



Office of Court Administration

Collection Improvement Program

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

Hays County

April 7, 2015

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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 Hays 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 not compliant with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. In testing the required components, the County was found to be in partial compliance with two (2) components. All other components were found to be in compliance. According to Section 133.058(e) of the Local Government Code, the County has 180 days to re-establish compliance in order to continue retaining a service fee for the collection.

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.

Hays 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 May 1, 2014 through June 30, 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.*

Hays County provided a list of defendants who accepted a payment plan as means to pay their court costs, fees, and fines assessed for the period of May 1, 2014 through June 30, 2014. Hays County provided eight populations of cases, one from each program in the county, the total population provided was 308 cases.

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

In order to determine whether the cases provided were within the scope of the engagement, we used the Hays County Case Records Search page to compare the conviction date with the final payment date to determine if 30 days had passed before the defendant completed payment of court costs, fees, and fines. All cases where the defendant paid within 30 days of the assessment date were removed as these cases do not fall within the scope of the engagement. In addition, all cases that were assessed court costs, fees, and fines prior to or after the audit period, were settled with a Drivers Safety Course, were deferred, or were dismissed were also removed from the population as these cases did not involve a payment plan. After removing these cases from the populations, we were left with a population of 242 testable cases.

Of the 242 cases provided, 91 cases were identified as defendants who missed payments on the payment plan agreement and required a phone call or mailed letter. In addition, there were 39 cases identified as having a Capias Pro Fine issued.

For Procedures 8 through 11 below, we tested a total of 49 cases. For Procedures 12 and 13 below, we tested a total of 44 cases. For Procedure 14, we tested a total of 22 cases.

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 in Procedures four (4) through six (6) listed 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.*

All of the collection programs in Hays County have dedicated personnel which include collection as a priority job function in their job descriptions. While on-site, the auditor met, observed, and discussed the dedicated staff's collection program responsibilities.

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 programs use a function in the case management software to create payment plans. They run a delinquency report and monitor their plans using this system. This was confirmed to be the process while on-site during the engagement.

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.*

Most of the Justice of the Peace courts issue Capias Pro Fine for seriously delinquent cases. The courts that did not issue a Capias continue to work the cases by making phone calls and sending letters. This was confirmed to be the process while on-site during the engagement.

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.*

Per the Regional Specialist, the County is current with reporting requirements based on the reporting activity documented in the OCA's CIP Court Collection Report software.

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 49 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 4.75%.

The County is compliant with this component.

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 49 cases tested, four (4) errors were noted. Verification of phone numbers is documented on the application by marking and dating the appropriate blank. The verification was not documented on four (4) of the applications. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 1.87% and 14.58%.

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 49 cases that were tested, one (1) error was noted. The defendant mailed in the application, no phone call to interview the defendant was noted on the application or in the electronic case notes. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is no higher than 7.23%.

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 49 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 4.75%.

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 44 cases tested, 16 errors were noted. Phone calls were not documented within one month of a defendant's missed payment. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 29.71% and 42.33%.

The County is in partial compliance 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 44 cases tested, 19 errors were noted. Written delinquency notices were not documented within one month of a defendant's missed payment. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 37.71% and 48.00%.

The County is in partial compliance 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 22 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 3.43%.

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).*

Hays County is not compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The County complied with all four (4) of the Operational Components; however, the County was partially compliant with two (2) of the seven (7) Defendant Communication Components. To be in overall compliance, no more than one component can be partially compliant.

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 Hays 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 May 1, 2014 through June 30, 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

The CIP Audit Department 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 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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March 17, 2015

Greg Magness, CIA, CGAP
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Dear Mr. Magness,

Thank you for your time recently to discuss the outcome of the Hays County OCA audit. Amanda Price was thorough and professional as she reviewed our records and made recommendations to our court collection offices. We met with Daphne Webber and Jim Lehman on February 13th to discuss the findings in depth. There are no management responses to the draft audit and Hays County is in agreement of the results.

We are in the process of taking action to address this situation. There will be across the board training for the offices that did not meet OCA standards. All of the offices will continue to strive to meet the timely goals for having applications filled out, payment plans established and following up with phone calls and notifications when deadlines by defendants have not been met as defined in the OCA procedure guidelines.

Do not hesitate to contact me should you need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Michele Tuttle".

Michele Tuttle
Hays County Treasurer

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