

Collection Enforcement Section

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INTRODUCTION AND BACKGROUND

The Comprehensive Collection Enforcement Program was implemented to enforce collections of all King County non-tax accounts receivable. Non-tax accounts receivable are divided into three categories: receivables due to District Courts, receivables due to County agencies which are processed centrally through the Automated Invoicing and Receivable System (AIRS), and other receivables processed by individual County agencies.

SCA Credit, Inc. began collecting District Court delinquent accounts receivable in September 1991 and continues to provide collection services to King County. Collection of non-District Court delinquent accounts receivable began in January 1992.

The Collection Enforcement Section reported that during 1992, SCA Credit, Inc. collected \$2,495,384 on delinquent District Court accounts receivable and \$90,068 on other delinquent

County accounts receivable. The \$2,495,384 collected on delinquent District Court accounts represented the gross amount received. After reducing the gross amount for state assessments, the net amount received by King County was \$1,439,600, or 58% of the gross amount received.

The accounts receivable balance for AIRS accounts more than one year delinquent was \$12.7 million as of December 1992. The Collection Enforcement Section did not have information concerning the 1992 delinquent accounts receivable balances for the District Courts.

OBJECTIVE AND SCOPE

The Collection Enforcement Section study was requested by the County Council and was included in the King County Auditor's Office 1993 work plan.

The objective of the study was to review and evaluate the operations and effectiveness of the Collection Enforcement Section.

The study included a review of delinquent accounts receivable amounts billed and collected from September 1991 through December 1992 and delinquent accounts receivable balances for 1989 and 1992.

MAJOR FINDINGS AND RECOMMENDATIONS

Finding 1. The Collection Enforcement Program did not include all delinquent non-tax accounts receivable owed to the county as envisioned in the 1990 Office of Financial Management report which described the purpose of the Comprehensive Collection Enforcement Program.

The study recommended that the Collection Enforcement Section begin collection of criminal traffic and criminal non-traffic delinquent accounts receivable and all appropriate, delinquent AIRS accounts receivable.

Finding 2. Amounts reported as revenues by the Collection Enforcement Section were actually gross amounts collected before reduction for state assessments.

The study recommended that when reporting amounts as revenues to King County, the Collection Enforcement Section show net amounts received after fees and assessments.

Finding 3. The collection enforcement pilot program was not reviewed as

planned by the Office of Financial Management (OFM).

The study recommended that OFM perform a review of the program.

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