



Office of Court Administration

Collection Improvement Program

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

Smith County

February 5, 2015

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OFFICE OF COURT ADMINISTRATION

DAVID SLAYTON
Administrative Director

February 5, 2015

The Honorable Joel Baker
County Judge
Smith County
200 E. Ferguson, Ste. 100
Tyler, Texas 75702

Re: Independent Auditor's Report on Court Collection – Notice of Compliance

Dear Judge Baker:

The Collection Improvement Program (CIP) Audit staff of the state Office of Court Administration has completed its compliance engagement for Smith County (County). 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 Title 1, §175.3 of the Texas Administrative Code (TAC). In testing the required components, no issues were noted.

The procedures used to conduct this engagement are enumerated in the Detailed Procedures and Findings section of the enclosed report. The procedures were agreed to by the CIP Technical Support Department of the Office of Court Administration solely to evaluate whether the collection program of the County has complied with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

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

We extend our gratitude to your collection staff for the courtesy and professionalism extended to us, and we look forward to working with you in the future.

Sincerely,

Greg Magness, CIA, CGAP
Audit Manager

Enclosure

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 Smith 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, no findings 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.

The Smith 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 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 January 1, 2014 through February 28, 2014, 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 County provided a list of defendants who accepted an extension and/or a payment plan during the period of January 1, 2014 through February 28, 2014. The population received was from two (2) County collection programs, the Centralized program, and the Community Supervision and Corrections Department (CSCD) program. The County's data population was scrubbed to remove cases defined as exclusionary cases delineated by the restrictions in the Request for Information form. For this discussion the populations are referred to as the Central, and CSCD populations.

- The Central population was composed of defendants in Justice of the Peace and County Court-at-Law cases who requested and received an extension and/or a payment plan agreement as the method to satisfy the court costs, fees, and fines owed. A total of 478 cases were identified in the centralized program.
- The CSCD population consists of defendants who must satisfy the conditions of the Community Supervision and Corrections (Probation) program as ordered by the Court. A total of 136 cases were identified in the CSCD program.

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

A randomly-generated, statistically-valid sample was taken from the Central and the CSCD populations. The number of samples tested are listed below:

- The Central program – 31 cases were tested for each component as detailed in the Procedure Steps 8 through 14 below.
- CSCD program – nine (9) cases were tested for each component as detailed in the Procedure Steps 8 through 13 below.

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

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

4. *Evaluate the survey to determine if each 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.*

Each collection program had at least one staff employee whose job description contains collection activities as a priority job function. During the field audit process, the auditor met, observed, and discussed the County's collection staff job duties relating to the County's collection activities.

- The County's central collection program has two Collection Officers, and a Collection Supervisor whose priority job function is collection activities for Justice of the Peace courts and the County Courts-at-Law.
- The County's CSCD department employs approximately 36 Probation Officers who conduct monthly meetings with defendants to ensure the defendant complies with the term of their probation. During the monthly meetings, the Probation Officers address the collection of court costs, fees, and fines.

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's monitoring process of each defendant's compliance with the terms of the extension or payment plan agreement is as follows:

- The County's central collection program employs an automated system (iPLOW) to record and maintain event records of cases assigned to the collection program. All events such as; interviews, payments, and supporting documentation are recorded in iPLOW to form a comprehensive performance record on each case. The system produces monthly reports, listing past-due payments related to the Collection Improvement Program.
- The County's CSCD department uses an automated system (Able Term) to maintain event records of all defendant activities while on probation. During regularly scheduled monthly meetings, the Probation Officer addresses the conditions of the community supervision order with the defendant, which includes a discussion of the collection of court costs, fees, and fines.

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

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 processes to improve collection of seriously delinquent cases are as follow:

- The County's central collection program employs the use of the OmniBase¹ system. In addition, the program employs an outside collection agency.
- The County's CSCD department conducts administrative hearings with supervisors and/or court officers. Administrative hearings are used to discuss defendant payment history, delinquencies, and to formulate a corrective action plan (how and when the money will be paid). They also notify the Court of the defendant's financial violations.

While on-site, the auditor verified that the process was described correctly.

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 jurisdiction is current with reporting requirements based on the reporting activity documented in the OCA's CIP Court Collection Report software. All monthly reports were submitted for Calendar Year 2014, which include the audit period January and February of 2014.

The County is compliant with this component.

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

Of the 40 cases tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 12.37%.

The County is compliant with this component.

¹ OmniBase Services of Texas maintains and administers the central database for the cities and counties contracted to use the Department of Public Safety's Failure to Appear (FTA) Program. The FTA program provides an effective collection and enforcement tool by restricting the violator's ability to renew their driver's license for outstanding violations.

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 40 cases tested, there were no errors noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.61%.

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 40 cases tested, there were no errors noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.61%.

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 tested, there were no errors noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.69%.

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 (1) month of a missed payment was documented.*

Of the 40 cases tested, there were no errors noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.61%.

The County is 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 (1) month of a missed payment.*

Of the 40 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 8.67%.

The County is 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 (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 31 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 13.93%.

The County is 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).*

Smith County is in compliance Article 103.0033 of the Code of Criminal Procedure and with 1 TAC §175.3 based on the criteria defined in TAC §175.3(c).

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 Smith 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 January 1, 2014 through February 28, 2014, 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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