



**Office of Court Administration**

**Collection Improvement Program**

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

**Harrison County**

**March 5, 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 Harrison 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, four (4) errors 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.

Harrison 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 July 1, 2012 through August 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.*

Harrison County provided a list of defendants who accepted payment plans for their court costs, fees, and fines during the period of July 1, 2012 through August 31, 2012. After the auditor removed defendants that should not have been in the population, 341 cases remained.

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

The 341 remaining cases were divided into three separate populations and a randomly-generated, statistically valid sample was selected from the cases with no missed payments or capias pro fines issues and from the cases with missed payments. There were only ten Capias Pro Fines issued on cases that fall within the audit period, so we tested all ten for that category. The number of samples tested for each population are listed below:

- Cases with no missed payments or capias pro fines issued – 31 cases were tested for Procedures 8 - 11 listed below.
- Cases with missed payments – 38 cases were tested for Procedures 12-13 listed below.
- Cases where a capias pro fine was issued – 10 cases tested for Procedure 14 listed below.

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. Responses were used to determine compliance in Procedures 4 – 6 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 County has two (2) staff members dedicated to the collection program, one (1) Manager and one (1) Collection Specialist, both working to establish and monitor payment plans.

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, they monitor plans using an electronic system. They use the I-Flow collection software to track their payment plans. This was verified while on-site during the review. The system flags accounts that are delinquent and schedules them for phone calls and generates a mailing list for delinquent letters.

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, they seek to improve collection of balances more than 60 days past due by using phone calls, postcards, and show cause hearings. While on-site, it was determined that this eventually results in a Capias Pro Fine being issued when defendants fail to get current with the terms of the payment plan.

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 Collection Specialist, Harrison County is compliant with the programs 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 31 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 7.64%.

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 31 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 7.64%.

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 31 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 7.64%.

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 31 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 7.64%.

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 38 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 between 0.13% and 10.87%.

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 38 cases that were tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 0.87% and 14.32%.

***Management Response: A remedy has been put in place so that contact will be made with the defendant on cases where a partial payment was accepted and the case was not referred to the Fine Collections Department for a formal payment plan. Payments received by JP offices are monitored to identify those cases. An application and a cover letter are mailed requesting the balance be paid in full immediately or the completed application returned. If the application is received contact with the defendant will follow to enter into a payment plan. If there is no response a delinquent notice is sent within 25 days and repeated every 45 days. The JP office is also notified of the delinquency and requested to start the warrant process.***

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.*

For this category of cases, 100% of the cases that went to *Capias Pro Fine* were tested. In testing the 10 available cases, one (1) error was noted. The error rate for these cases is 10.00%.

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).*

Harrison 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 Harrison 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 July 1, 2012 through August 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

### Team Members

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**REPORT DISTRIBUTION**

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