



# **Office of Court Administration**

## **Collection Improvement Program**

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

**Brazoria County**

**February 5, 2016**

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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 Brazoria County (County). The procedures were performed to assist you in evaluating whether the collection programs of the County have 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 programs for the County are 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 non-compliant with one (1) component and partially compliant with two (2) other components of the seven Defendant Communication Components. In addition, it was agreed that one (1) additional component needs to be addressed to ensure the County is compliant in any subsequent compliance engagement.

According to Section 133.058(e) of the Local Government Code, the County 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 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.

Brazoria 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 November 1, 2014 through December 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.*

Brazoria 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 November 1, 2014 through December 31, 2014. A composite population was created from the population of cases provided for each collection program in the County. The County provided a total population of 430 cases for all of the courts.

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 the population of cases submitted by each program. Each sample was tested as described in the procedures below:

- Procedure Steps 8-11, a total of 69 cases were tested.
- Procedure Step 12, a total of 62 cases were tested.
- Procedure Step 13, a total of 61 cases were tested.
- Procedure Step 14, a total of 96 cases were identified.

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

A completed survey was obtained from 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.

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.

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 electronic and manual tickler systems in the collection programs to monitor defendants' compliance with the terms of their payment plans or extensions. While on-site, the auditor met, observed, and discussed program monitoring responsibilities.

The County is compliant with this component.

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. Delinquency letters, Show Cause Notifications, and Capias Pro Fines notices are mailed to defendants with balances more than 60 days past due. Additionally, the County utilizes additional telephone calls, as well as third-party collection agencies, as part of the plan to improve collection activities for balances more than 60 days past due.

The County 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 County was not current with reporting requirements based on the reporting activity documented in the CIP Court Collection Report Software. However, OCA's Technical Support staff was aware of the County's software conversion during the 2014 calendar year, and is working with the County to become current with reporting as soon as possible.

The County is compliant with this component.

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 69 cases tested, 5 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 4.33% and 15.55%.

The County 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 69 cases tested, 41 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 53.55% and 62.05%.

The County is not 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 69 cases tested, 36 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 46.45% and 53.30%.

The County is partially 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 69 cases tested, 3 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 9.60%.

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 62 cases tested, 23 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 28.45% and 46.31%.

The County is partially 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 61 cases tested, 14 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 16.93% and 32.24%.

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.*

At the end of testing, a total of 21 cases where a Capias Pro Fine was issued had been reviewed. This sample size of cases is not sufficient to statistically validate the component. Testing could have been completed; however, the results would not change the outcome of this audit.

Of the 21 cases tested, 15 errors were identified. The County agreed that there were issues within this component that need to be addressed to ensure the County is compliant in any subsequent compliance review, and no further testing was needed.

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).*

Brazoria County is not 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 County is compliant with the four (4) Operational Components; however, the County was found to be non-compliant with one (1) component and partially compliant with two (2) additional components of the seven Defendant Communication Components. In addition, it was agreed that one (1) additional component needs to be addressed to ensure the County is compliant in any subsequent compliance engagement.

To re-establish compliance, no component can be found non-compliant, and no more than one component can be partially compliant.

## **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 Brazoria 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 November 1, 2014 through December 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

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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