# Office of Court Administration

# Collection Improvement Program

## Independent Auditor's Report on Court Collections

## Galveston County

**February 9, 2017**

**OCA Report No. 16-07-Galveston County-01**

# CONTENTS

Transmittal Letter

Executive Summary ..... 1

Detailed Procedures and Findings ..... 2

Appendix A – Objective, Scope, and Methodology ..... 8

Appendix B – Report Distribution ..... 9

# 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 Galveston 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, 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.

Galveston 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 February 1, 2016 through March 31, 2016, 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.*

   Galveston County (County) provided a list of defendants who accepted a payment plan or extension as a means to pay their court costs, fees, and fines assessed during the period of February 1, 2016 through March 31, 2016. The County provided a population of 5,593 cases from the case management systems of each of the four (4) justice courts, the County Courts at Law, and the District Courts. The Centralized Collection Program sent a list of 1,448 cases from the collection program, I-PLOW.

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

   The County provided a list of 5,593 convictions from the case management systems, and a population of 1,448 cases from the collection program. In the data from the collection program, the defendants that missed payments, as well as defendants who had a Capias Pro Fine warrant issued, were identified in the population of cases.

   The population of convictions from the case management systems was compared to the population from the collection program, and duplicate cases were removed. On-site testing was performed on the remaining cases to determine whether all cases not paid at the time of assessment were referred to the central program.

   The testing showed that there were cases in the District Court population that were paid in full or sent to the collections department. Six (6) cases from the County Courts at Law were identified as payment plans that were not included in the population from collections program. The District Court and County Court cases were added to the original list, resulting in a population of 1,501 payment plan cases for testing.

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

   A completed survey was obtained from the two departments in the central collection program, and reviewed for information pertinent to the engagement. Survey responses were used to determine compliance in procedures 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 collection program in the County has dedicated personnel which include collection as an essential job function in their job descriptions. While on-site, the auditor met, observed, and discussed the dedicated staff's collection responsibilities.

   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 collection program uses a function in the collection software to create payment plans, and the monitoring of the payment plans is done through electronic processes. This process was confirmed while on-site during the engagement.

   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.*

   After a defendant misses a payment, the program makes a phone call and sends out a delinquency notice, if the defendant doesn't contact the program a second mailed notice is sent and then the case is referred back to the appropriate court. The program sends seriously delinquent cases back to the various courts to issue Capias Pro Fine warrants or other remedies available to the courts. This was confirmed to be the process while on-site during the engagement.

   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.*

   Per the Regional Specialist, the County is current with reporting requirements based on the reporting activity documented in the OCA's CIP Court Collection Report software.

   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 57 cases that were tested, 28 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 40.81% and 57.51%.

   The County is partially 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 35 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 4.81%.

   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 35 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 4.81%.

    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 35 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 4.81%.

    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 37 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 4.93%.

    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 35 cases that were tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 9.09%.

    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 35 cases that were tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 4.73%.

    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).*

    Galveston 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. The County was partially compliant with one (1) of the Defendant Communication Components, and was compliant with the remaining six (6) of the Defendant Communication Components.

# 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 Galveston 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 February 1, 2016 through March 31, 2016, 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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