



**Office of Court Administration**

**Collection Improvement Program**

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

**City of Fort Worth**

**August 15, 2013**

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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 the City of Fort Worth (City). The procedures were performed to assist you in evaluating whether the collection program of the City 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 compliant with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. In testing the required components, one (1) finding was noted. An additional contact was not made when a capias pro-fine was sought in cases involving jail arraignments and trial cases. The judge typically gives a 30-day extension to allow the defendant time to setup a payment plan or pay total costs owed in full; however, the defendant was not always directed to the collection program. This causes an issue when the defendant does not meet the terms of the extension, and the collection program does not have contact information for the defendant.

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.

The City of Fort Worth'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 *Government Auditing Standards* issued by the Comptroller General of the United States and attestation standards established by the American Institute of Certified Public Accountants.

### **Objective**

The objective of the engagement was to determine if the City 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 October 1, 2012 through November 30, 2012, 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 City of Fort Worth (City) provided a list of defendants who accepted a payment plan during the period of October 1, 2012 through November 3, 2012. The population received was scrubbed to exclude cases as defined by the restrictions on the Request for Information form. The 11,279 cases were separated into three (3) separate and distinct populations (Main, Delinquent, and Capias populations) based on the Court's Case Status Coding which resulted in the following:

- The Main population is those defendants who requested and received a payment plan and remained current with the terms of the payment agreement. A total of 8,227 cases were identified.
- The Delinquent population consists of defendants who missed a scheduled payment(s). A total of 2,580 cases were identified.
- The Capias population is those defendants who a capias pro fine was sought. A total of 472 cases were identified.

***Management Response:*** *The list of defendants who accepted a payment plan provided to the OCA was during the period of October 1, 2012 through November 30, 2012. All other information provided above is accurate and true based on our knowledge.*

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

A randomly-generated, statistically-valid sample was taken from the Main population, the Delinquent population, and the Capias population. The categories and number of samples tested are listed below:

- Main population - cases with an extension and/or payment plans – 43 cases were tested as detailed in Procedures 8 through 11 listed below.
- Delinquent population - cases with an extension and/or payment plans and a missed payment identified – 43 cases were tested as detailed in Procedures 12 and 13 listed below.
- Capias population – cases where a capias pro fine was issued – 75 cases were tested as detailed in Procedure 14 listed below.

***Management Response:*** *The information provided above is accurate and true based on our knowledge.*

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

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

**Management Response:** *The information provided above is accurate and true based on our knowledge.*

4. *Evaluate the survey to determine if the 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 City has two offices that perform the collection activities, the Southwest and Main downtown office.

- The Southwest office is staffed with a Human Services Coordinator and two full-time Human Services Specialists.
- The Main office is staffed with a Human Services Coordinator, two Human Services Specialists, and two Senior Customer Service Representatives. In addition, the office employs two part-time staff members who also perform collection activities.

While on-site, the auditor met, observed, and discussed the dedicated staff's collection program responsibilities.

The City is compliant with this component.

**Management Response:** *The City employs two full-time Human Services Coordinators, one downtown and the other at the Southwest Municipal Court. The Specialists assigned downtown are also full-time. All other information is accurate and true based on our knowledge.*

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.*

All citations carry an 11-day appearance deadline from the date the citation is issued. If the defendant wants to make a plea for the citation upon appearance but cannot pay all court costs, fees, and fines, the cashier directs the defendant to the collection department with an application for a payment plan. The application process and payment term consideration are a pro-active procedure completed before the defendant enters a plea to the court. A Customer Service Representative performs a pre-screening process to verify the accuracy of application information required and defendant identification.

If the defendant does not have the information required to complete the application or proper identification, the defendant cannot enter a plea and is given a short time to return with all of the required information. Payment terms and the completed application are referred to the judge for approval at the time the defendant is ready to enter a plea. The cashiers may accept the defendant's plea only if the defendant is paying in full.

A Senior Customer Service Representative monitors defendant's compliance with payment plan terms electronically. The Court's case management system produces a past-due defendant list. The Senior Customer Service Representative checks for any payments received, and confirms that all payments received are credited to the proper account. She then initiates and confirms the automated telephone call and letter mail-outs to past-due defendants.

While on-site, the auditor met, observed, and discussed the dedicated staff's monitoring program responsibilities. The City is compliant with this component.

***Management Response:*** *The Senior Customer Service Representative confirms credit to the proper cause number. All other information provided above is accurate and true based on our knowledge.*

6. *Evaluate the survey to determine if the program has a component designed to improve collections of balances more than 60 days past due. Answers will be verified through testing of Defendant Communication components.*

The municipality relies on the pre-capias notices, the issuance of capias warrants, and the 30% collection fee added to the court costs for the collection of cases that are 60 days past-due. The collection fee is an upfront fee that is dispersed to the third-party vendor only if payment is received on the case. This procedure includes cases that have not been adjudicated (Failure-to-Appear cases).

While on-site, the auditor verified that the process was described correctly. The City is compliant with this component.

***Management Response:*** *The City only assesses the 30% fee when delinquent cases are referred to the third-party vendor. The City does not retain any part of the 30% fee. The information provided above is accurate and true based on our knowledge.*

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 City is current with reporting requirements based on the reporting activity documented in the OCA, CIP Court Collection Report software.

The City is compliant with this component.

**Management Response:** *The information provided above is accurate and true based on our knowledge.*

8. *Test samples generated in Procedure #2 (above) to determine if an application was obtained within one (1) month of the assessment date, and contains both contact and ability-to-pay information for the defendant.*

Of the 43 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 0.12% and 10.54%.

The City is compliant with this component.

**Management Response:** *The information provided above is accurate and true based on our knowledge.*

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 43 cases tested, seven (7) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 7.04% and 25.52%.

The City is compliant with this component.

**Management Response:** *The information provided above is accurate and true based on our knowledge.*

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 43 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 0.12% and 10.54%.

The City is compliant with this component.

**Management Response:** *The information provided above is accurate and true based on our knowledge.*



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 43 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.71%.

The City is compliant with this component.

***Management Response:*** *The information provided above is accurate and true based on our knowledge.*

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 43 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.67%.

The City is compliant with this component.

***Management Response:*** *The information provided above is accurate and true based on our knowledge.*

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 43 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 6.67%.

The City is compliant with this component.

***Management Response:*** *The information provided above is accurate and true based on our knowledge.*

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 75 cases tested, 33 errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 35.35% and 52.65%.

An additional contact was not made when a capias pro-fine was sought on cases involving jail arraignments and trial cases. The judge typically gives a 30-day extension to allow the defendant time to setup a payment plan or pay total costs owed in full; however, the defendant was not always directed to the collection program. This causes an issue when the defendant does not meet the terms of the extension, and the collection program does not have contact information for the defendant.

The City is in partial compliance with this component.

**Management Response:** *The Department in partnership with the Judicial Division is currently taking measures to reduce the error rate. The case management system will be updated to prevent extensions without meeting OCA guidelines. All other information provided above is accurate and true based on our knowledge.*

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).*

The jurisdiction is in compliance 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).

The City of Fort Worth was determined to be in compliance with the four (4) Critical Components for Local Program Operations. In addition, the City appears to be in compliance with the first six (6) Defendant Communication Components, and in partial compliance with the seventh component that requires an additional contact when a capias warrant will be sought.

**Management Response:** *As referenced on item 14, the Department is taking measures to be in full compliance with component 7, which requires an additional contact when a capias warrant will be sought. All other information is accurate and true based on our knowledge.*

## **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 the City of Fort Worth (responsible party) have agreed-upon, to determine if the City'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 October 1, 2012 through November 30, 2012, 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 City 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 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.

### Criteria Used

Code of Criminal Procedure, Article 103.0033  
Texas Administrative Code, Title 1, §175.3

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