



OFFICE OF COURT ADMINISTRATION

DAVID SLAYTON
Administrative Director

October 29, 2014

The Honorable Roger Harmon
County Judge
Johnson County
2 N. Main Street
Cleburne, TX 76033

Re: Compliance Engagement – Johnson County Collection Improvement Program

The Collection Improvement Program (CIP) Audit department is pleased to inform Johnson County (County) the nature and limitations of the services we are to provide in the performance of the compliance engagement, as determined by the CIP Technical Support department of the Office of Court Administration (OCA).

We will perform a compliance engagement on the collection programs of the County. All programs within the jurisdiction will be tested for compliance with the Code of Criminal Procedure, Title 2, Chapter 103, Article 103.0033 and the Texas Administrative Code (TAC), Title 1, Part 8, Chapter 175, Subchapter A, §175.3.

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of April 1, 2014 through May 31, 2014; however, cases will be tested beyond the audit period to determine compliance with all components of the collection program. The compliance engagement will be conducted in accordance with standards for an agreed-upon procedures engagement as defined in the attestation standards established by the American Institute of Certified Public Accountants.

Accordingly, we will test records, and perform other procedures we consider necessary, to enable us to issue a report to report 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. Any case that includes court costs, fees, and fines that total to \$10.00 or less will be removed from testing. The sufficiency of the

procedures within the compliance engagement is solely the responsibility of those parties specified in the report. If, for any reason, we are unable to complete the engagement, we will not issue a report for the engagement.

Our engagement will not include a detailed inspection of every transaction. We will test a random sample of cases as required by 1 TAC §175.5(b). Consequently, our engagement cannot be relied on to disclose all material errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors or fraud that come to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential.

During the engagement, CIP Audit will perform the procedures defined in Appendix A, and the County will be updated on any findings or concerns that would affect compliance with the criteria stated above. At the end of fieldwork, an exit conference will be held to discuss the results of the compliance engagement. A draft report will be forwarded to the County for review. Management comments will be requested for any findings reported in the draft report, and the comments will be included in the final report verbatim. This final report is intended solely for the use of the CIP Technical Support department and the County, and should not be used by anyone other than these specified parties.

A county required to maintain a collection program is responsible for explaining and demonstrating to CIP Audit the activities performed to collect court costs, fees, and fines in accordance with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. The County is responsible for providing complete and accurate information as requested by CIP Audit. The County is also responsible for making all management decisions and performing all management functions, for designating an individual with suitable skills, knowledge, and/or experience to oversee the compliance engagement, for evaluating the adequacy and results of the engagement, and accepting responsibility for those results.

At the conclusion of the engagement, a representation letter will be required from the County that, among other things, confirms management's responsibility that they explained and demonstrated to CIP Audit the activities performed to collect court costs, fees, and fines in accordance with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3, and that all information related to those items has been fully disclosed.

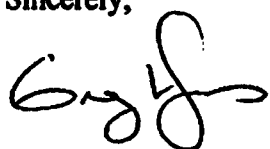
CIP Technical Support is responsible for selecting the criteria and determining that such criteria are appropriate for the programs. CIP Technical Support is also responsible for disclosure of all relevant information related to these collection activities.

Greg Magness, Manager, CIP Audit department, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return to the auditor performing the engagement prior to the conclusion of the fieldwork visit.

In addition, if you have any questions, feel free to contact me at (512) 936-1898.

Sincerely,



Greg Magness, CIA, CGAP
Manager, CIP Audit Department
Office of Court Administration

Attachment

If the terms of the engagement, as outlined in this letter, are acceptable to you, please indicate by signing below. Return one original, signed copy of this letter to the auditor prior to completion of the fieldwork visit, retaining the other original for your records.

Accepted:



The Honorable Roger Harmon
County Judge
Johnson County

11/10/14
Date

Agreed-upon Procedures

In performing the compliance engagement, CIP Audit will perform the following procedures. A report of issues discovered while performing these procedures will be created, and a determination as to whether the County is in compliance with the Code of Criminal Procedure Article 103.0033 and 1 TAC §175.3 will be made.

The procedures to be performed include the following:

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.
2. Select a randomly-generated, statistically-valid sample of cases to be tested.
3. Obtain a completed survey, in a form prescribed by CIP Audit, from the county/municipality.
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.
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.
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.
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.
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. In cases in which an application is obtained, ensure ability-to-pay information for the defendant is also obtained.
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.
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 or judge-imposed payment plan or extension.

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 1 TAC §175.3(c)(4).
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.
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.
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.
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).