



Office of Court Administration

Collection Improvement Program

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

Victoria County

April 4, 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 Victoria 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 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, no findings were 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.

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 April 1, 2015 through May 31, 2015, 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 list of defendants who accepted an extension and/or a payment plan during the audit period April 1, 2015 through May 31, 2015. Defendant cases were received from two (2) County collection programs. The County Collection Department submitted 125 eligible cases, and Adult Probation (CSCD) provided 40 cases.

Each program population was reviewed to remove cases defined as exclusionary cases delineated by the restrictions in the Request for Information form, and to segregate the population into two (2) separate and distinct populations. For this discussion the populations are referred to as the Main and the Capias populations.

- The Main population were defendants who requested and received an extension and/or a payment plan and were current with the terms of the payment agreement. The Main population also included cases where the defendant missed a payment and was 30 days past-due as defined in the terms of the extension or payment plan agreement. The Main population included cases from both programs.
- The Capias population includes the cases where a Capias Pro-Fine was sought as a result of the defendant's non-compliance with the terms of the extension or payment plan agreement. As the CSCD does not issue Capias warrants, this population included cases from the County Collection Department only.

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

A randomly-generated, statistically-valid sample of cases was taken from the populations submitted by both programs.

- The Main population – 32 cases from the County collection program and 10 cases from the CSCD were tested as detailed in Procedures 8 through 13 listed below.
- The Capias population – 32 cases from the County collection program were tested as detailed in Procedure 14 below.

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

A completed survey was obtained from each program, and was reviewed for information pertinent to the engagement. Survey responses were used to determine compliance with Procedures 4 through 6 listed 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.*

County Collection Department:

The Department employs three (3) full-time clerks whose priority job function is the collection activities. The collection clerks' duties include, retrieving applications, interviewing defendants, and verifying the information provided by the defendant on the application. In addition, the clerks collect payments, monitor payment term agreements, document payment events, and initiate notices on delinquent cases.

CSCD:

The CSCD department utilizes the department Community Supervision Officers (CSOs) who discuss financial obligations with the defendant during monthly meeting, and document meeting discussions, as well as other events, in the internal electronic system.

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 monitors defendant compliance with the terms of the extension or payment plan agreement as follows:

County Collection Department:

Defendant's compliance with the terms of their payment plan agreement are monitored through a manual tickler system. Defendant file folders are filed by the chronological payment due date. Each day, department staff review a list of files to ensure each defendant submitted the scheduled payment(s) on time.

CSCD:

The payment of all court costs, fees, and fines are discussed during the defendant's monthly visit with the assigned CSO. An invoice of the defendant's financial obligation is provided to the defendant as a routine process during the monthly visit with the CSO.

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.*

County Collection Department:

The department continues to send late notices and make telephone calls to the defendant in an effort to improve the collections of seriously delinquent cases (more than 60 days past due). The Justice Courts also use a third-party collection vendor. The County Courts-at-Law issue Capias Pro-fine warrants to defendants for non-compliance with the terms of their payment plan agreement.

CSCD:

The CSOs address seriously delinquent issues with the defendant during the scheduled monthly meetings. The department is pro-active in helping defendants meet their financial obligation with employment programs and appropriate sanctions (collection of IRS refunds upon receipt of tax returns), when necessary. The defendant may also be scheduled for a show cause hearing when deemed necessary by the CSO. In addition, past due fee letters are sent, and telephone calls are made, to the defendant and documented in the probation file.

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 current with reporting requirements based on the documented results found in the OCA's CIP Court Collection Reporting system.

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 42 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 7.64%.

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 42 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 3.99%.

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 42 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 3.99%.

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 42 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 3.99%.

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 42 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 3.99%.

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 42 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 3.99%.

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.*

Of the 32 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 9.09%.

The County is compliant with this component.

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 in compliance with Article 103.0033 of the Code of Criminal Procedure and with 1 TAC §175.3 based on the criteria defined in TAC §175.3(c). The County is compliant with all 11 components of the Collection Improvement Program.

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 April 1, 2015 through May 31, 2015 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

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