



Office of Court Administration

Collection Improvement Program

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

Bowie County

September 24, 2015

CONTENTS

Transmittal Letter	
Executive Summary	1
Detailed Procedures and Findings	2
Appendix A – Objective, Scope, and Methodology	8
Appendix B – Management Response.....	9
Appendix C – 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 Bowie 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.

Bowie 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, 2014 through October 31, 2014, 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 County provided a population of defendants who accepted an extension and/or payment plan as a means to pay their assessed court costs, fees, and fines during the period of September 1, 2014 through October 31, 2014. A composite population was created from the eligible population of cases for each collection program which included a total of 324 cases.

Management Response:

See Appendix B

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

A randomly-generated, statistically-valid sample of eligible cases was generated from each population of cases submitted by the County.

- Procedure Steps 8-10 below
 - A randomized sample of 47 cases for the Central program and nine (9) cases for Justice of the Peace, Precinct 1, Place 1 (JP1-1) were tested.
- Procedures Steps 11-13 below
 - A randomized sample of 45 cases for the Central Program and eight (8) cases for JP 1-1 were tested.
- Procedure Step 14 below
 - A population of 11 cases for Central Program and five (5) for JP1-1 were identified.

Management Response:

See Appendix B

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

A completed survey was obtained for each collection program in the County. The surveys were reviewed for information pertinent to the engagement. Survey responses were used to determine compliance with Procedure Steps 4 through 6 below.

Management Response:

See Appendix B

4. *Evaluate the survey to determine if each 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 has at least one (1) person in each program whose job description contains collection activities as a primary job function. While on-site, the auditor met, observed, and discussed collection duties with County collection staff members.

The County is compliant with this component.

Management Response:

See Appendix B

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 utilizes an electronic system in the centralized collection program to monitor defendants' compliance with the terms of their payment plans or extensions. A manual system is used in the office of JP1-1 to perform these functions. While on-site, the auditor met, observed, and discussed program monitoring responsibilities.

The County is compliant with this component.

Management Response:

See Appendix B

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

The County uses several methods to improve the collection of balances more than 60 days past due for each program in the county. An electronic system sends out delinquency letters and makes phone calls to defendants with delinquent balances. The program notifies the Justice courts so that a Capias Pro Fine warrant can be issued. While on-site, the auditor verified collection efforts.

The Community Supervision and Corrections Department (CSCD) monitors defendants' financial obligations and payment history. Delinquencies and a corrective action plan are discussed with defendants during their visits with the Probation Officer. If a defendant does not comply with the term of probation, a motion to revoke probation is issued. While on-site, the auditor verified collection efforts.

The County is compliant with this component.

Management Response:

See Appendix B

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 the OCA's CIP Court Collection Reporting software. All monthly reports were submitted for the 2014 calendar year.

The County is compliant with this component.

Management Response:

See Appendix B

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

Of the 56 eligible cases tested for the County, five (5) errors were noted where defendant records did not reflect an application or contact information was obtained within one (1) month of the assessment date. Taking into consideration the inherent sampling error, we are 90% confident the error rate is between 2.16% and 15.71%.

The County is compliant with this component.

Management Response:

See Appendix B

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 56 eligible cases tested for the County, 26 errors were noted where defendant records did not reflect contact information, employment information, and contact information for references contained on the application was verified within five (5) days of obtaining the application data. Taking into consideration the inherent sampling error, we are 90% confident the error rate is between 37.36% and 55.71%.

The County is in partial compliance with this component.

Management Response:

See Appendix B

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 56 eligible cases tested for the County, seven (7) errors were noted where defendant records did not reflect an interview with the defendant was conducted within 14 days of receiving the application. Taking into consideration the inherent sampling error rate, we are 90% confident the error rate is between 4.78% and 20.17%.

The County is compliant with this component.

Management Response:

See Appendix B

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 57 cases tested for the County, two (2) errors were noted where defendant records did not meet the documentation, payment guidelines and/or time requirements of TAC §175.3(c)(4). Taking into consideration the inherent sampling error rate, we are 90% confident the error rate is below 8.64%.

The County is compliant with this component.

Management Response:

See Appendix B

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 53 cases tested for the County, three (3) errors were noted where defendant records did not 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 below 11.36%.

The County is compliant with this component.

Management Response:

See Appendix B

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 53 cases tested for the County, four (4) errors were noted where defendant records did not reflect a 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 1.22% and 13.88%.

The County is compliant with this component.

Management Response:

See Appendix B

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.*

A total of 16 cases were identified where a capias pro fine was sought. Due to the small number of cases in the population, the component could not be statistically validated. This component was not tested for compliance.

Management Response:

See Appendix B

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).*

Bowie County is 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; in addition, the County was partially compliant with one (1) of the seven (7) Defendant Communication Components. To be found in compliance, no more than one component can be partially compliant.

Management Response:

See Appendix B

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 Bowie 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, 2014 through October 31, 2014, 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
Barbara Skinner; Auditor

MANAGEMENT RESPONSE

After close review of the Auditor's Draft Report, our department is in agreement with the findings and feel there is no need for a response. Although, it seems that this has been a long road traveled, we appreciate the insight that has been provided to us regarding our County's Collections Department. Likewise, we would like to extend our gratitude to you, Mr. Magness and the OCA Audit Department for your kind and comforting professionalism that was not only given to our department, but to our Justice Courts and Community Supervision Department as well. As we anticipate the Final Report, we also look forward to working with you in completing this audit and future audits to come. Thank you again.

Cassey Tutt

COLLECTIONS SPECIALIST
BOWIE COUNTY
FINES & COLLECTIONS

REPORT DISTRIBUTION

Ms. Billy Fox
District Clerk
Bowie County
710 James Bowie Drive
New Boston, Texas 75570

Ms. Tina Petty
County Clerk
Bowie County
710 James Bowie Drive
New Boston, Texas 75570

The Honorable Nancy Talley
Justice of the Peace, Precinct 1, Place 1
Bowie County
Bi-State Justice Building
100 North State Line #13
Texarkana, Texas 75501

Mr. Mike Farris
Collection Manager
Bowie County
710 James Bowie Drive
New Boston, Texas 75570

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

Mr. Scott Griffith
Research and Court Services Division
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

Mr. Chad Graff
Regional Collection Specialist
Office of Court Administration
2110 Warren Dr.
Marshall TX 75672