



Office of Court Administration

Collection Improvement Program

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

Webb County

October 24, 2017

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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 Webb 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 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 compliant in three components, partially compliant in three components, and non-compliant in one component of the Defendant Communications section. In addition Webb County is not compliant with the reporting requirements, a component of the Local Program Operations section described in 1 TAC §175.4. According to Title 1, §175.5(c)(2) of the Texas Administrative Code (TAC), the jurisdiction cannot be in less than partial compliance with any component, may be in partial compliance with a maximum of one component, and must be in substantial compliance with all of the other applicable components.

According to Section 133.058(e) of the Local Government Code a jurisdiction may not retain a service fee if, during an audit under Article 103.0033(j), Code of Criminal Procedure, the Office of Court Administration (OCA) of the Texas Judicial System determines that the jurisdiction is not in compliance with Article 103.0033, Code of Criminal Procedure. The OCA will notify the Texas Comptroller of Public Accounts (Comptroller) that your jurisdiction may no longer retain the service fee pursuant to Section 133.058(e).

Section 133.058(e) of the Local Government Code also states that, after any period in which a jurisdiction becomes unable to retain a service fee, the jurisdiction may begin once more to retain the fee only on receipt of a written confirmation from the OCA that the jurisdiction is in compliance with Article 103.0033, Code of Criminal Procedure.

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.

Webb 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 auditee, 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 May 1, 2016 through June 30, 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 month of the date court costs, fees, and fines are assessed.*

Webb 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 May 1, 2016 through June 30, 2016. The County provided a population of 1,367 cases from the case management systems of each of the six justice courts, the County Courts at Law, and the District Courts. Judicial Collections sent a list of 262 cases that were set up as payment plans and Justice of the Peace Precinct 2, Place 1 (JP 2.1) sent a list of 147 cases that were set up as payment plans in their office.

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

The County provided a list of 1,367 convictions from the case management systems, and a population of 409 cases from the collection programs. It was noted that the only Justice court cases included in the Judicial Collections population was Justice Court 4. The remaining Justice Courts were treated as individual programs and tested separately. The population of convictions from the case management systems was compared to the population from the collection programs, 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 Judicial Collections.

The testing showed that there were cases in the District Court population and the Justice of the Peace Precinct 4 (JP 4) population that were not paid in full or sent to the collections department. The District Court and JP 4 cases were added to the original list, resulting in a population of 296 payment plan cases for testing under the Judicial Collections Department. The remaining courts had a population of 357 cases to be tested, for a total population of 653 cases.

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

A completed survey was obtained from Judicial Collections and JP 2.1, 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 employee whose job description contains an essential job function of collection activities. Answers received will be verified during field work.*

The collection programs in the County have 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 and manual 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.*

The programs send 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.*

The County is not current with reporting requirements based on the reporting activity documented in the CIP Court Collection Report (CCCR) software. The County Courts-at-Law have not reported collection activities in the CCCR for more than two fiscal years. Justice of The Peace (JP) 2-1, a non-participating court in the central collection program, has not reported collection activities in the CCCR for more than two fiscal years. CIP reporting requirements were addressed in the initial audit in June 2015.

The County is not compliant with this component.

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

Of the 77 cases that were tested, 33 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 34.87% and 50.25%.

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 days of obtaining the data.*

Of the 38 cases that were tested, 5 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 13.18%.

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 38 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 6.31%.

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 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 6.25%.

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 month of a missed payment was documented.*

Of the 71 cases that were tested, 37 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 42.36% and 56.57%.

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 month of a missed payment.*

Of the 38 cases that were tested, 26 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 62.57% and 73.44%.

The County is partially 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 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 31 cases that were tested, 13 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 35.55% and 48.68%.

The County is not 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).*

Webb County is not compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The County was not compliant with the Capias Notice component, partially compliant with (Application, Phone Call, and Mailed Letter) components, and was compliant with the remaining three components (Verification, Interview, and Payment Terms) of the Defendant Communications section.

In addition, Webb County is not compliant with reporting requirements, a component of the Local Program Operations section described in 1 TAC §175.4.

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 Webb 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 May 1, 2016 through June 30, 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

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

Team Members

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October 16, 2017

Office of Court Administration
Attn: David Cueva, CFE, Audit Manager
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Re: Webb County Response to Independent Auditor's DRAFT Report
on Court Collection

Dear Mr. Cueva;

On behalf of Webb County and in response to your Draft report on Court Collection I would like to provide the following management response to your audit results and findings:

Webb County hereby recognizes all of the non-compliant items identified and documented in the Office of Court Administrations Auditor's draft report regarding the county's Collection Improvement Program (CIP). It is Webb County's intent to address and correct all deficiency items presented in an effort to regain full compliance with Article 103.0033 of the Code of Criminal Procedure and Title 1, §175.3 of the Texas Administrative Code.

Webb County appreciates all of the resources and technical support that the Office of Court Administration (OCA) has dedicated to the county in an effort to resolve all these matters. We look forward to your continued assistance to re-establish compliance.

A handwritten signature in black ink, appearing to read "L. Medford".

Leroy R. Medford
Executive Administrator
Webb County Commissioners Court

Cc: David Slayton, Administrative Director
Webb County Commissioners Court