



Office of Court Administration

Collection Improvement Program

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

Gregg County

March 14, 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 Gregg County (County). The procedures were performed to assist you in evaluating whether the collection program of Gregg 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 programs for the County are compliant with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. In testing the required components, several issues were noted. These issues were discussed with your Director of Collections and Director of Probation.

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.

Gregg 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 *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 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 June 1, 2012 through July 31, 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.*

Gregg County's Collection department (non-probation) and the County's Probation department provided a list of cases that applied for and accepted a payment plan for their court costs, fees, and fines during the audit period of June 1, 2012 through July 31, 2012. After the auditor reviewed the cases and removed all ineligible cases from the population, 129 cases remained for non-probation and 147 cases for Probation.

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

Each department's cases were divided into three categories: no missed payments or *capias pro fine* issued, missed payments, and *capias pro fine* warrant issued. A randomly-generated, statistically valid sample was selected from each of the three categories for each department. The number of samples tested for each category are listed below:

- Cases with no missed payments or *capias pro fines* issued – 23 cases were identified for non-probation, and 7 cases were identified for Probation for Procedures 8 - 11 listed below.
- Cases with missed payments – 21 cases were identified for non-probation, and 34 cases were identified for Probation for Procedures 12-13 listed below.
- Cases where a *capias pro fine* was issued – 35 cases were identified for non-probation, and no cases were identified for probation due to no *capias pro fines* issued by Probation for Procedure 14 listed below.

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

A completed survey was obtained from each department's Director, and reviewed for information that was relevant to the audit engagement. The survey responses were used to answer the Procedures 4-6 listed below.

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 non-probation collection department maintains a staff of four employees whose essential job function is collection activities; a Director and three supporting staff.

The Probation department maintains a staff of 37, including a Director and 36 probation officers. In addition to monitoring the defendants' probation requirements, the probation officers also monitor the defendant's payment activity.

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.*

Per the survey, the non-probation Collection department monitors the payment plans electronically. The department utilizes reports in I-Flow to monitor defendant payment plans. The system flags accounts that are delinquent, schedules them for phone calls, and generates a mailing list for delinquent letters.

Per the survey, the Probation department monitors payment plans through defendant office visits (monthly minimum). The department also utilizes Correction Software Solutions to track defendant cases, and monitor their payment activity.

Both of the departments' processes were reviewed and verified during on-site testing.

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.*

Per the survey, the non-probation Collection department utilizes phone calls and mailings to try to collect on accounts with balances more than 60 days past due. Some of the courts will also issue a *caipias pro fine*.

Per the survey, the Probation department officers will make personal visits, phone calls, and mail letters to defendants that are delinquent. These defendants are usually missing their probation office visits as well. The Judge presiding over the defendant will be contacted and advised of the delinquency. The Judge may revoke the probation, amend the probation terms, or issue an arrest warrant.

Both of the departments' processes were reviewed and verified during on-site testing.

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 OCA Financial Analyst, Gregg County is compliant with the reporting requirements.

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 23 cases tested for non-probation, no errors were detected. Of the seven (7) cases tested for probation, no errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be no higher than 6.33% if 100% of the cases were tested.

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 23 cases tested for non-probation, no errors were detected. Of the seven (7) cases tested for probation, two errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be no higher than 13.96% if 100% of the cases were tested.

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 23 cases tested for non-probation, no errors were detected. Of the seven (7) cases tested for probation, no errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be no higher than 6.33% if 100% of the cases were tested.

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 23 cases tested for non-probation, no errors were detected. Of the seven (7) cases tested for probation, no errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be no higher than 6.33% if 100% of the cases were tested.

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 21 cases tested for non-probation, no errors were detected. Of the 34 cases tested for probation, 11 errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would fall between 12.38% and 27.78% if 100% of the cases were tested.

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 16 cases tested for non-probation, no errors were detected. Of the 27 cases tested for probation, nine errors were detected. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would fall between 11.46% and 29.92% if 100% of the cases were tested.

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 tested for non-probation, two errors were detected. Probation does not issue capias pro fine warrants; therefore, no probation cases were tested for this component. Taking into consideration the inherent sampling error, we are 90% confident that the error rate would be no higher than 17.16% if 100% of the cases were tested.

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).*

Gregg County is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The County was compliant with all four (4) of the Operational Components, and maintained a compliance rate greater than 80% for each of the seven (7) 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 Gregg 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 June 1, 2012 through July 31, 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 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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