



Office of Court Administration

Collection Improvement Program

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

Ellis County

April 13, 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 Ellis County (County). The procedures were performed to assist you in evaluating whether the collection program of Ellis 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, 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.

The 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 August 1, 2014 through September 30, 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 list of defendants who accepted an extension and/or a payment plan during the audit period August 1, 2014 through September 30, 2014. Defendant cases were received from six (6) separate County collection programs. The County Clerk collection program submitted 253 eligible cases, Adult Probation (CSCD) provided 31 cases, Justice of The Peace, Precinct 1 (JP1) provided four (4) cases, Justice of The Peace, Precinct 2 (JP2) provided 13 cases, Justice of The Peace, Precinct 3 (JP3) provided 51 cases, and Justice of The Peace Precinct 4 (JP4) submitted 12 cases.

Each program population was scrubbed 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 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 at least 30 days past-due as defined in the terms of the extension or payment plan agreement. The Main population included cases from all six (6) programs.
- The Capias population included the cases where a Capias Pro-Fine warrant was issued as a result of the defendant's non-compliance with the terms of the extension or payment plan agreement. The Capias population included cases from all programs except the JP1 Court and the CSCD.

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 two (2) populations of cases submitted by the County collection programs.

- The Main population – 39 cases were tested as detailed in Procedures 8 through 13 below.
- The Capias population – 38 cases 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 each survey 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.*

Each collection program identified at least one staff member whose job duties include essential job functions of the collection activities as a priority job function. During the field audit process, the auditor met, observed, and discussed the County's collection staff job duties relating to the County's collection activities.

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's process for monitoring each defendant's compliance with the terms of the extension or payment plan agreement are as follow:

County Clerk Collections:

The collection clerk(s) monitors payment plan agreements via an electronic software (LGS). The software generates monthly past due reports on delinquent cases, and staff makes telephone calls and sends delinquent letters to the defendant. Any communication between defendants and staff are documented in the LGS software.

CSCD:

The department uses Corrections Software Solutions (CSS) to generate delinquent monthly reports. Delinquent letters and emails are generated and sent to the defendant. In addition, the Community Supervision Officers (CSO's) discuss financial obligations with the defendant during the next scheduled monthly meeting. The CSO logs an entry into the case file as a chronological entry of the event(s) when discussed during the meeting.

JP1:

Staff use monthly electronic reports, and perform manual reviews of the payment plan case files, to ensure defendants remain current with the payment plan agreement. A staff member generates telephone calls and sends written notices of delinquency to the defendant, and adds notes of the notices to the defendant's case file to record the events.

JP2:

The Court Clerk maintains a manual system and performs a manual review of the payment plan case files to ensure defendants remain current with their payment plan agreement. When a defendant is found to be delinquent, an attempt is made to contact the defendant by telephone, and a Fine Letter is mailed. The Clerk then adds manual notes of the telephone call and the notice sent in each defendant's file and the electronic software system (LGS).

JP3:

The Court Clerk maintains a manual system, a tickler file system, to ensure defendants remain current with their payment plan agreement. Defendants found out of compliance with the payment agreement are contacted by telephone, and delinquent letters are mailed to the defendant. The Clerk then adds manual notes of the telephone call and the notice sent in each defendant's file and the electronic software system (GSA).

JP4:

The Court Clerk maintains a manual system, a daily tickler file system, to ensure defendants remain current with their payment plan agreement. Defendants found out of compliance with the payment agreement are contacted by telephone, and delinquent letters are mailed to the defendant. The Clerk then adds manual notes of the telephone call and the notice sent in each defendant's file and the electronic software system (GSA).

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 Clerk Collections:

The collection clerks continue collection efforts via telephone calls and delinquent letters addressed to the defendants based on a Past Due Report generated monthly. In addition, Capias Pro-Fine warrants are issued as an effort to improve the collection of balances more than 60 days past due.

CSCD:

If the defendant fails to meet the financial obligation, the department will use graduated sanctions as an effort to improve the collection of balances more than 60 days past due. Some of those sanctions include setting up the defendant for a budget review, schedule home visits to check status at home, increase reporting visits with the Community Supervision Officers (CSO), and if unemployed - refer the defendant to an employment specialist. In addition, jail sanctions (3 to 7 days) can be imposed on the defendant, and the case can be referred back to the Court for possible motion to revoke probation or additional sanctions.

JP1:

Seriously delinquent cases are placed on the OmniBase¹ system, and are sent to a third-party collection agency (Linebarger, Goggan, Blair and Sampson, LLP) as an effort to improve collection of delinquent cases.

JP2:

Defendants continue to receive telephone and written notices (Fine and Warrant letters) as an effort to improve collection of delinquent cases more than 60 days past due. If the defendant remains non-compliant, a Capias Pro-Fine is issued by the Court.

JP3:

The Court makes every effort, through its collection and late notices process, not to allow a defendant to become seriously delinquent. However, the Court will use OmniBase as an effort to improve the collection of delinquent cases more than 60 days past due, and will issue a Capias Pro Fine warrant for non-compliance.

JP4:

The Court continues to deliver late notices to the defendant, and issues Capias Pro-Fine warrants as an effort to improve the collection of delinquent cases 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 is current with reporting requirements based on the documented results found in the OCA's CIP Court Collection Reporting software for calendar year 2014.

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 39 cases tested, four (4) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 3.03% and 19.10%.

The County is compliant with this component.

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.

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 39 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.47%.

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 39 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.47%.

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 39 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.01%.

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 39 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 9.59%.

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 39 cases tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 12.71%.

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 38 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.08%.

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).*

Ellis 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 Ellis 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 August 1, 2014 through September 30, 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

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