were noted. Taking into consideration the inherent sampling error rate, we are 95% confident the error rate is below 5.07%.

The County is compliant with this component.

Management Response: Agreed

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 32 cases tested, no errors were noted. Taking into consideration the inherent sampling error rate, we are 95% confident the error rate is below 5.07%.

The County is compliant with this component.

Management Response: Agreed

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 48 cases tested, 16 errors were noted. Defendant records did not consistently reflect telephone contact within one month of a missed payment. Taking into consideration the inherent sampling error, we are 90% confident the error rate is between 25.53% and 41.18%.

The county is in partial compliance with this component.

Management Response: *3 people working collections, during audit time, one was out w/surgery, one was working JP warrants.*

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 48 cases tested, 21 errors were noted. Defendant records did not consistently reflect mail contact within one month of a missed payment. Taking into consideration the inherent sampling error, we are 90% confident the error rate is between 35.85% and 51.71%.

The county is in partial compliance with this component.

Management Response: *During audit timeframe, one clerk was out w/surgery, one worked JP warrants.*

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 six (6) eligible cases tested, no errors were noted. Error rates were not calculated for the sample of cases tested due to the small number of cases.

The County is compliant with this component.

Management Response: *Agreed*

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).*

Victoria County is not compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The County complied with all four (4) of the Operational Components; however, the County was partially compliant with two (2) of the seven (7) Defendant Communication Components. No more than one component can be partially compliant.

Management Response: *Agreed*

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 Victoria 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 July 1, 2013 through August 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

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 County 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 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

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