

**Office of Court Administration
Collection Improvement Program**

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

**City of Abilene
July 10, 2018**



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CIP ENGAGEMENT SUMMARY RESULTS

Objective

To determine City of Abilene's (City) compliance with Article 103.0033 of Code of Criminal Procedures and Title 1, §175.3 of the Texas Administrative Code (TAC).

Audit Scope

The scope included all convictions or adjudicated cases in which the defendant did not pay court costs, fees and fines in full at the time of assessment and payment is requested. The engagement covered cases for which court costs, fees, and fines were assessed during the period of October 1, 2017 through November 30, 2017. Cases were tested beyond the audit period to determine compliance with all components of the collection program. All cases that included an administrative fee only were removed from testing.

Methodology

The methodology used to complete this audit included:

- Gained an understanding of the collection processes used by the City.
- Reviewed and tested for compliance with the Title 1, §175.3 of the Texas Administrative Code (TAC).
- Conducted interviews with relevant program staff.
- If available, reviewed program policies and procedures.
- Performed selected tests, and evaluated the results of those tests.
- Reviewed program survey.
- Reviewed prior audit reports, if applicable.
- Randomly-generated a statistically-valid sample of cases.
- Auditor visually observed the collection process and procedures while on-site.
- Auditor tested eligible cases to determine the jurisdiction's compliance as listed in the procedures in the Audit Summary.

AUDIT RESULTS SUMMARY

	ASSESSMENT	AREAS FOR IMPROVEMENT	PROCEDURE CONTROLS OBSERVATIONS	COMPLIANCE RATING
Audit Results	Compliant	1	2	Compliant

Compliance Review Standards in §175.5(d)(2) - A jurisdiction is in substantial compliance with a component when at least 80% of the eligible cases at that stage of collection have satisfied the requirements of the component. A jurisdiction is in partial compliance with a component when at least 50% of the eligible cases at that stage of collection have satisfied the requirements of the component. In order for a jurisdiction to be in compliance with these components, 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.

This report is intended solely for soliciting your responses to any findings reported within, and should not be publicly distributed. Please return your responses to Ms. Barbara Skinner by July 10, 2018. Your responses will be added to the report, and the Final Report will be released.

CIP INDEPENDENT AUDITOR'S STATEMENT

The Collection Improvement Program (CIP) Audit Department of the Office of Court Administration (OCA) has performed the procedures enumerated in the Audit Summary section of this report. The procedures were performed to assist City of Abilene (City) evaluate whether its collection program 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 City is in compliance 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 believe the procedures used to conduct this engagement enabled the OCA Audit staff to obtain sufficient evidence to form a reasonable basis to support the findings and conclusion based on the audit objectives and scope. Audit results were presented to City during the engagement to assist the jurisdiction evaluate areas or procedure control improvement.

We were not engaged to, and did not, conduct an examination of the City, the objective of which would be the expression of an opinion on the City'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.

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. The 'tests' the auditor performed included tracing source documents provided by the City 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.

The sufficiency of these procedures is solely the responsibility of the City, 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 City's management is responsible for operating the collection program in compliance and demonstrating compliance with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

This report was prepared solely for the information and use of City of Abilene and the Office of Court Administration. The report is not intended to be, and should not be, used by anyone other than those specified parties.

This compliance engagement was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and in accordance with Title 1, §175.3 of the Texas Administrative Code (TAC). GAGAS requires that we plan and perform the audit to obtain sufficient and appropriate evidence to form a reasonable basis for our findings and conclusions based on the audit objectives. The examination of internal controls was specific to the local program's collection activities and procedures as they relate to the components in TAC §175.3. In addition, the quality assessment review of audit work papers and the engagement are limited to a supervisor's review.

CIP AUDIT SUMMARY

Component	Criteria	Evidence
1	Dedicated Program Staff	The City has dedicated program staff whose job duties contain collection activities as an essential job function. The City is compliant with this component.
2	Payment Plan Monitoring	The City's program monitors the defendants' compliance with the terms of payment plans or extensions. The City is compliant with this component.
3	Application/ Contact Information	Of the 40 cases tested, three errors were noted. Taking in to consideration the inherent sampling error, we are 95% confident that the error rate is between 1.56% and 20.13%. The City is compliant with this component.
4	Verified Contact Information	Of the 39 cases tested, five errors were noted. Taking in to consideration the inherent sampling error, we are 95% confident that the error rate is between 4.25% and 27.09%. The City is compliant with this component.
5	Defendant Interview	Of the 39 cases tested, six errors were noted. Taking in to consideration the inherent sampling error, we are 95% confident that the error rate is between 4.20% and 26.57%. The City is compliant with this component.
6	Court Review	Of the 18 cases tested, one error were noted. Taking in to consideration the inherent sampling error, we are 95% confident that the error rate is less than 16.08%. The City is compliant with this component.
7	Standard Payment Plan Acknowledgement Form	Of the 38 cases tested, two errors were noted. Taking in to consideration the inherent sampling error, we are 95% confident that the error rate is less than 12.28%. The City is compliant with this component.
8	Telephone Contact	Of the 39 cases tested, three errors were noted. Taking in to consideration the inherent sampling error, we are 95% confident that the error rate is between 1.60% and 20.62%. The City is compliant with this component.
9	Written Notice	Of the 38 cases tested, one error were noted. Taking in to consideration the inherent sampling error, we are 95% confident that the error rate is less than 13.65%. The City is compliant with this component.
10	Final Contact Attempt	Of the 32 cases tested, zero errors were noted. Taking in to consideration the inherent sampling error we are 95% confident that the error rate is less than 10.78% had we tested the entire population. The City is compliant with this component.
11	Delinquent Cases more than 60 days past due	The City has a component designed to improve collection of balances more than 60 days past due. The City is compliant with this component.
12	Reporting	The City reports its collection activity data to OCA at least annually. The City is compliant with this component.

CIP AREAS FOR IMPROVEMENT

Testing results revealed the following area for improvement: the verification of contact information.

The error rate for this component indicate that if all adjudicated CIP cases had been tested, the errors found could be as low, as high or somewhere between the percentages indicated.

- The verification of contact information error rate fell between 4.25% and 27.09%.

Background Information

The City of Abilene Municipal Court (City) implements the Collection Improvement Program (CIP) for the local jurisdiction.

The City has two staff members whose primary job responsibilities involve collection activities.

The City offers extension, standard, judge set and ability to pay payment plan options to assist citizens who are unable to pay all costs at the time of assessment.

The City uses Incode to monitor its citizen's compliance with payment plans and send notices. A third party collection agency is used to contact defendants who are not in compliance with their payment plan.

The City of Abilene submits monthly reports in the OCA system in a timely manner.

CIP PROCEDURE CONTROLS OBSERVATIONS

Internal controls are systematic processes such as reviews, checks and balances, methods and processes implemented to ensure adherence to policies and procedures. Documented operating procedures in written manuals assists program staff in understanding their roles and responsibilities. Additionally, written procedures provide a mechanism for maintaining compliance when changes in personnel occur.

The use of preventive controls help establish an internal process to deter undesirable events. Deliberated preventive controls also reduce errors, mitigates loss of funds, helps ensure that current processes are completed efficiently, and facilitates the desired outcomes with quality results.

- The City should create a procedure to verify of contact information for defendants granted an extension to pay court costs, fees and fines.
- At the time of arraignment, the City should create a process to ensure basic contact information is obtained from defendants who plea and are given the option of a payment plan to satisfy the payment of court costs, fees and fines.

CIP RECOMMENDATIONS

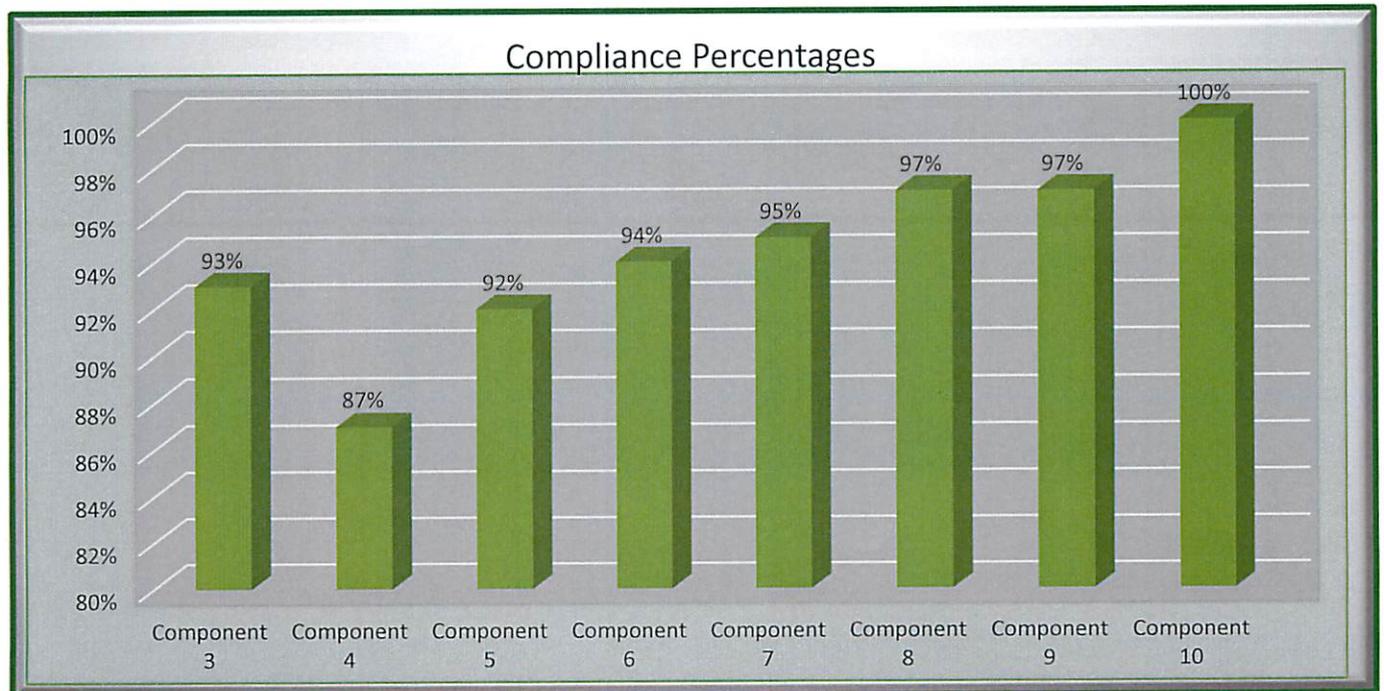
The City should strengthen its processes to help ensure better compliance with CIP requirements in TAC §175.3.

- Verification of Contact Information – “Within five days of receiving the contact information, local program staff must verify both the home and primary contact telephone number”. “Verification must be documented by identifying the person conducting it and the date of the verification.”

CIP CLOSING SUMMARY

In testing the required components the City of Abilene was found to be in compliance with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

In consideration of the sampling error inherent in testing a sample of a population, a specific error rate cannot be reported; however, we reported the range within which we calculated the error rate to fall for each component tested (3 to 10) in the Audit Summary section of this report. In an effort to yield a reader friendly summary, the error rate calculated and/or the lower range of the error rate calculated was inverted and demonstrated as a compliance percentage in the chart below.



Legend

Component 3 – Application/Contact Information
Component 4 – Verified Contact Information
Component 5 – Defendant Interview
Component 6 – Court Review

Component 7 – Standard Plan Acknowledgement
Component 8 – Telephone Contact
Component 9 – Written Notice
Component 10 – Final Contact Attempt

DATA VERIFICATION

Objective

To determine City of Abilene (City) reporting accuracy on the reporting requirements enumerated in 1 TAC §175.4(c)(2)(C) and (D) as authorized in Article 103.0033(j) of the Code of Criminal Procedure.

Audit Scope

The scope included reported Total Dollars Assessed on all convictions or adjudicated cases during the period of October 1, 2017 through November 30, 2017. In addition, testing also included an examination of the reported Total Dollars Collected on any conviction or adjudicated cases during the period October 1, 2017 through November 30, 2017 or prior to the audit period.

Methodology

The methodology used to complete this audit included:

- Gained an understanding of the reporting processes used by the City.
- Reviewed the City’s summary report(s) used to complete the OCA’s report.
- Reviewed case level detail report(s) that support the summary report(s) totals.
- Conducted interviews with relevant program staff.
- If available, reviewed program policies and procedures.
- Performed selected tests, and evaluated the results of those tests.
- Randomly-generated a statistically-valid sample of cases.
- Auditor tested eligible cases to determine the jurisdiction’s reporting accuracy.

DATA VERIFICATION RESULTS

	ASSESSMENT	NUMBER OF CASES REVIEWED	NUMBER OF ERRORS	COMPLIANCE RATING
Pilot Test On	Total Dollars Assessed	0	N/A	Factors Prevented Verification
Pilot Test On	Total Dollars Collected	30	0	Verified

Testing indicated that there were factors that prevented verification of the reported Total Dollars Assessed, while reported Total Dollars Collected could be sufficiently verified.

Factors Prevented Verification of Total Dollars Assessed

The City’s local program staff stated the program reports the Total Dollars Assessed from a summary report titled “TX OCA Monthly Collections Report”. Although the report can also generate a list of the cases that comprise the total amount on the summary report, the report does not show the individual case dollars assessed. The local program staff stated that the jurisdiction’s software has fields to capture costs, fees, and fine and a field to capture the total of those assessments. However those fields can and do change to reflect any event changes that may occur such as fees or fines, waivers and/or additional fees added at a later date. The jurisdiction’s software does not have a field to capture and retain the initial total amount assessed and thus rendering any test sample ineffective for testing. The auditor visually observed and discussed the jurisdiction’s system software with the local program staff while on-site. Please note the results of the Data Verification pilot test does not affect the CIP compliance engagement results.

MANAGEMENT RESPONSE



Ms. Barbara Skinner
Office of Court Administration
205 W 14th Street, Suite 600
Austin, Tx 78711-2066

Ms. Skinner,

We are in receipt of the Independent Auditor's Compliance Report on Court Collections for the City of Abilene and are pleased to note that we are in compliance with Article 103.0033 of the Code of Criminal Procedure and 1 Tac 175.3. One area was noted for recommended improvement which is outlined below.

The area for recommended improvement was noted in the verification of contact information, "Within five days of receiving the contact information local program staff must verify both the home and primary contact telephone number". "Verification must be documented by identifying the person conducting it and the date of the verification."

The Court's practice was to verify the contact information when the citizen returned to setup a payment plan rather than when the citizen appeared and was given an extension for the payment plan. To implement this recommendation the Court will immediately begin verifying and documenting the contact information in the following manner:

I. Extensions to return for payment plan set up

- a. Financial Form will be filled out by the citizen before the citizen leaves
- b. Clerks will call the citizen's phone number and contact information before the citizen leaves
- c. Clerks will make appropriate documentation of verification of the Financial Form and the contact information

II. Extension given at the Taylor County Jail

- d. Marshals will obtain as much contact information on jail continuance paperwork as available
- e. Clerks will verify contact information on the day jail paperwork is given to the clerks

III. Payment Plan Set Up

- f. Clerks will call the citizen's phone number and contact information no later than 3 days of set up
- g. Clerks will make appropriate documentation of verification

IV. Changes to Payment Plan

- h. Citizen will fill out new Financial Form when making changes to payment plan
- i. Clerks will call the citizen's phone number and contact information no later than 3 days of set up
- j. Clerks will make appropriate documentation of verification of the Financial Form and the contact information.

If the Citizen does not want to fill out the new Financial Form, the clerks will use the old form and make appropriate documentation of verification of the Financial Form and the contact information

We hope this change in procedure will meet with your expectations and look forward to our next audit.

Sincerely,

A handwritten signature in black ink that reads "Mikel Rains". The signature is written in a cursive, flowing style.

Mikel Rains, CPA
Director of Finance

FINAL REPORT TO BE DISTRIBUTED TO THE FOLLOWING

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