

COUNTY of HIDALGO

COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 10, 2015

The Honorable Ramon Garcia
Hidalgo County Judge
302 W. University Drive
Edinburg, Texas 78539

Dear Judge Garcia:

Pursuant to Local Government Code Section 114.044 and/or Local Government Code Section 115.0035 (c), we are submitting for your review the following monthly reports and/or letters:

Department	Fees/Costs	Description
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	\$ 11,025,348.59	June 2015 Monthly Report
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	\$ 2,892,343.53	July 2015 Monthly Report
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	\$ 372.00	Delta Lake-July 2015 Monthly Report/Letter
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	\$ 4,625.00	Sanitation Program – June 2015 Monthly Report/Letter
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	\$ 550.50	Swimming Pool-June 2015 Monthly Report/Letter
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	\$ 477.50	Swimming Pool-July 2015 Monthly Report/Letter
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	\$ 22.00	Swimming Pool-August 2015 Monthly Report/Letter
The Hon. Jose M. Flores, Commissioner Precinct No. 3	\$ 2,544.00	Anzalduas Park-July 2015 Monthly Report/Letter
The Hon. Jose M. Flores, Commissioner Precinct No. 3	\$ 1,648.00	Anzalduas Park-August 2015 Monthly Report/Letter
The Hon. Joseph Palacios, Commissioner Precinct No. 4	\$ 32,800.00	Sanitation Program – July 2015 Monthly Report/Letter
The Hon. Celestino Avila, Constable Pct. No. 1	\$ 675.00	July 2015 Monthly Report/Letter
The Hon. Martin Cantu, Constable Pct. No. 2	\$ 6,665.00	July 2015 Monthly Report/Letter
The Hon. Lazaro Gallardo, Jr., Constable Pct. No. 3	\$ 875.00	July 2015 Monthly Report/Letter
The Hon. Atanacio Gaitan, Jr., Constable Pct. No. 4	\$ 360.00	July 2015 Monthly Report/Letter
The Hon. Atanacio Gaitan, Jr., Constable Pct. No. 4	\$ 155.00	Aug. 2015 Monthly Report/Letter

Department	Description
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	Weslaco Sanitation - Cash Count Report No. 2015-40
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	Delta Lake - Cash Count Report No. 2015-42

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

The Hon. Eduardo Cantu, Commissioner Precinct No. 2	Swimming Pool - Cash Count Report No. 2015-43
The Hon. Martin Cantu, Constable Pct. No. 2	Cash Count Report No. 2015-44
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	Pharr Sanitation - Cash Count Report No. 2015-45
The Hon. Lazaro Gallardo, Jr., Constable Pct. No. 3	Cash Count Report No. 2015-48
Mr. T.J. Arredondo, Director of Planning	Mission Substation - Cash Count Report No. 2015-49
The Hon. Eddie Guerra, Hidalgo County Sheriff	East Substation Fee - Cash Count Report No. 2015-53
The Hon. Jose M. Flores, Commissioner Precinct No. 3	Anzalduas Park - Cash Count Report No. 2015-54
The Hon. Joseph Palacios, Commissioner Precinct No. 4	Edinburg Sanitation - Cash Count Report No. 2015-57
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	San Juan Motor Vehicle - Cash Count Report No. 2015-531
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Collections Department - Cash Count Report No. 2015-534
The Hon. Gilberto Saenz, Justice of the Peace Pct. 1 Pl. 1	Cash Count Report No. 2015-536
The Hon. Jaime J. Munoz, Justice of the Peace Pct. 2 Pl. 2	Cash Count Report No. 2015-539
The Hon. Charlie Espinoza, Justice of the Peace Pct. 4 Pl. 1	Cash Count Report No. 2015-542
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Weslaco Health Clinic - Cash Count Report No. 2015-547
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Pharr Health Clinic - Cash Count Report No. 2015-546
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Edinburg Health Clinic - Cash Count Report No. 2015-548
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Hidalgo Health Clinic - Cash Count Report No. 2015-550
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Alamo Tax Office - Cash Count Report No. 2015-559
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	San Juan Tax Office - Cash Count Report No. 2015-560
Ms. Yvonne Ramon, Elections Administrator	Cash Count Report No. 2015-562

Respectfully,


Ray Zufracio, CPA
Hidalgo County Auditor

Attachments

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Prepared By: Abigail G. 
Date: 08/13/15

**Hidalgo County Tax Office
Collections Summary
For the Month ended June 30, 2015**

Hidalgo County Tax Collections	3,092,423.46 ✓	M1-1
Hospital District Funding - 4th Quarter	7,922,961.00 ✓	M1-1
Administrative Fees Collected	9,366.83 ✓	M1-1
Road District # 2 Collections	-	M2-1
Road District # 5 Collections	439.31 ✓	M3-1
Road District # 11 Collections	-	M4-1
Road District # 15 Collections	157.99 ✓	M5-1
State District Collections	-	M6-1
Total Collections	<u>11,025,348.59</u>	



PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
HIDALGO COUNTY TAXES COLLECTED
JUNE 2015

8

COMPARATIVE RATE OF COLLECTIONS

HIDALGO COUNTY
GHD

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2014/2015	COLLECTED 2013/2014
2014 TAX ROLL	167,256,801.76	159,097,400.84	MI-10	-	2,028,124.48	93.98%	93.57%
2013 & PRIOR YRS ROLLBACK	33,265,561.40	10,502,069.26	MI-10	(1,604,364.09)	21,159,128.05	33.17%	31.14%
	244,763.41	577,919.35	MI-11	-	433,550.37	85.20%	63.82%
TOTALS	200,767,126.57	170,177,389.45	MI-12	-	857,310.76		

#DIV/0!

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2015

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	1,669,749.00d	(87,097.13) CURRENT MI-10
CURRENT YEAR-P&I	234,081.40d	
PRIOR YEARS-BASE TAX	630,407.50d	(8,505.81) PRIOR MI-10
PRIOR YEARS-P&I	375,198.02d	
ROLLBACK BASE	25,269.91d	21,771.36 ROLLBACK MI-11
ROLLBACK P&I	106.93d	
ATTORNEY FEES	157,610.70d	
HOSPITAL DISTRICT FUNDING	-	7,922,961.00d MI-21
SPECIAL INVENTORY FINE	-	1,540.00d MI-22
SPECIAL INVENTORY PENALTY	-	4,209.84d MI-24
TAX CERTIFICATE FEES	-	400.00d MI-26
SERVICE CHG FEES	-	1,299.99d MI-28
MISC FEES	-	1,917.00d MI-34
TOTAL COLLECTIONS	3,092,423.46d	7,932,327.83 (73,831.58) MI-12
LESS HCAD COMM REND. PEN. (CURR)	317.77d	\$A
LESS HCAD COMM REND. PEN. (DELQ)	90.16d	\$A
LESS TRANSFERRED	1,570,410.36d	
LESS IN TRANSIT	1,363,994.47d	
LESS DUE TO DEL TAX ATTY FEES	157,610.70d	7,932,327.83d MI-48
LESS DUE TO CO TREASURER	-	
BALANCE	-	

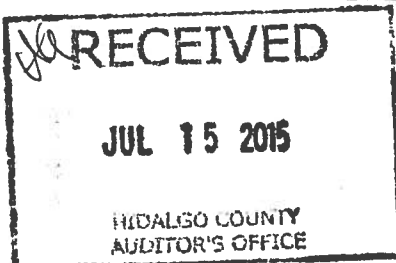
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF JUNE 2015 IS CORRECT.

Pablo (Paul) Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR HIDALGO COUNTY, TEXAS

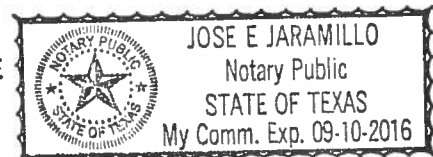


SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JULY 2015 A.D.



Jose E. Jaramillo
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *llc*
DATE: 08/07/15



MI-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 2 TAXES COLLECTED
JUNE 2015
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 2
RD2

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2014/2015	COLLECTED 2013/2014
1981 & PRIOR YRS	61.38	0.09	-	(0.39)	60.90	0.15%	0.00%
TOTALS	61.38	4 M2-3	0.09	4 M2-3	(0.39) 4 M2-3	60.90	4 M2-4

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2015

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- 4 M2-2
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4 M2-2

*****AFFIDAVIT*****

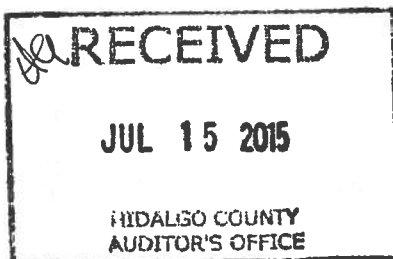
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JUNE 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 2

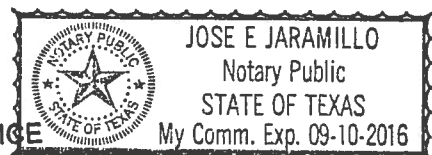


SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JULY 2015 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 07/15/15



PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 5 TAXES COLLECTED
JUNE 2015
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 5
RD5

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2014/2015	COLLECTED 2013/2014
1999 & PRIOR YRS ROLLBACK	9,914.85	649.04	-	(468.82)	8,796.99	6.87%	5.65%
	-	-	-	-	-	0.00%	0.00%
TOTALS	9,914.85	649.04	-	(468.82)	8,796.99		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2015

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	-	- CURRENT
CURRENT YEAR-P&I	-	
PRIOR YEARS-BASE TAX	109.78	PRIOR
PRIOR YEARS-P&I	272.68	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	56.85	
TOTAL COLLECTIONS	439.31	
LESS HCAD COMM REND. PEN.	-	-
LESS TRANSFERRED	59.42	
LESS IN TRANSIT	323.04	
LESS DUE TO DEL TAX ATTY FEES	56.85	
LESS DUE TO CO TREASURER	-	
BALANCE	-	

*****AFFIDAVIT*****

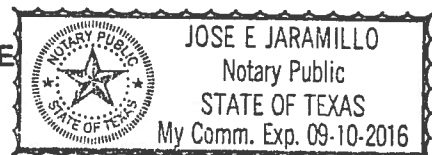
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
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THE MONTH OF JUNE 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 5

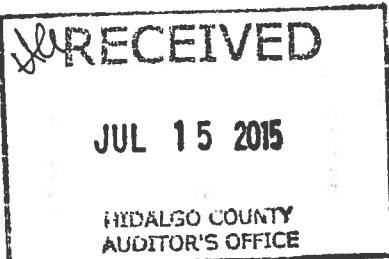


SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JULY 2015 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 08/07/15



M3-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 11 TAXES COLLECTED
JUNE 2015
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 11
RD11

	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2014/2015	COLLECTED 2013/2014
1979 & PRIOR YRS	3.33	-	-	-	3.33	0.00%	0.00%
TOTALS	3.33	4M43	4M43	-	4M43	3.33	4M44

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2015

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- 4M42
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- 4M42

*****AFFIDAVIT*****

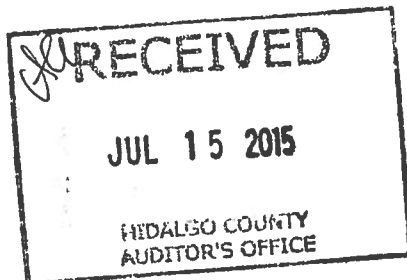
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JUNE 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 11

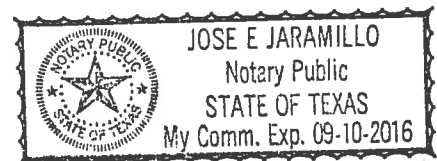


SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JULY 2015 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 08/07/15



M41

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 15 TAXES COLLECTED
JUNE 2015
PBC

8

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 15 RD15	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2014/2015	COLLECTED 2013/2014
1993 & PRIOR YRS ROLLBACK	1,192.72	50.65	-	(227.20)	914.87	5.25%	5.08%
	-	-	-	-	-	0.00%	0.00%
TOTALS	1,192.72 <i>4MS5</i>	50.65 <i>4MS5</i>	-	(227.20) <i>4MS5</i>	914.87 <i>MS6</i> <i>7A</i>		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2015

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- <i>d</i>	- CURRENT
CURRENT YEAR-P&I	- <i>d</i>	
PRIOR YEARS-BASE TAX	30.28 <i>d</i>	- PRIOR
PRIOR YEARS-P&I	107.38 <i>d</i>	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	20.33 <i>d</i>	
TOTAL COLLECTIONS	157.99 <i>d</i>	- <i>dMS6</i>
LESS HCAD COMM REND. PEN.	-	
LESS TRANSFERRED	2.11 <i>dMS2, M1-50</i>	
LESS IN TRANSIT	135.55 <i>dMS2, M1-50</i>	
LESS DUE TO DEL TAX ATTY FEES	20.33 <i>dMS2, M1-48</i>	
LESS DUE TO CO TREASURER	-	
BALANCE	<i>2</i>	

*****AFFIDAVIT*****

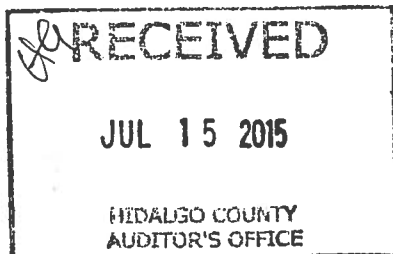
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF JUNE 2015 IS CORRECT.

Pablo (Paul) Villarreal
ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 15

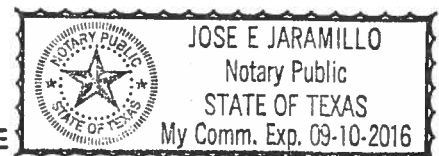


SWORN AND SUBSCRIBED BEFORE ME THIS 9TH DAY OF JULY 2015 A.D.

Jose E. Jaramillo
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *the*
DATE: *8/7/15*



MS-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
STATE DIST TAXES COLLECTED
JUNE 2015
PBC

COMPARATIVE RATE OF COLLECTIONS

STATE DIST TEX	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2014/2015	COLLECTED 2013/2014
1979 & PRIOR YRS	24.77	-	-	-	24.77	0.00%	0.00%
TOTALS	24.77 ~~4M0-3~~	- ~~4M0-3~~	-	- ~~4M0-3~~	24.77 ~~4M0-4~~ +1		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JUNE 2015

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- ~~4M0-4~~
LESS HCAD COMM REND. PEN.	- ~~4M0-2~~
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- ~~4M0-2~~

*****AFFIDAVIT*****

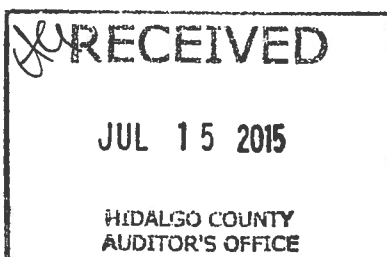
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JUNE 2015 IS CORRECT.

Pablo (Paul) Villarreal Jr.
ASSESSOR-COLLECTOR OF TAXES FOR STATE DIST TAXES

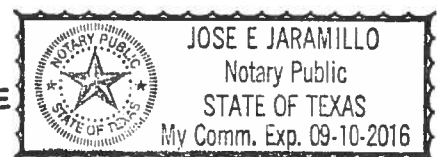


SWORN AND SUBSCRIBED BEFORE ME THIS 8TH DAY OF JULY 2015 A.D.

Jose E. Jaramillo
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *He*
DATE: *08/07/15*



Prepared By: Abigail G. 
Date: 08/24/15

**Hidalgo County Tax Office
Collections Summary
For the Month ended July 31, 2015**

Hidalgo County Tax Collections	2,729,516.05 ✓	M1-1
Hospital District Funding - 4th Quarter	149,431.00 ✓	M1-1
Administrative Fees Collected	13,089.01 ✓	M1-1
Road District # 2 Collections	- ✓	M2-1
Road District # 5 Collections	304.26 ✓	M3-1
Road District # 11 Collections	- ✓	M4-1
Road District # 15 Collections	3.21 ✓	M5-1
State District Collections	- ✓	M6-1
Total Collections	<u>2,892,343.53</u> *八	

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
HIDALGO COUNTY TAXES COLLECTED
JULY 2015
PBC

COMPARATIVE RATE OF COLLECTIONS

HIDALGO COUNTY GHD	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
2015 TAX ROLL	-	-	-	-	-	#DIV/0!	0.00%
2014 & PRIOR YRS ROLLBACK	31,346,653.45 MHO 100,394.43 M-11	1,885,986.68 M-10 26,654.36 M-11	-	(159,372.62) M-10 3,348.35 M-11	29,301,294.15 M-10 77,088.42 M-11	6.05% 25.69%	5.14% 10.44%
TOTALS	31,447,047.88 M-12	1,912,641.04 M-12	-	(156,024.27) M-12	29,378,382.57 M-12		
2014 TAX ROLL	167,256,801.76	160,422,712.74 MHO	-	1,970,912.75 M-10	8,805,001.77 M-10	94.80%	

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JULY 2015

			MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX('14)	1,325,311.90 d M-5		(57,211.73) CURRENT M-10
CURRENT YEAR-P&I	203,537.55 d M-5		
PRIOR YEARS-BASE TAX('13 & Prior)	1,886,986.68 d M-5		(159,372.62) PRIOR M-10
PRIOR YEARS-P&I	533,001.89 d M-5		(102,160.89)
ROLLBACK BASE	26,654.36 d M-6		3,348.35 ROLLBACK M-11
ROLLBACK P&I	80.13 d M-6		
ATTORNEY FEES	283,792.99 d M-9		
HOSPITAL DISTRICT FUNDING	-	132,239.82 d M-21	
HOSPITAL DISTRICT P&I	-	17,191.18 d M-22	
SPECIAL INVENTORY FINE	-	1,678.07 d M-22	
SPECIAL INVENTORY PENALTY	-	7,638.54 d M-24	
TAX CERTIFICATE FEES	-	560.00 d M-26	
SERVICE CHG FEES	-	1,097.90 d M-29	
MISC FEES	-	2,114.50 d M-32	
TOTAL COLLECTIONS	2,729,516.05 d M-9	162,520.01	(156,024.27) M-12
LESS HCAD COMM REND. PEN. (CURR)	261.07 d M-20	76.48 d M-20	
LESS HCAD COMM REND. PEN. (DELQ)	1,628,381.33 d M-2; M-52	149,431.00 d M-44	
LESS TRANSFERRED	816,890.29 d M-2; M-52	13,089.01 d M-50	
LESS IN TRANSIT	283,792.99 d M-2; M-50		
LESS DUE TO DEL TAX ATTY FEES	-		
LESS DUE TO CO TREASURER	-		
LESS COURT ORDER INTEREST	-		
BALANCE	113.89 d M-55		

*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JULY 2015 IS CORRECT.

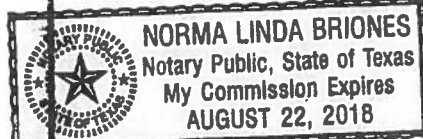
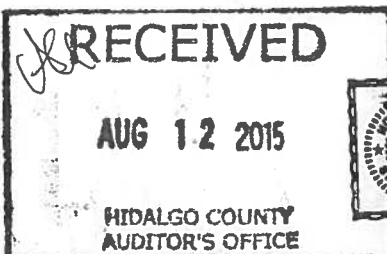
ASSESSOR-COLLECTOR OF TAXES FOR HIDALGO COUNTY, TEXAS

SWORN AND SUBSCRIBED BEFORE ME THIS 7TH DAY OF AUGUST 2015 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS

NORMA LINDA BRIONES
Notary Public, State of Texas
My Commission Expires
AUGUST 22, 2018

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: 
DATE 08/19/15



M-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 2 TAXES COLLECTED
JULY 2015

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 2 RD2	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1981 & PRIOR YRS	60.90	-	-	-	60.90	0.00%	0.00%
TOTALS	60.90	4M2-3	-4M2-3	-	4M2-3 60.90 M24		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JULY 2015

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	-	- CURRENT
CURRENT YEAR-P&I	-	
PRIOR YEARS-BASE TAX	-	- PRIOR
PRIOR YEARS-P&I	-	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	-	
TOTAL COLLECTIONS	-4M2-2	-4M2-4
LESS HCAD COMM REND. PEN.	-	
LESS TRANSFERRED	-	
LESS IN TRANSIT	-	
LESS DUE TO DEL TAX ATTY FEES	-	
LESS DUE TO CO TREASURER	-	
BALANCE	-4M2-2	

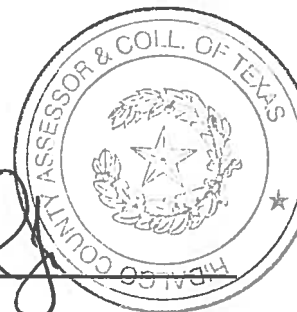
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JULY 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT #2

SWORN AND SUBSCRIBED BEFORE ME THIS 7TH DAY OF AUGUST 2015 A.D.

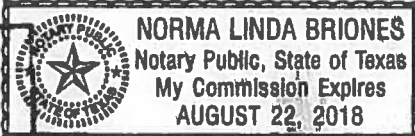
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



RECEIVED

AUG 12 2015

HIDALGO COUNTY
AUDITOR'S OFFICE



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: de
DATE: 08/18/15

len

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 5 TAXES COLLECTED
JULY 2015
PEC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 5 RD5	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1999 & PRIOR YRS ROLLBACK	8,796.99	71.69	-	(103.96)	8,621.34	0.82%	0.44%
	-	-	-	-	-	0.00%	0.00%
TOTALS	8,796.99	71.69	-	(103.96)	8,621.34		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JULY 2015

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- d	- CURRENT
CURRENT YEAR-P&I	- d	
PRIOR YEARS-BASE TAX	71.69d	(103.96) PRIOR M3-8
PRIOR YEARS-P&I	193.67d	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	38.90d	
TOTAL COLLECTIONS	304.26d	(103.96)
LESS HCAD COMM REND. PEN.	-	
LESS TRANSFERRED	114.42d	
LESS IN TRANSIT	150.94d	
LESS DUE TO DEL TAX ATTY FEES	38.90d	
LESS DUE TO CO TREASURER	-	
BALANCE	-	

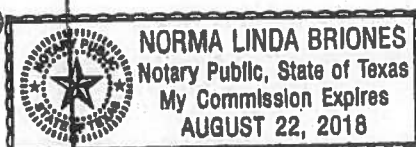
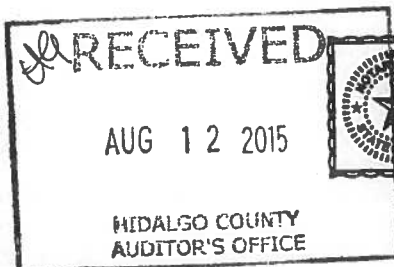
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF JULY 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 5

SWORN AND SUBSCRIBED BEFORE ME THIS 7TH DAY OF AUGUST 2015 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: 
DATE: 08/18/15

M3-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 11 TAXES COLLECTED
JULY 2015
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 11 RD11	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1979 & PRIOR YRS	3.33	-	-	-	3.33	0.00%	0.00%
TOTALS	3.33 ~~4M4-3~~	- ~~4M4-3~~	-	- ~~4M4-3~~	3.33 ~~4M4-4~~ #A		

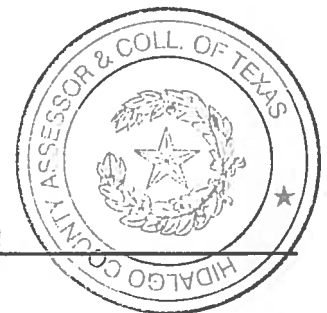
BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JULY 2015

	MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	- CURRENT
CURRENT YEAR-P&I	-
PRIOR YEARS-BASE TAX	- PRIOR
PRIOR YEARS-P&I	-
ROLLBACK BASE	- ROLLBACK
ROLLBACK P&I	-
ATTORNEY FEES	-
TOTAL COLLECTIONS	- ~~4M4-2~~
LESS HCAD COMM REND. PEN.	-
LESS TRANSFERRED	-
LESS IN TRANSIT	-
LESS DUE TO DEL TAX ATTY FEES	-
LESS DUE TO CO TREASURER	-
BALANCE	- ~~4M4-2~~

*****AFFIDAVIT*****

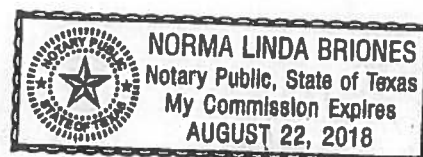
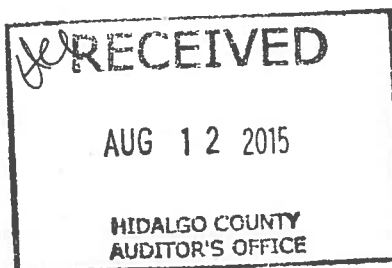
I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JULY 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 11



SWORN AND SUBSCRIBED BEFORE ME THIS 7TH DAY OF AUGUST, 2015 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 08/18/15

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
ROAD DIST # 15 TAXES COLLECTED
JULY 2015
PBC

COMPARATIVE RATE OF COLLECTIONS

ROAD DIST # 15 RD15	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1993 & PRIOR YRS ROLLBACK	914.87 -	0.79 -	- -	(1.96) -	912.12 -	0.09% 0.00%	0.18% 0.00%
TOTALS	914.87 * MS-5	0.79 * MS-5	-	(1.96) * MS-5	912.12 MS-6 #A		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JULY 2015

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	-	- CURRENT
CURRENT YEAR-P&I	- d MS-3	
PRIOR YEARS-BASE TAX	0.79 d	(1.96) PRIOR MS-6
PRIOR YEARS-P&I	2.30 d	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	0.12 d MS-4	
TOTAL COLLECTIONS	3.21 d	(1.96)
LESS HCAD COMM REND. PEN.	-	#A
LESS TRANSFERRED	3.09 d MS-2, MS-5	
LESS IN TRANSIT	- d MS-2, MS-5	
LESS DUE TO DEL TAX ATTY FEES	0.12 d MS-2, MS-5	
LESS DUE TO CO TREASURER	-	
BALANCE	-	

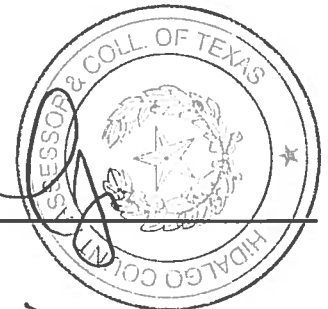
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR THE MONTH OF JULY 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR ROAD DISTRICT # 15

SWORN AND SUBSCRIBED BEFORE ME THIS 7TH DAY OF AUGUST 2015 A.D.

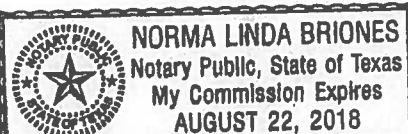
NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



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AUG 12 2015

HIDALGO COUNTY
AUDITOR'S OFFICE



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: GL
DATE: 08/18/15

MS-1

PABLO "PAUL" VILLARREAL JR., ASSESSOR & COLLECTOR
STATE DIST TAXES COLLECTED

JULY 2015

DBC

COMPARATIVE RATE OF COLLECTIONS

STATE DIST TEX	ORIGINAL TAX LEVY	COLLECTED TO DATE	DROPPED YRS AFTER PURGE	MODIF. TO DATE	TAXES OUTSTANDING	PERCENT 2015/2016	COLLECTED 2014/2015
1979 & PRIOR YRS	24.77	-	-	-	24.77	0.00%	0.00%
TOTALS	24.77	4M6-3	4M6-3	-	4M6-3 24.77M6-4 4n		

BREAKDOWN OF TAX COLLECTIONS AND FEES FOR THE MONTH OF JULY 2015

		MONTHLY MODIFICATIONS
CURRENT YEAR-BASE TAX	-	- CURRENT
CURRENT YEAR-P&I	-	
PRIOR YEARS-BASE TAX	-	- PRIOR
PRIOR YEARS-P&I	-	
ROLLBACK BASE	-	- ROLLBACK
ROLLBACK P&I	-	
ATTORNEY FEES	-	
TOTAL COLLECTIONS	- 4M6-2	- 4M6-4
LESS HCAD COMM REND. PEN.	-	
LESS TRANSFERRED	-	
LESS IN TRANSIT	-	
LESS DUE TO DEL TAX ATTY FEES	-	
LESS DUE TO CO TREASURER	-	
BALANCE	- 4M6-2	

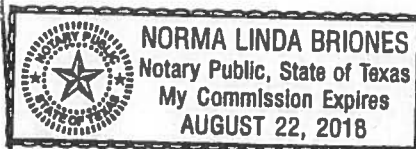
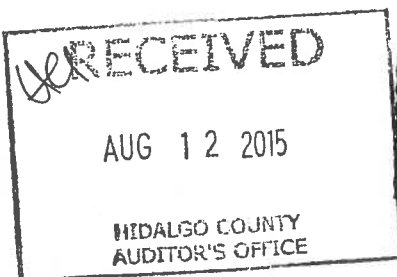
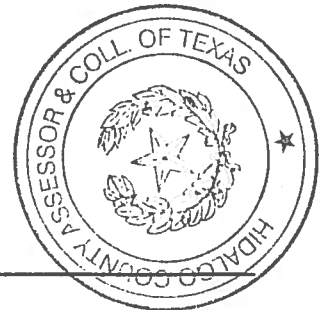
*****AFFIDAVIT*****

I, PABLO "PAUL" VILLARREAL JR., ASSESSOR-COLLECTOR OF TAXES FOR THE HIDALGO COUNTY, DO
SOLEMNLY SWEAR THAT THE ABOVE STATEMENT OF TAXES COLLECTED BY ME FOR
THE MONTH OF JULY 2015 IS CORRECT.

ASSESSOR-COLLECTOR OF TAXES FOR STATE DIST TAXES

SWORN AND SUBSCRIBED BEFORE ME THIS 7TH DAY OF AUGUST, 2015 A.D.

NOTARY PUBLIC, HIDALGO COUNTY, TEXAS



HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: del
DATE: 08/11/15

M6-1

HIDALGO COUNTY, TEXAS
DELTA LAKE PARK, PRECINCT 1
MONTHLY REPORT FOR THE MONTH ENDING
July 2015 *ABC*

DATE	BEGINNING RECEIPT NUMBER	ENDING RECEIPT NUMBER	TOTAL RECEIPTS ISSUED	TOTAL RECEIPT AMOUNT	COUNTY TREASURER			DEPOSIT SLIP NUMBER
					DEPOSIT AMOUNT	DATE OF DEPOSIT	RECEIPT NUMBER	
1 7/1/2015				\$ -	\$ -			211 0
2 7/2/2015				\$ -	\$ -			211 0
3 7/3/2015				\$ -	\$ -			211 0
4 7/4/2015				\$ -	\$ -			211 0
5 7/5/2015 <i>A</i>	312796	<i>A</i> 312854	<i>A</i> 59 <i>A</i>	\$ <i>A</i> 118.00	\$ <i>A</i> 118.00	7/9/2015	<i>A</i> 188743	211 02450 <i>A</i>
6 7/6/2015				\$ -	\$ -			211 0
7 7/7/2015				\$ -	\$ -			211 0
8 7/8/2015				\$ -	\$ -			211 0
9 7/9/2015				\$ -	\$ -			211 0
10 7/10/2015				\$ -	\$ -			211 0
11 7/11/2015				\$ -	\$ -			211 0
12 7/12/2015 <i>A</i>	312855 <i>A</i>	<i>A</i> 312880	<i>A</i> 26 <i>A</i>	\$ <i>A</i> 52.00	\$ <i>A</i> 52.00	7/14/2015	<i>A</i> 188744	211 02451 <i>A</i>
13 7/13/2015				\$ -	\$ -			211 0
14 7/14/2015				\$ -	\$ -			211 0
15 7/15/2015				\$ -	\$ -			211 0
16 7/16/2015				\$ -	\$ -			211 0
17 7/17/2015				\$ -	\$ -			211 0
18 7/18/2015				\$ -	\$ -			211 0
19 7/19/2015 <i>A</i>	312881 <i>A</i>	<i>A</i> 312938	<i>A</i> 58 <i>A</i>	\$ <i>A</i> 116.00	\$ <i>A</i> 116.00	7/22/2015	<i>A</i> 189020	211 02452 <i>A</i>
20 7/20/2015				\$ -	\$ -			211 0
21 7/21/2015				\$ -	\$ -			211 0
22 7/22/2015				\$ -	\$ -			211 0
23 7/23/2015				\$ -	\$ -			211 0
24 7/24/2015				\$ -	\$ -			211 0
25 7/25/2015				\$ -	\$ -			211 0
26 7/26/2015 <i>A</i>	312939 <i>A</i>	<i>A</i> 312981	<i>A</i> 43 <i>A</i>	\$ <i>A</i> 86.00	\$ <i>A</i> 86.00	7/28/2015	<i>A</i> 189022	211 02453 <i>A</i>
27 7/27/2015				\$ -	\$ -			211 0
28 7/28/2015				\$ -	\$ -			211 0
29 7/29/2015				\$ -	\$ -			211 0
30 7/30/2015				\$ -	\$ -			211 0
31 7/31/2015				\$ -	\$ -			211 0
186				\$ <i>A</i> 372.00	\$ 372.00 <i>A</i>			

TOTAL RECEIPTS AND FUNDS COLLECTED:

186

186

x \$2.00

\$ 372.00 *A*

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-347-40-121-000-0-000-----

\$ 372.00

LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND-----

\$ 372.00

TOTAL FUNDS DUE TO THE COUNTY TREASURER-----

\$ - *A* *X133*

PREPARED BY: *Thelma I. Cantu*

DATE: 8/6/15

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

HIDALGO COUNTY AUDITOR'S OFFICE

APPROVED BY: *[Signature]*

DATE: 8/17/15 *2.9/5/15*

8-6-15

DATE

A.C. Cuellar, Jr.

COMMISSIONER PRCT NO. 1

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH.

COUNTY AUDITOR'S FORM: RE-PCT.#1-002 REVISED:7/08

X1

COUNTY HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243

PHONE: (956) 318-2511

FAX: (956) 318-2577

WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 4, 2015

Honorable A.C. Cuellar, Jr.
Hidalgo County Commissioner Pct. No. 1
1902 Joe Stephens Suite 101
Weslaco, Texas 78596

Re: Review of Delta Lake *Monthly Fees Report* and Supporting Documentation
For the month of July 2015

Dear Commissioner Cuellar:

We conducted a limited scope review of the Delta Lake *Monthly Fees Report* and all supporting documentation for the month of July 2015 pursuant to Local Government Code §115.002 (a), and §115.002 (b). The objective of the review was to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported on the *Monthly Fees Report* for the month of July 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes and fee schedules. The following procedures were performed:

- Reviewed the submittal date of the *Monthly Report* and applicable supporting documentation to the County Auditor's Office to determine if the report and applicable supporting documentation were received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Monthly Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Report* by footing and cross-footing the report.
- Reviewed tickets issued to determine if proper fee amounts were collected and reported.
- Verified tickets issued followed a sequential order.
- Verified that procedures for voided tickets were properly followed.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 312ND D.C.

NOE GONZALEZ
JUDGE, 378TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms (Close-Out Report)* to determine whether fees collected were properly accounted & deposited with the County Treasurer on a daily basis.
- Verified that the collections per the *Monthly Report* agreed to total tickets issued and the deposits made with the County Treasurer.
- Verified the *Close-Out Report Forms* and *Monthly Fees Report* were properly completed.

Conclusion:

Total collections for the month of July 2015 were \$372.00. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported; however, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

Observation No. 1:

According to the Delta Lake Park staff, effective July 21, 2012, the park entrance fee from Monday through Saturday is waived. The park entrance fee is only collected on Sundays.

Local Government Code Sec. 316.001(4) states "the commissioners court of a county may set and collect fees for admission to a county park, if approved by a majority of the qualified voters of the county voting on the issue at a referendum election, which the commissioners court may order and hold for that purpose. Local Government Code Sec.316.004 further states that "the commissioners court may set and collect the fees in different amounts or may waive the fees in consideration of the following factors: (1) the time of the day at which or the day of the week on which a facility or service is used; (2) the size of a group wishing to use a facility or service; (3) the special circumstances of certain classes of persons, including elderly persons and indigent persons; or (4) other factors that the court considers to justify a different fee or the waiver of a fee".

Commissioner's Court approval to waive the park entrance fee was not obtained.

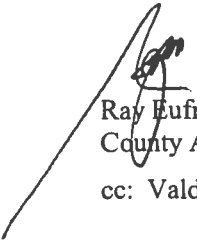
Recommendation:

Commissioners Court approval to waive the park entrance fee should be obtained.

Please provide a written management response to the observation noted above by September 24, 2015.

If you should have any questions or would like to schedule a meeting to discuss this report, please do not hesitate to call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,



Ray Eufracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

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JUDGE, 93RD D.C.

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JUDGE, 388TH D.C.

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JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

pbc

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF RECPTS AND DEPOSITS FOR THE MONTH OF: _____
PRECINCT 2, SANITATION PROGRAM

Jun-15

	Receipt Date	Receipt # Sequence		Total Collected	Credit Card Amount (Direct Deposit)	LONE STAR NATIONAL BANK			COUNTY TREASURER			OVER/ (SHORT)	
		BEG #	END #			Deposit Amount	Date of Deposit	Deposit Slip Number	Receipt Date	Receipt Number	Diff on Dates		
1	1-Jun	222-01332	222-01336	\$ 4125.00	\$ -	\$ 4125.00	6/1/2015	222	00108	6/3/2015	4187200	-2	\$ -
2	2-Jun	222-01337	222-01341	\$ 4250.00	\$ 4100.00	\$ 4150.00	6/2/2015	222	00109	6/3/2015	4187201	-1	\$ -
3	3-Jun	222-01342	222-01351	\$ 4275.00	\$ 475.00	\$ 4200.00	6/3/2015	222	00110	6/4/2015	4187265	-1	\$ -
4	4-Jun	222-01352	222-01356	\$ 4125.00	\$ -	\$ 4125.00	6/4/2015	222	00111	6/8/2015	4187394	-4	\$ -
5	5-Jun	222-01357	222-01364	\$ 4275.00	\$ 450.00	\$ 4225.00	6/5/2015	222	00112	6/8/2015	4187395	-3	\$ -
6	6-Jun	CLOSED						222				0	\$ -
7	7-Jun	CLOSED						222				0	\$ -
8	8-Jun	222-01365	222-01376	\$ 4350.00	\$ 475.00	\$ 4275.00	6/8/2015	222	00113	6/11/2015	4187523	-3	\$ -
9	9-Jun	222-01377	222-01389	\$ 4400.00	\$ 4100.00	\$ 4300.00	6/9/2015	222	00114	6/12/2015	4187576	-3	\$ -
10	10-Jun	222-01390	222-01394	\$ 4150.00	\$ -	\$ 4150.00	6/10/2015	222	00115	6/12/2015	4187577	-2	\$ -
11	11-Jun	222-01395	222-01397	\$ 475.00	\$ -	\$ 475.00	6/11/2015	222	00116	6/15/2015	4187633	-4	\$ -
12	12-Jun	222-01398	222-01404	\$ 4200.00	\$ -	\$ 4200.00	6/12/2015	222	00117	6/17/2015	4187720	-5	\$ -
13	13-Jun	CLOSED						222				0	\$ -
14	14-Jun	CLOSED						222				0	\$ -
15	15-Jun	222-01405	222-01413	\$ 4200.00	\$ 450.00	\$ 4150.00	6/15/2015	222	00118	6/19/2015	4187839	-4	\$ -
16	16-Jun	222-01414	222-01425	\$ 4325.00	\$ 450.00	\$ 4275.00	6/16/2015	222	00119	6/19/2015	4187840	-3	\$ -
17	17-Jun	222-01426	222-01429	\$ 4125.00	\$ -	\$ 4125.00	6/17/2015	222	00120	6/19/2015	4187841	-2	\$ -
18	18-Jun	222-01430	222-01434	\$ 4225.00	\$ -	\$ 4225.00	6/18/2015	222	00121	6/19/2015	4187842	-1	\$ -
19	19-Jun	222-01435	222-01436	\$ 475.00	\$ -	\$ 475.00	6/19/2015	222	00122	6/22/2015	4187877	-3	\$ -
20	20-Jun	CLOSED						222				0	\$ -
21	21-Jun	CLOSED						222				0	\$ -
22	22-Jun	222-01437	222-01440	\$ 4100.00	\$ -	\$ 4100.00	6/22/2015	222	00123	6/26/2015	4188000	-4	\$ -
23	23-Jun	222-01441	222-01450	\$ 4275.00	\$ 425.00	\$ 4250.00	6/23/2015	222	00124	6/29/2015	4188058	-6	\$ -
24	24-Jun	222-01451	222-01453	\$ 4175.00	\$ 4100.00	\$ 475.00	6/24/2015	222	00125	6/29/2015	4188062	-5	\$ -
	25-Jun	222-01454	222-01459	\$ 4225.00	\$ 425.00	\$ 4200.00	6/25/2015	222	00126	6/29/2015	4188079	-4	\$ -
	26-Jun	222-01460	22201463	\$ 4225.00	\$ 4100.00	\$ 4125.00	6/26/2015	222	00127	6/29/2015	4188096	-3	\$ -
26	27-Jun	CLOSED						222				0	\$ -
27	28-Jun	CLOSED						222				0	\$ -
29	29-Jun	222-01464	222-01471	\$ 4200.00	\$ 425.00	\$ 4175.00	6/29/2015	222	00128	7/2/2015	4188209	-3	\$ -
30	30-Jun	222-01472	222-01479	\$ 4250.00	\$ -	\$ 4250.00	6/30/2015	222	00129	7/2/2015	4188214	-2	\$ -
31	1-Jul							222				0	\$ -

TOTALS \$ 4,625.00 \$ 775.00 \$ 3,850.00

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-122-000-0-000-----	\$	\$ 4,625.00
LESS: TOTAL AMOUNT REMITTED TO GENERAL FUND (DIRECT DEPOSIT)-----	\$	\$ 775.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER-----	\$	\$ 3,850.00

PREPARED BY:

Belenia Martinez

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Erika Zamora
APPROVED BY

1-10-15
DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH

COUNTY AUDITOR'S FORM RE-PCT 2-005 REVISED 12/2014

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *Bene*
DATE: *07/15* *08/2015*

COUNTY HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 24, 2015

The Honorable Eduardo Cantu
Hidalgo County Commissioner Pct. No. 2
300 W. Hall Acres Suite G
Pharr, Texas 78577

Re: Review of the Precinct 2 Sanitation Program *Monthly Fees Report* and Supporting Documentation
For the month of June 2015

Dear Commissioner Cantu:

We conducted a limited scope review of the Precinct 2 Sanitation Program *Monthly Fees Report* and all supporting documentation for the month June 2015 pursuant to Local Government Code §115.002 (a), and §115.002 (b). The objective of the review was to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported on the *Monthly Fees Report* for the month of June 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes and fee schedules. The following procedures were performed:

- Reviewed the submittal dates of the *Monthly Fees Report* and applicable supporting documentation to the County Auditor's Office to determine if the reports and applicable supporting documentation were received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Monthly Fees Report* to ensure that the reports were signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts and permits issued followed a sequential order.
- Verified that procedures for voided receipts and voided permits were properly followed.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE 92ND D C

RODOLFO DELGADO
JUDGE 93RD D C

J R "BOBBY" FLORES
JUDGE 139TH D C

ROSE GUERRA REYNA
JUDGE 206TH D C

JUAN R. PARTIDA
JUDGE 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C
OVERSEER

LETICIA LOPEZ
JUDGE 389TH D C

ADA SALINAS FLORES
JUDGE 398TH D C

ISRAEL RAMON, JR.
JUDGE 430TH D C

JESSE CONTRERAS
JUDGE 449TH D C

- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms (Close-Out Report)* to determine whether fees collected were properly accounted & deposited with the financial institution on a daily basis.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer and the financial institution.
- Verified the *Close-Out Report Forms* and *Monthly Fees Report* were properly completed.

Conclusion:

Total collections for the month of June 2015 were \$4,625.00. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported; however, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

Observation No. 1:

We noted that void receipts were not properly authorized. The following was not documented on the face of the void receipt: supervisor's signature of approval, explanation for void, and the date the receipt was voided. According to staff, they were not aware that the information noted above needed to be documented on the face of the receipt.

The County Auditor's Office requires that the cashier obtain approval by a supervisor prior to voiding the receipt. The supervisor must sign and date the void receipt to document responsibility for verifying that the receipt is marked void, contain an explanation for the void, and the date the receipt was void. If a new receipt is issued, the voided receipt number and the new receipt number should be cross-referenced. The void receipt must be submitted to the Auditor's Office.

Failure to ensure that void receipts are properly authorized may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that void receipts are properly authorized. At a minimum, the procedures noted above should be implemented.

Please submit a management response to the observation noted above by September 18, 2015.

If you should have any questions or would like to schedule a meeting to discuss this report, please do not hesitate to call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,



Ray Enfracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

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JUDGE, 398TH D C

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JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

pbc

**COUNTY OF HIDALGO, TEXAS
SWIMMING POOL, PRECINCT 2
MONTHLY REPORT FOR THE MONTH ENDING: JUNE 30, 2015**

Receipt	Ticket #			Total	ADULT		CHILDREN		BODY BOARD		COUNTY TREASURER			DEPOSIT SLIP	OVER/	
	Sequence		HOW		FEE	HOW	FEE	HOW	FEE	Deposit	Date of	Receipt				
	Date	BEG #											END #			Collected
1	1-Jun	CLOSED	CLOSED			\$ -		\$ -		-						\$ -
2	2-Jun	CLOSED	CLOSED			\$ -		\$ -		\$0.00						\$ -
3	3-Jun	1515 ✓	1515 ✓	\$ 5.50	4 3	\$ 3.00	4 5	\$ 2.50	0	-	\$ 5.50	06/04/15	187365	221 00527 ✓		\$ -
4	4-Jun	1516 ✓	1524 ✓	\$ 21.00	9	\$ 9.00	16	\$ 8.00	4	\$ 4.00	\$ 21.00	06/05/15	187456	221 00528 ✓		\$ -
5	5-Jun	1525 ✓	1538 ✓	\$ 22.00	9	\$ 9.00	14	\$ 7.00	6	\$ 6.00	\$ 22.00	06/08/15	187595	221 00529 ✓		\$ -
6	6-Jun	1539 ✓	1558 ✓	\$ 44.00	19	\$ 19.00	22	\$ 11.00	14	\$ 14.00	\$ 44.00	06/08/15	187596	221 00530 ✓		\$ -
7	7-Jun	1559 ✓	1597 ✓	\$ 65.00	35	\$ 35.00	28	\$ 14.00	16	\$ 16.00	\$ 65.00	06/08/15	187597	221 00531 ✓		\$ -
8	8-Jun	CLOSED	CLOSED			\$ -		\$ -								\$ -
9	9-Jun	1598 ✓	1610 ✓	\$ 28.00	19	\$ 19.00	12	\$ 6.00	3	\$ 3.00	\$ 28.00	06/10/15	187598	221 00532 ✓		\$ -
10	10-Jun	1611 ✓	1619 ✓	\$ 23.00	12	\$ 12.00	12	\$ 6.00	5	\$ 5.00	\$ 23.00	06/11/15	187599	221 00533 ✓		\$ -
11	11-Jun	1620 ✓	1630 ✓	\$ 31.50	15	\$ 15.00	23	\$ 11.50	5	\$ 5.00	\$ 31.50	06/12/15	187828	221 00534 ✓		\$ -
	12-Jun	1631 ✓	1637 ✓	\$ 14.50	13	\$ 13.00	3	\$ 1.50	0	\$ 0.00	\$ 14.50	06/15/15	187829	221 00535 ✓		\$ -
13	13-Jun	1638 ✓	1644 ✓	\$ 17.50	8	\$ 8.00	13	\$ 6.50	3	\$ 3.00	\$ 17.50	06/15/15	187830	221 00536 ✓		\$ -
14	14-Jun	1645 ✓	1647 ✓	\$ 7.50	4	\$ 4.00	7	\$ 3.50	0	-	\$ 7.50	06/15/15	187831	221 00537 ✓		\$ -
15	15-Jun	CLOSED	CLOSED			\$ -		\$ -		-						\$ -
16	16-Jun	1648 ✓	1655 ✓	\$ 21.50	14	\$ 14.00	7	\$ 3.50	4	\$ 4.00	\$ 21.50	06/17/15	187832	221 00538 ✓		\$ -
17	17-Jun	1656 ✓	1665 ✓	\$ 27.50	13	\$ 13.00	11	\$ 5.50	9	\$ 9.00	\$ 27.50	06/18/15	187833	221 00539 ✓		\$ -
18	18-Jun	1666 ✓	1666 ✓	\$ 1.00	1	\$ 1.00	0	\$ -	0	\$ 0.00	\$ 1.00	06/19/15	187918	221 00540 ✓		\$ -
19	19-Jun	1667 ✓	1670 ✓	\$ 10.00	8	\$ 8.00	4	\$ 2.00	0	\$ 0.00	\$ 10.00	06/22/15	188055	221 00541 ✓		\$ -
20	20-Jun	1671 ✓	1687 ✓	\$ 45.50	26	\$ 26.00	17	\$ 8.50	11	\$ 11.00	\$ 45.50	06/22/15	188057	221 00542 ✓		\$ -
21	21-Jun	0 ✓	0 ✓	\$ -	0	\$ -	0	\$ -	0	-	\$ -			221		\$ -
22	22-Jun	CLOSED	CLOSED			\$ -		\$ -		-						\$ -
23	23-Jun	1688 ✓	1688 ✓	\$ 2.50	2	\$ 2.00	1	\$ 0.50	0	\$ 0.00	\$ 2.50	06/24/15	188438	221 00543 ✓		\$ -
24	24-Jun	1689 ✓	1694 ✓	\$ 25.00	11	\$ 11.00	12	\$ 6.00	8	\$ 8.00	\$ 25.00	06/25/15	188439	221 00544 ✓		\$ -
25	25-Jun	1695 ✓	1698 ✓	\$ 11.50	9	\$ 9.00	3	\$ 1.50	1	\$ 1.00	\$ 11.50	06/26/15	188440	221 00545 ✓		\$ -
26	26-Jun	1699 ✓	1711 ✓	\$ 31.50	18	\$ 18.00	13	\$ 6.50	7	\$ 7.00	\$ 31.50	06/29/15	188441	221 00546 ✓		\$ -
26	27-Jun	1712 ✓	1727 ✓	\$ 43.00	25	\$ 25.00	18	\$ 9.00	9	\$ 9.00	\$ 43.00	07/01/15	188442	221 00547 ✓		\$ -
27	28-Jun	1728 ✓	1733 ✓	\$ 22.50	15	\$ 15.00	9	\$ 4.50	3	\$ 3.00	\$ 22.50	07/01/15	188445	221 00548 ✓		\$ -
29	29-Jun	CLOSED	CLOSED			\$ -		\$ -		\$0.00						\$ -
30	30-Jun	1734 ✓	1744 ✓	\$ 29.50	6	\$ 6.00	17	\$ 8.50	15	\$ 15.00	\$ 29.50	07/01/15	188446	221 00549 ✓		\$ -
31						\$ -		\$ -								\$ -
TOTAL				\$ 550.50	294	\$ 294.00	267	\$ 133.50	123	\$ 123.00	\$ 550.50					\$

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-347-40-122-000-0-000-----
 LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND-----
 TOTAL FUNDS DUE TO THE COUNTY TREASURER-----

\$ 550.50 ✓
 \$ 550.50 ✓
 \$ -

PREPARED BY: Araceli Soria

DATE: 7/13/15

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Eduardo "Edie" Cantu
 Eduardo "Edie" Cantu
 COMMISSIONER PRCT NO. 2

7/13/15
 DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH.

CO-AUDITOR'S FORM RE-PCT #2-002 REVISED: 6/13/11

HIDALGO COUNTY AUDITOR'S OFFICE
 APPROVED BY: Bruce
 DATE: 8/12/15

XI

**COUNTY OF HIDALGO, TEXAS
SWIMMING POOL, PRECINCT 2
MONTHLY REPORT FOR THE MONTH ENDING: JULY 31, 2015**

pbc

	Receipt Date	Ticket #		Total Collected	ADULT		CHILDREN		BODY BOARD		COUNTY TREASURER			DEPOSIT SLIP		OVER/ (SHORT)
		Sequence			HOW MANY?	FEE (\$1)	HOW MANY?	FEE (\$0.50)	HOW MANY?	FEE (\$1)	Deposit Amount	Date of Deposit	Receipt Number	NUMBER		
		BEG #	END #													
1	1-Jul	✓	closed			\$ -		\$ -		-				221		\$ -
2	2-Jul	✓	✓1745	✓1748	✓5	\$ 5.00	✓6	\$ 3.00	✓3	\$3.00	\$11.00	07/03/15	✓188496	221	00550	\$ -
3	3-Jul	✓	✓1749	✓1750	✓5	\$ 5.00	✓2	\$ 1.00	✓2	\$2.00	\$ 8.00	07/06/15	✓188497	221	00551	\$ -
4	4-Jul	✓	✓1751	✓1756	✓10	\$ 10.00	✓10	\$ 5.00	✓5	\$5.00	\$20.00	07/06/15	✓188498	221	00552	\$ -
5	5-Jul	✓	✓1757	✓1766	✓9	\$ 9.00	✓11	\$ 5.50	✓3	\$3.00	\$17.50	07/06/15	✓188499	221	00553	\$ -
6	6-Jul	closed	✓			\$ -		\$ -		\$0.00				221		\$ -
7	7-Jul	✓	✓1767	✓1776	✓5	\$ 5.00	✓11	\$ 5.50	✓9	\$9.00	\$19.50	07/08/15	✓188511	221	00554	\$ -
8	8-Jul	✓	✓1777	✓1789	✓17	\$ 17.00	✓14	\$ 7.00	✓8	\$8.00	\$29.00	07/09/15	✓188512	221	00555	\$ (3.00)
9	9-Jul	✓	✓1790	✓1795	✓4	\$ 4.00	✓8	\$ 4.00	✓6	\$6.00	\$14.00	07/10/15	✓188515	221	00556	\$ -
10	10-Jul	✓	✓1796	✓1802	✓9	\$ 9.00	✓17	\$ 8.50	✓2	\$2.00	\$19.50	07/13/15	✓188517	221	00557	\$ -
11	11-Jul	✓	✓1803	✓1813	✓15	\$ 15.00	✓12	\$ 6.00	✓4	\$4.00	\$25.00	07/13/15	✓188518	221	00558	\$ -
	12-Jul	✓	✓1814	✓1832	✓35	\$ 35.00	✓23	\$ 11.50	✓4	\$4.00	\$50.50	07/13/15	✓188520	221	00559	\$ -
13	13-Jul	closed	✓			\$ -		\$ -		-						\$ -
14	14-Jul	✓	✓1833	✓1840	✓8	\$ 8.00	✓16	\$ 8.00	✓3	\$3.00	\$19.00	07/15/15	✓188615	221	00560	\$ -
15	15-Jul	✓	✓1841	✓1846	✓9	\$ 9.00	✓5	\$ 2.50	✓4	\$4.00	\$15.50	07/16/15	✓188858	221	00561	\$ -
16	16-Jul	✓	✓1847	✓1854	✓14	\$ 14.00	✓12	\$ 6.00	✓9	\$9.00	\$29.00	07/17/15	✓188861	221	00562	\$ -
17	17-Jul	✓	✓1855	✓1870	✓18	\$ 18.00	✓29	\$ 14.50	✓13	\$13.00	\$45.50	07/20/15	✓188862	221	00563	\$ -
18	18-Jul	✓	✓1871	✓1877	✓8	\$ 8.00	✓10	\$ 5.00	✓3	\$3.00	\$16.00	07/20/15	✓188863	221	00564	\$ -
19	19-Jul	✓	✓1878	✓1893	✓21	\$ 21.00	✓20	\$ 10.00	✓6	\$6.00	\$37.00	07/20/15	✓188864	221	00565	\$ -
20	20-Jul	closed	✓			\$ -		\$ -		-						\$ -
21	21-Jul	✓	✓1894	✓1894	✓2	\$ 2.00	✓2	\$ 1.00	0	\$0.00	\$ 3.00	07/22/15	✓188865	221	00566	\$ -
22	22-Jul	closed	✓			\$ -		\$ -		-						\$ -
23	23-Jul	✓	✓1895	✓1895	✓2	\$ 2.00	✓3	\$ 1.50	0	\$0.00	\$ 3.50	07/24/15	✓189118	221	00568	\$ -
24	24-Jul	✓	✓1896	✓1904	✓11	\$ 11.00	✓14	\$ 7.00	✓3	\$3.00	\$21.00	07/27/15	✓189119	221	00567	\$ -
25	25-Jul	✓	✓1905	✓1911	✓7	\$ 7.00	✓12	\$ 6.00	✓4	\$4.00	\$17.00	07/29/15	✓189120	221	00569	\$ -
26	26-Jul	✓	✓1916	✓1923	✓9	\$ 9.00	✓7	\$ 3.50	✓2	\$2.00	\$14.50	07/29/15	✓189121	221	00570	\$ -
26	27-Jul	closed	✓			\$ -		\$ -		-						\$ -
27	28-Jul	✓	✓1924	✓1927	✓5	\$ 5.00	✓3	\$ 1.50	0	-	\$ 6.50	07/29/15	✓189122	221	00571	\$ -
29	29-Jul	✓	✓1928	✓1931	✓9	\$ 9.00	✓3	\$ 1.50	✓1	\$1.00	\$11.50	07/30/15	✓189235	221	00572	\$ -
30	30-Jul	✓	✓1932	✓1934	✓8	\$ 8.00	✓3	\$ 1.50	0	\$0.00	\$ 9.50	07/31/15	✓189236	221	00573	\$ -
31	31-Jul	✓	✓1935	✓1939	✓6	\$ 6.00	✓10	\$ 5.00	✓1	\$1.00	\$12.00	08/03/15	✓189237	221	00574	\$ -
TOTAL				\$ 477.50	251	\$ 251.00	263	\$ 131.50	95	\$ 95.00	\$ 474.50	X29				\$ (3.00)

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-347-40-122-000-0-000-----	\$ 477.50
LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND-----	\$ 474.50
TOTAL FUNDS DUE TO THE COUNTY TREASURER-----	\$ 3.00

PREPARED BY: Angel Serrano

DATE: 8/6/15

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

Eduardo Zamora
Eduardo "Eddie" Cantu
COMMISSIONER PRCT NO. 2

8/12/15
DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH

AUDITOR'S FORM RE-PCT #2-002 REVISED 6/13/11

HIDALGO COUNTY AUDITOR'S OFFICE

APPROVED BY: Bmo

DATE: 8/12/15

VI

POC

**COUNTY OF HIDALGO, TEXAS
SWIMMING POOL, PRECINCT 2
MONTHLY REPORT FOR THE MONTH ENDING: Aug 31, 2015**

Receipt Date	Ticket # Sequence		Total Collected	ADULT		CHILDREN		BODY BOARD		COUNTY TREASURER			DEPOSIT SLIP NUMBER	OVER/ (SHORT)
	BEG #	END #		HOW MANY?	FEE (\$1)	HOW MANY?	FEE (\$0.50)	HOW MANY?	FEE (\$1)	Deposit Amount	Date of Deposit	Receipt Number		
1-1-Aug	1940	1951	\$ 22.00	10	\$ 10.00	14	\$ 7.00	5	\$ 5.00	\$ 22.00	08/03/15	189238	221 00575	\$ -
2													221	\$ -
3													221	\$ -
4													221	\$ -
5													221	\$ -
6													221	\$ -
7													221	\$ -
8													221	\$ -
9													221	\$ -
10													221	\$ -
11													221	\$ -
12													221	\$ -
13													221	\$ -
14													221	\$ -
15													221	\$ -
16													221	\$ -
17													221	\$ -
18													221	\$ -
19													221	\$ -
20													221	\$ -
21													221	\$ -
22													221	\$ -
23													221	\$ -
24													221	\$ -
25													221	\$ -
26													221	\$ -
26													221	\$ -
27													221	\$ -
28													221	\$ -
29													221	\$ -
30													221	\$ -
31													221	\$ -
\$ 22.00				10	\$ 10.00	14	\$ 7.00	5	\$ 5.00	\$ 22.00				\$ -
				1	1	1	1	1	1	1				\$ -

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-347-40-122-000-0-000-----	\$ 22.00
LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND-----	\$ 22.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER-----	\$ -

PREPARED BY: Angel Sere

DATE: 8/6/15

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Eduardo Zamora
Eduardo "Eddie" Cantu
COMMISSIONER PCT. NO. 2

8/12/15
DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH.

COUNTY AUDITOR'S FORM RE-PCT #2-002 REVISED 6/13/11

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: Bao
DATE: 8/19/15

Y1

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 24, 2015

The Honorable Eduardo Cantu
Hidalgo County Commissioner Pct. No. 2
300 W. Hall Acres, Suite G
Pharr, Texas 78577

Ref: Review of Monthly Fees Reports and Supporting Documentation
For the month of June 2015, July 2015, and August 2015

Dear Commissioner Cantu:

We conducted a limited scope review of the Precinct 2 Swimming Pool Monthly Fees Reports and all supporting documentation for the months of June 2015, July 2015, and August 2015 pursuant to Local Government Code §115.002(a) and (b). The objectives of the review were to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by the Precinct No. 2 Swimming Pool on the Monthly Fees Reports for the months of June 2015, July 2015, and August 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Methodology:

In planning and performing our review, we reviewed applicable statutes and fee schedules. The following procedures were performed:

- Verified tickets issued (i.e., adult/children entrance fees and body board rental fees) followed sequential order.
- Reviewed *Cashier's Daily Close-Out Report/ Daily Remittance Forms* (Close-Out Report) to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth business day after the day on which the funds were received.
- Verified that the collections per the *Monthly Fee Reports* agreed to total tickets issued and the deposits made with the County Treasurer.
- Reviewed the submittal dates of the *Monthly Fees Reports* to the County Auditor's Office to determine if the reports had been received in a timely manner.
- Reviewed Close-Out Reports and *Monthly Fees Reports* to verify proper completion.

Conclusion:

Total collections for the months of June 2015, July 2015, and August 2015 were \$550.50, \$477.50, and \$22.00,

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D C

AIDA SALINAS FLORES
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

respectively. Based on the results of our review, we have concluded that fees collected were not properly accounted and reported as noted below.

Observation No. 1:

Collections for July 8, 2015 were short by \$3.00 (receipts totaled \$32.00 while deposits totaled \$29.00). In addition, the shortage was not accounted and reported on the July 8, 2015 Close-Out Report. Total receipts were recorded as \$29.00 instead of \$32.00 on *Part I Recap of Receipts* of the Close-Out Report. According to the Administrative Assistant IV, the variance was noted when a review of Close-Out Reports was conducted at the end of the month; however, the reason for the shortage could not be identified since the cashier was no longer employed by the department.

The County Auditor Office requires that the Close-Out Report be properly prepared and reviewed. The following procedures should be performed when preparing the Close-Out Report:

- a. The cashier must count the money and record the appropriate amounts on *Part II Cash on Hand by Actual Count*.
- b. The witness must total the actual receipts issued for the day and record the total and beginning and ending receipt numbers on *Part I Recap of Receipts*.
- c. The witness must confirm that the amount recorded by the cashier on *Part II Cash on Hand by Actual Count* agrees to the receipts issued and the change fund, if any. Any variances must be noted on the *Comments Section* with a detailed explanation.
- d. Both the cashier and the witness must verify that the Close-Out Report is completed in its entirety. Both the cashier and witness must sign under *Part III Acknowledgment and Approval* to document their responsibility for this verification.
- e. The witness must enter the deposit slip number, the total amount to be deposited, and the general ledger account number to which the funds should be credited on *Part IV Summary of Deposits*.
- f. After the deposit has been made in accordance with the procedures under Section G, the County official or his/her designee must verify that the total amount on the County Treasures receipt agrees to the total amount to be deposited on the Close-Out Report. The County official or his/her designee must sign under *Part III Acknowledgment and Approval* to document responsibility for this verification.
- g. The County official or his/her designee must sign and date the Close-Out Report under *Part III Acknowledgment and Approval* to document responsibility for reviewing and approving the Close-Out Report.

Recommendation:

Management should ensure that procedures for preparing the Close-Out Report are properly implemented. In addition, the \$3.00 shortage should be immediately replenished and deposited with the County Treasurer.

Observation No. 2:

The June 2015 *Monthly Fees Report* was submitted to the County Auditor's Office 31 days late. According to staff, they thought the *Monthly Fees Report* had been submitted until they were they were notified by the County Auditor's Office that the report had not been received.

The County Auditor's Office requires that departments submit monthly reports by the 5th day following the end of the month.

Failure to ensure the *Monthly Fees Report* is submitted to the County Auditor's Office by the 5th day following the end of the month may result in the improper accounting of revenues.

Recommendation:

Management should ensure that *Monthly Fees Report* no later than the fifth day following the end of the month.

Please provide written management responses to the observations noted above by September 18, 2015. If you should have any questions please do not hesitate to contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651 or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,


Ray Eufrazio, CPA
County Auditor

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
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JUDGE, 398TH D.C.

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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

HIDALGO COUNTY, TEXAS
ANZALDUAS PARK, PRECINCT 3
MONTHLY REPORT FOR THE MONTH ENDING
July 4 2015

PBC

DATE	BEGINNING RECEIPT NUMBER	ENDING RECEIPT NUMBER	TOTAL RECEIPTS ISSUED	TOTAL RECEIPT AMOUNT	COUNTY TREASURER			DEPOSIT SLIP NUMBER
					DEPOSIT AMOUNT	DATE OF DEPOSIT	RECEIPT NUMBER	
1 7/1/2015								231
2 7/2/2015								231
3 7/3/2015								231
4 7/4/2015 ✓	375565	375612	48	\$ 192.00	\$ 192.00	7/4/2015	188282	231 009094
5 7/5/2015 ✓	375613	375680	68	\$ 272.00	\$ 272.00	7/5/2015	188283	231 009104
6 7/6/2015								231
7 7/7/2015								231
7 7/8/2015								231
9 7/9/2015								231
10 7/10/2015								231
11 7/11/2015 ✓	375681	375707	27	\$ 108.00	\$ 108.00	7/11/2015	188481	231 009114
12 7/12/2015 ✓	375708	375754	47	\$ 188.00	\$ 188.00	7/12/2015	188482	231 009124
13 7/13/2015								231
14 7/14/2015								231
15 7/15/2015								231
16 7/16/2015								231
17 7/17/2015								231
18 7/18/2015 ✓	375755	375813	59	\$ 236.00	\$ 236.00	7/18/2015	188816	231 009134
19 7/19/2015 ✓	375814	376085	272	\$ 1,088.00	\$ 1,088.00	7/19/2015	188819	231 009144
20 7/20/2015								231
21 7/21/2015								231
22 7/22/2015								231
23 7/23/2015								231
24 7/24/2015								231
25 7/25/2015 ✓	376086	376152	67	\$ 268.00	\$ 268.00	7/25/2015	188899	231 009154
26 7/26/2015 ✓	376153	376200	48	\$ 192.00	\$ 192.00	7/26/2015	188901	231 009164
27 7/27/2015								231
28 7/28/2015								231
29 7/29/2015								231
30 7/30/2015								231
31 7/31/2015								231

2,544.00
~~2,544.00~~ x \$4.00 = \$2,544.00

TOTAL AMOUNT DUE TO GENERAL FUND—1100-347-40-123-000-0-000—	\$ 2,544.00
LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND—	\$2,544.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER—	

PREPARED BY: Gerardo Flores

Date: 7/27/2015

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Jose M. Flores
 JOSE M. FLORES
 COMMISSIONER PRCT NO. 3

7/29/15
 DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH.
 COUNTY AUDITOR'S FORM: RE-PCT.#3-001 REVISED:9/5/05

HIDALGO COUNTY AUDITOR'S OFFICE
 APPROVED BY: *[Signature]*
 DATE: *8/11/15*

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HIDALGO COUNTY, TEXAS
ANZALDUAS PARK, PRECINCT 3
MONTHLY REPORT FOR THE MONTH ENDING
August 2015

pbc

DATE	BEGINNING RECEIPT NUMBER	ENDING RECEIPT NUMBER	TOTAL RECEIPTS ISSUED	TOTAL RECEIPT AMOUNT	COUNTY TREASURER			DEPOSIT SLIP NUMBER
					DEPOSIT AMOUNT	DATE OF DEPOSIT	RECEIPT NUMBER	
1 8/1/2015 ✓	376201	376245	45	\$180.00	\$180.00	8/1/2015	189207	231 00917
2 8/2/2015 ✓	376246	376283	38	\$152.00	\$152.00	8/2/2015	189208	231 00919
3 8/3/2015								231
4 8/4/2015								231
5 8/5/2015								231
6 8/6/2015								231
7 8/7/2015								231
7 8/8/2015 ✓	376284	376318	35	\$140.00	\$140.00	8/8/2015	189454	231 00920
9 8/9/2015 ✓	376319	376355	37	\$148.00	\$148.00	8/9/2015	189455	231 00921
10 8/10/2015								231
11 8/11/2015								231
12 8/12/2015								231
13 8/13/2015								231
14 8/14/2015								231
15 8/15/2015 ✓	376356	376375	20	\$80.00	\$80.00	8/15/2015	189659	231 00922
16 8/16/2015 ✓	376376	376418	43	\$172.00	\$172.00	8/16/2015	189661	231 00923
17 8/17/2015								231
18 8/18/2015								231
19 8/19/2015								231
20 8/20/2015								231
21 8/21/2015								231
22 8/22/2015 ✓	376419	376470	52	\$208.00	\$208.00	8/22/2015	189812	231 00924
23 8/23/2015 ✓	376471	376519	49	\$196.00	\$196.00	8/23/2015	189813	231 00925
24 8/24/2015								231
25 8/25/2015								231
26 8/26/2015								231
27 8/27/2015								231
28 8/28/2015								231
29 8/29/2015 ✓	376520	376561	42	\$168.00	\$168.00	8/29/2015	189982	231 00926
30 8/30/2015 ✓	376562	376612	51	\$204.00	\$204.00	8/30/2015	189985	231 00927
31 8/31/2015								231

1,648.00
\$1,648.00
412 x \$4.00

\$1,648.00

TOTAL AMOUNT DUE TO GENERAL FUND—1100-347-40-123-000-0-000—	\$ 1,648.00
LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND—	\$1,648.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER—	

PREPARED BY: Gerardo Flores

Date: 8/31/2015

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Jose M. Flores

JOSE M. FLORES
COMMISSIONER PRCT NO. 3

8/31/15
DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH.

COUNTY AUDITOR'S FORM: RE-PCT.#3-001 REVISED:9/5/05

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 9/3/15 9/4/15

X1

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 4, 2015

The Honorable Jose M. Flores, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle Rd.
Mission, Texas 78572

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the months of July 2015 and August 2015

Dear Commissioner Flores:

We conducted a review of the Anzalduas Park *Monthly Fees Report* and supporting documentation for the months of July 2015 and August 2015 in accordance with Local Government Code §115.002(a) and (b). The objective of the review was to determine whether collections were properly accounted and reported.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Reports* for the months of July 2015 and August 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes, the *Monthly Fees Reports*, and fee schedules. The following procedures were performed:

- Reviewed the submittal dates of the *Monthly Fees Reports* to the County Auditor's Office to determine if the report and applicable supporting documentation were received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Monthly Fees Reports* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Reports* by footing and cross-footing the reports.
- Reviewed tickets issued to determine if proper fee amounts were collected and reported.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 200TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

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JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

- Verified tickets issued followed a sequential order.
- Verified that procedures for voided tickets were properly followed.
- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth business day after the day on which the funds were received pursuant to Local Government Code §113.022.
- Verified that the collections per the *Monthly Fees Reports* agreed to total tickets issued and the deposits made with the County Treasurer.
- Reviewed receipts issued, *Cashier's Daily Close-Out Reports/Daily Remittance Forms*, and *Monthly Fees Reports* to verify proper completion.

Conclusion:

Total collections for the months of July 2015 and August 2015 were \$2,544.00 and \$1,648.00, respectively. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported; however, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

Observation No. 1:

A \$4.00 park entrance fee is collected from vehicles entering the Anzalduas Park on Saturdays and Sundays. Commissioners Court approved to increase the park entrance fee from \$2.00 to \$4.00 on March 23, 1993. A review of the County's financial records indicated that a park entrance fee has been collected since at least 1992. Commissioners Court may set and approve park entrance fees if approved by a majority of qualified voters through a referendum election; however, evidence that a referendum election was conducted was not provided. According to the Anzalduas Park staff, they were not aware if and when a referendum election was held to approve the collection of the park entrance fee.

In addition, according to staff, the park entrance fee is waived under certain circumstances. For example, the park entrance fee is only collected on weekends and waived on weekdays. The park entrance fee is also waived from vehicles entering the park after the *Daily Close-Out Report* and deposit cut-off time of 4:30 p.m. In addition, the park entrance fee is waived from County employees and law enforcement personnel upon presentment of a County or law enforcement identification card. Although Commissioners Court may waive the collection of the park entrance fee under certain circumstances, evidence of a Commissioners Court waiver policy was not provided. According to the Anzalduas Park staff, a waiver policy will be presented to Commissioners Court.

Local Government Code §316.001(4) states that "the commissioners court of a county may set and collect fees for admission to a county park, if approved by a majority of the qualified voters of the county voting on the issue at a referendum election, which the commissioners court may order and hold for that purpose." Local Government Code §316.004 further states that "the commissioners court may set and collect the fees in different amounts or may waive the fees in consideration of the following factors: (1) the time of the day at which or the day of the week on which a facility or service is used; (2) the size of a group wishing to use a facility or service; (3) the special circumstances of certain classes of persons, including elderly persons and indigent persons; or (4) other factors that the court considers to justify a different fee or the waiver of a fee."

The County Auditor's Office requires that all departments continue to collect and receipt after the established cut-off time. Any collections receipted after the cut-off time can be safeguarded overnight until they are deposited the next business day with the next business day's collections.

Formal procedures have not been developed and implemented to ensure that park entrance fees are properly collected. Failure to properly collect the park entrance fees may result in the loss of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

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JUDGE, 138TH D.C.

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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

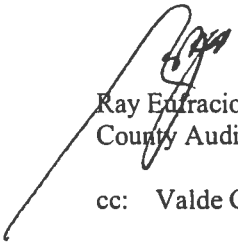
Recommendation:

Management should develop and implement formal procedures to ensure that park entrance fees are properly collected. Evidence that a referendum election was conducted and evidence authorizing the collection and waiver of the fee should be obtained. In addition, the park entrance fee should continue to be collected after the cut-off time as required by the *Cash Handling Guidelines and Procedures*.

Please provide a written management response to the observation noted above by September 24, 2015.

If you should have any questions, please do not hesitate to call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,



Ray Estracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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OVERSEER

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ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF RECIPITS AND DEPOSITS FOR THE MONTH OF:
PRECINCT 4, SANITATION PROGRAM

Jul-15

Receipt Date	Receipt # Sequence		Total Collected	Credit Card Amount (Direct Deposit)	LONE STAR NATIONAL BANK			COUNTY TREASURER			OVER/ (SHORT)
	BEG #	END #			Deposit Amount	Date of Deposit	Deposit Slip Number	Receipt Date	Receipt Number	Diff on Dates	
1	✓ 1-Jul	242-07657	242-07683	\$ 4 825.00	\$ 4 225.00	\$ 4 600.00	7/1/2015	242	131	-9	\$ -
2	✓ 2-Jul	242-07684	242-07724	\$ 1,125.00	\$ 4 350.00	\$ 4 775.00	7/2/2015	242	132	-8	\$ -
3	3-Jul	HOLIDAY								0	\$ -
4	4-Jul	SAT								0	\$ -
5	5-Jul	SUN								0	\$ -
6	✓ 6-Jul	242-07725	242-07847	\$ 3,850.00	\$ 4 1,025.00	\$ 2,825.00	7/6/2015	242	133	-4	\$ -
7	✓ 7-Jul	242-07848	242-07906	\$ 1,825.00	\$ 4 150.00	\$ 1,675.00	7/7/2015	242	134	-6	\$ -
8	✓ 8-Jul	242-07907	242-07948	\$ 1,250.00	\$ 4 300.00	\$ 950.00	7/8/2015	242	135	-7	\$ -
9	✓ 9-Jul	242-07949	242-07990	\$ 1,325.00	\$ 4 175.00	\$ 1,150.00	7/9/2015	242	136	-6	\$ -
10	✓ 10-Jul	242-07991	242-08058	\$ 2,150.00	\$ 4 475.00	\$ 1,675.00	7/10/2015	242	137	-5	\$ -
11	11-Jul	SAT								0	\$ -
12	12-Jul	SUN								0	\$ -
13	✓ 13-Jul	242-08059	242-08134	\$ 2,375.00	\$ 4 500.00	\$ 1,875.00	7/13/2015	242	138	-2	\$ -
14	✓ 14-Jul	242-08135	242-08178	\$ 1,275.00	\$ 4 200.00	\$ 1,075.00	7/14/2015	242	139	-1	\$ -
15	✓ 15-Jul	242-08179	242-08220	\$ 1,225.00	\$ 4 225.00	\$ 1,000.00	7/15/2015	242	140	-1	\$ -
16	✓ 16-Jul	242-08221	242-08251	\$ 925.00	\$ 4 50.00	\$ 875.00	7/16/2015	242	141	-4	\$ -
17	✓ 17-Jul	242-08252	242-08307	\$ 1,650.00	\$ 4 375.00	\$ 1,275.00	7/17/2015	242	142	-5	\$ -
18	18-Jul	SAT								0	\$ -
19	19-Jul	SUN								0	\$ -
20	✓ 20-Jul	242-08308	242-08375	\$ 2,025.00	\$ 4 500.00	\$ 1,525.00	7/20/2015	242	143	-2	\$ -
21	✓ 21-Jul	242-08376	242-08415	\$ 1,250.00	\$ 4 225.00	\$ 1,025.00	7/21/2015	242	144	-3	\$ -
22	✓ 22-Jul	242-08416	242-08460	\$ 1,275.00	\$ 4 275.00	\$ 1,000.00	7/22/2015	242	145	-6	\$ -
23	✓ 23-Jul	242-08461	242-08486	\$ 725.00	\$ 4 150.00	\$ 575.00	7/23/2015	242	146	-5	\$ -
24	✓ 24-Jul	242-08487	242-08531	\$ 1,400.00	\$ 4 300.00	\$ 1,100.00	7/24/2015	242	147	-4	\$ -
25	25-Jul	SAT								0	\$ -
26	26-Jul	SUN								0	\$ -
26	✓ 27-Jul	242-08532	242-08592	\$ 1,975.00	\$ 4 500.00	\$ 1,475.00	7/27/2015	242	148	-2	\$ -
27	✓ 28-Jul	242-08593	242-08620	\$ 975.00	\$ 4 100.00	\$ 875.00	7/28/2015	242	149	-1	\$ -
29	✓ 29-Jul	242-08621	242-08646	\$ 850.00	\$ 4 175.00	\$ 675.00	7/29/2015	242	150	-2	\$ -
30	✓ 30-Jul	242-08647	242-08675	\$ 875.00	\$ 4 125.00	\$ 750.00	7/30/2015	242	151	-4	\$ -
31	✓ 31-Jul	242-08676	242-08726	\$ 1,650.00	\$ 4 175.00	\$ 1,475.00	7/31/2015	242	152	-3	\$ -
TOTALS			\$ 32,800.00	\$ 6,575.00	\$ 26,225.00						\$

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-124-000-0-000-----	\$ 32,800.00
LESS: TOTAL AMOUNT REMITTED TO GENERAL FUND (DIRECT DEPOSIT)-----	\$ 6,575.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER-----	\$ 26,225.00

PREPARED BY:

THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

APPROVED BY

DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) WORKING DAY OF THE FOLLOWING MONTH.

AUDITOR'S FORM RE-PCT 4-002 REVISED 12/2014

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: *[Signature]*
DATE: 8/20/15

COUNTY *of* HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 4, 2015

The Honorable Joseph Palacios
Commissioner Hidalgo County Precinct No. 4
1051 N. Doolittle Rd.
Edinburg, Texas 78542

Re: Review of the Precinct 4 Sanitation Program *Monthly Fees Report* and Supporting Documentation
For the month of July 2015

Dear Commissioner Palacios:

We conducted a limited scope review of the Precinct 4 Sanitation Program *Monthly Fees Report* and all supporting documentation for the month of July 2015 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported on the *Monthly Fees Report* for the month of July 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes, the *Monthly Fees Report*, and fee schedules. The following procedures were performed:

- Reviewed the submittal dates of the *Monthly Fees Report* to the County Auditor's Office to determine if the reports were received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signatures on the *Monthly Fees Report* to ensure that the reports were signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts and permits issued followed a sequential order.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 138TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

- Verified that procedures for voided receipts and voided permits were properly followed.
- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms (Close-Out Report)* to determine whether fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts issued, *Cashier's Daily Close-Out Report/ Daily Remittance Forms, and Monthly Fees Report* to verify proper completion.

Conclusion:

Total collections for the month of July 2015 were \$32,800.00. Based on the results of our review, we have concluded that fees collected were properly accounted and reported.

If you should have any questions, please do not hesitate to call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 312ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

Constable Celestino Avila Jr. Monthly Report

For the Month Ending July 2015 *pbc*

Date	Plaintiff	Defendant	Receipt #	Cause #	Type of Service	In/Out County	Court	Treasurer #	Amount Due
Tuesday, July 07, 2015	Max Fine Furniture	Laura Garza	C1-2015-106	SC15-133JM	Small Claims	In County	Justice Clerk	188869	\$75.00
Tuesday, July 07, 2015	Max Fine Furniture	Francisco Bravo	C1-2015-107	SC15-131JM	Small Claims	In County	Justice Clerk	188869	\$75.00
Tuesday, July 07, 2015	Max Fine Furniture	Orfalinda Castillo	C1-2015-108	SC15-132JM	Small Claims	In County	Justice Clerk	188869	\$75.00
Tuesday, July 14, 2015	Thierry Transports	Elk A-Z Logistics (not served)	C1-2015-109	16118	Small Claims	In County	Justice Clerk	188872	\$75.00
Thursday, July 16, 2015	Maria Alicia Salinas	Maria Magdalena Hernandez	C1-2015-110	SC15-143JM	Small Claims	In County	Justice Clerk	188873	\$75.00
Monday, July 20, 2015	Rolando Arturo Rivera	Clarissa Yareli Grimaldo	C1-2015-111	C-0224430	Citation OAG	Out of County	District Clerk	188874	\$75.00
Monday, July 20, 2015	Alejandro Deleon Jr.	Veronica Deleon	C1-2015-112	2015-515,411	Petition Divorce	Out of County	District Clerk	188874	\$75.00
Wednesday, July 29, 2015	Lidia Bridges	Veronica Cardenas	C1-2015-113	SC81150125	Small Claims	Out of County	Justice Clerk	189293	\$75.00
Wednesday, July 29, 2015	Aranda Iron works, Inc.	Circo Hermanos Vasquez Sandra Espana	C1-2015-114	16173	Small Claims	Out of County	Justice Clerk	189293	\$75.00

Grand Total

\$675.00

HIDALGO COUNTY AUDITOR'S OFFICE

APPROVED BY: *Bmo*

DATE: *8/3/15*

Tuesday, August 18, 2015

Page 1 of 1



This report has been personally reviewed by me and which I certify to be true and correct to the best of my knowledge
 Approved by: *[Signature]* Prepared by: *[Signature]*
 Constable, Precinct 11 Administrative Assistant 11



COUNTY HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 4, 2015

The Honorable Celestino Avila
Hidalgo County Constable Precinct No. 1
1902 Joe Stephens Blvd. Suite 303
Weslaco, TX 78596

Re: Review of the *Monthly Fees Report* and Supporting Documentation
For the month of July 2015

Dear Constable Avila:

We have conducted a limited scope review of the Constable Precinct No. 1 *Monthly Fees Report* and supporting documentation for the month of July 2015 pursuant to Local Government Code §115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Fees Report* for the month of July 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes and fee schedules. The following procedures were performed:

- Reviewed the submittal date of the *Monthly Fees Report* to the County Auditor's Office to determine if the report and supporting documentation were received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Monthly Fees Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts issued followed a sequential order.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 138TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

- Verified that procedures for voided receipts were properly followed.
- Reviewed the *Cashier's Daily Close-Out Report/Daily Remittance Form* to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds were received.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts issued, *Cashier's Daily Close-Out Report/Daily Remittance Forms*, and *Monthly Fees Report* to verify proper completion.

Conclusion:

Total collections for the month of July 2015 were \$675.00. Based on the results of our review, we have concluded that generally fees collected were properly accounted and reported.

If you should have any questions, please do not hesitate to contact Letty Chavez, Compliance Audit Supervisor at 318-2511 ext. 4651 or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 138TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 378TH D.C.
PRESIDENT

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

CONSTABLE MARTIN CANTU MONTHLY REPORT

For the Month Ending July 31, 2015

DATE	PLAINTIFF'S NAME	DEPENDANT'S NAME	RECEIPT NUMBER	CAUSE NUMBER	TYPE OF SERVICE				Justice Clerk	County Clerk	District Clerk	Other	Const Sale	TREASURER RECEIPT	AMOUNTS DUE TO COUNTY
					OUT OF COUNTY (OC)	IN-COUNTY (IC)	OC	IC							
7/2/2015	David Trujillo	International Bank	9572-2	CL-15-1671-F	Writ of Garnishment		X		X					188344	\$80.00
N/A	skipped	N/A	9573-2	N/A	N/A									N/A	N/A
N/A	skipped	N/A	9574-2	N/A	N/A									N/A	N/A
7/10/2015	Carole Sue Brennan	Mercedes Benz Financial	9575-2	SC2845	Civil claims		X		X					1883491	\$75.00
7/13/2015	Jesse P. Parisano	Arnoldo Rivera	9576-2	JSC3-1608	Small claims		X		X					188492	\$75.00
7/14/2015	Kam Leveraged Growth	THE STAR NATIONAL BANK	9577-2	2015-CI-10935	Writ of Garnishment X2		X		X		X			188584	\$160.00
7/21/2015	Alberto Torres Rosales	Ruth Gonzalez	9578-2	2015-DR-7080	Summons		X		X					188825	\$75.00
7/22/2015	McAllen ISD	Alfredo Marroquin	9579-2	T-2518-14-E	Tax Warrant				X		X			188856	\$200.00
7/29/2015	Mercer Medical L.L.C.	Maswoswe Alternative Pharmacy	9580-2	DC7528	Writ of Execution		X		X					189135	\$200.00
7/29/2015	Mahi Granite Private Limited	Regio Tile Inc.	9581-2	2015-07531	Writ of Execution		X		X		X			189135	\$200.00
7/30/2015	Stephanie & Chris Gonzalez	Erika Salinas & Marcos Salinas	9582-2	SC2740	Writ of Execution		X		X					189159	\$200.00
7/30/2015	PSJA, ISD	Evangelina Rodriguez	9583-2	T-591-08-F	Levy, Deed & Notice, order of sale		X		X		X			189159	\$270.00
7/30/2015	Edinburg, ISD	Norma Padilla	9584-2	T-1260-11-F	Levy, Deed & Notice, order of sale		X		X		X			189159	\$270.00
7/30/2015	Edinburg, ISD	Norma Padilla	9585-2	T-1260-11-F	Levy, Deed & Notice, order of sale		X		X		X			189159	\$270.00
7/30/2015	Weslaco, ISD	Pedro Zapata	9586-2	T-108-11-F	Levy, Deed & Notice, order of sale		X		X		X			189159	\$270.00
														Page Total	\$2,345.00
														Grand Total	\$2,345.00

This report has been personally reviewed by me and which I certify to be true and correct to the best of my knowledge.

Approved by:

Constable, Precinct 2

Note: The order of sale and levy were not entered into odyssey, because service was rendered on August 4, 2014.

Unable to log on to Odyssey. Odyssey is not working, due to scheduled system maintenance.

Revised: 1/13

County Auditor's Form AS-C-002

CONSTABLE MARTIN CANTU MONTHLY REPORT

For the Month Ending July 31, 2015

DATE	PLAINTIFF'S NAME	DEFENDANT'S NAME	RECEIPT NUMBER	CAUSE NUMBER	TYPE OF SERVICE		Justice Clerk	County Clerk	District Clerk	Other	Const Sale	TREASURER RECEIPT	AMOUNTS DUE TO COUNTY
					OUT OF COUNTY (OC)/ IN-COUNTY (IC)	OUT OF COUNTY (OC)/ IN-COUNTY (IC)							
7/30/2015	PSJA, ISD	R.E. Ortiz	9587-2	T-1055-10-I	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189159	\$270.00
7/30/2015	Edcouch, Elsa ISD, STC	Debra Thomas	9588-2	T-1334-10-C	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189159	\$270.00
7/31/2015	PSJA ISD & STC	Juan Alaniz	9589-2	T-1243-12-I	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Andres Montalvo	9590-2	T-1232-12-F	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Jesus Salinas Jr.	9591-2	T-2598-12-F	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Antonio C. Soto	9592-2	T-198-11-A	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Manuel Silva	9593-2	T-203-11-C	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Armandina Reyes	9594-2	T-290-09-C	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Braulio Hernandez	9595-2	T-0691-13-J	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Cesar Alvarado	9596-2	T-2560-12-C	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Javier Rodriguez	9597-2	T-1226-12-F	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Felipe Alaniz	9598-2	T-1902-12-F	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	PSJA ISD & STC	Irineo Ortega	9599-2	T-2657-12-J	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	EDINBURG ISD & STC	Esteban Olivo	9600-2	T-1774-12-B	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	Edinburg, Cisd & STC	Eugenio Garza	9601-2	T-674-10-F	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
7/31/2015	EDINBURG ISD	Carlos Pena	9602-2	T-2523-12-J	Levy, Deed & Notice, Order of sale	Levy, Deed & Notice, Order of sale	X		X			189226	\$270.00
Grand Total													\$4,320.00
Grand Total													\$6,665.00

This report has been personally reviewed by me and which I certify to be true and correct to the best of my knowledge.

Approved by:

Constable, Precinct 2

Note: The order of sale and levy were not entered into odyssey, because service was rendered on August 4, 2014.

Unable to log on to Odyssey. Odyssey is not working, due to scheduled system maintenance.

Revised: 1/13

Prepared by:

AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE
DATE: 10/27/15

COUNTY OF HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 4, 2015

The Honorable Martin Cantu
Hidalgo County Constable, Precinct 2
300 W. Hall Acres, Ste. E
Pharr, TX 78577

Ref: Review of *Monthly Fees Report* and Supporting Documentation
For the month of July 2015

Dear Constable Cantu:

We have conducted a limited scope review of the Constable Precinct 2 *Monthly Fees Report* and supporting documentation for the month of July 2015 pursuant to Local Government Code § 115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Fees Report* for the month of July 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes and fee schedules. The following are some of the procedures performed:

- Reviewed the submittal date of the *Monthly Fees Report* to the County Auditor's Office to determine if the report and supporting documentation were received within five days after the last day of the month pursuant to Local Government Code § 114.001 (b).
- Verified the signature on the *Monthly Fees Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the reports.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts issued followed a sequential order.
- Verified that procedures for voided receipts were properly followed.
- Reviewed *Cashier's Daily Close-Out Report/Daily Remittance Form* to determine whether fees collected were properly accounted and deposited with the County Treasurer in a timely manner.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 378TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts, *Cashier's Daily Close-Out Report/Daily Remittance Form*, and *Monthly Fees Report* to verify proper completion.

Conclusion:

Total collections for the month of July 2015 were \$6,665.00. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported.

If you should have any questions, please do not hesitate to contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651 or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

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JUDGE, 449TH D.C.

COUNTY OF HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 4, 2015

The Honorable Lazaro Gallardo
Hidalgo County Constable Precinct No. 3
730 N. Breyfogle Ste. B
Mission, TX 78573

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the month of July 2015

Dear Constable Gallardo:

We have conducted a limited scope review of the Constable Precinct No. 3 *Monthly Fees Report* and supporting documentation for the month of July 2015 pursuant to Local Government Code §115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine whether fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Fees Report* for the month of July 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes, the *Monthly Fees Report*, and fee schedules. The following procedures were performed:

- Reviewed the submittal date of the *Monthly Fees Report* to the County Auditor's Office to determine if the report was received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Monthly Fees Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts issued followed a sequential order.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

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JUDGE, 204TH D.C.

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JUDGE, 275TH D.C.

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JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

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JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Honorable Lazaro Gallardo

September 4, 2015

Page 2 of 2

- Verified that procedures for voided receipts were properly followed.
- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer in a timely manner.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts issued, *Cashier's Daily Close-Out Reports/Daily Remittance Forms*, and *Monthly Fees Report* to verify proper completion.

Conclusion:

Total collections for the month of July 2015 were \$875.00. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported.

If you should have any questions, please do not hesitate to contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651 or Arcy B. Duran, CPA, Director of Audit, at ext. 4645.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

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JUDGE, 206TH D.C.

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JUDGE, 396TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

For the Month Ending July 2015

✓ sex ✓

Approved by:

Prepared by: Mayla Munoz

Revised: 3/01

County Auditor's Form AS-C-002

Page 1 of 1

HIDALGO COUNTY AUDITOR'S OFFICE

APPROVED BY: Bmb
DATE: 8/21/15

XV

RECEIVED For the Month Ending August 2015

COUNTY AUDITOR

[illegible]

This report has been personally reviewed by me and I hereby certify to be true and correct to the best of my knowledge.

Prepared by:

Nayla Munoz

County Auditor's Form AS-C-002

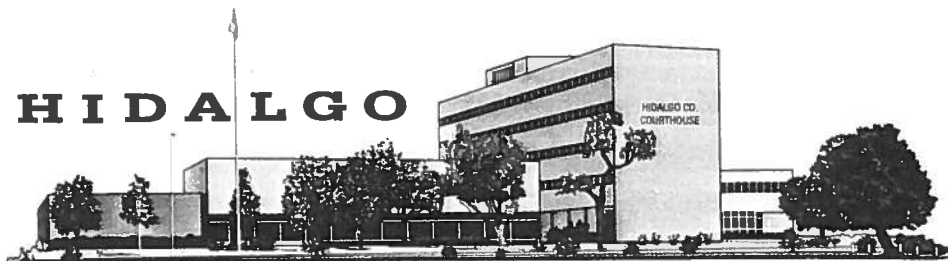
Revised: 3/01

HIDALGO COUNTY AUDITOR'S OFFICE

APPROVED BY: Kono
DATE: 9/3/15 9/4/15

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

September 4, 2015

The Honorable Atanacio Gaitan Jr.
Hidalgo County Constable Precinct No. 4
2814 S. Business Highway 281
Edinburg, TX 78539

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the months of July 2015 and August 2015

Dear Constable Gaitan:

We have conducted a limited scope review of the Constable Precinct 4 *Monthly Fees Reports* and supporting documentation for the months of July 2015 and August 2015 pursuant to Local Government Code §115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine if fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by the Constable Precinct 4 Office on the *Monthly Fees Reports* for the months of July 2015 and August 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Methodology:

In planning and performing our review, we reviewed applicable statutes, the *Monthly Fees Reports*, and fee schedules. The following procedures were performed:

- Reviewed the submittal dates of the *Monthly Fees Reports* to the County Auditor's Office to determine if the report and supporting documentation were received within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified the signature on the *Monthly Fees Reports* to ensure that the reports were signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Reports* by footing and cross-footing the reports.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts issued followed a sequential order.
- Verified that procedures for voided receipts were properly followed.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 131TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 273TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds were received.
- Verified that the collections per the *Monthly Fees Reports* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts issued, *Cashier's Daily Close-Out Reports/Daily Remittance Forms*, and *Monthly Fees Reports* to verify proper completion.

Conclusion:

Total collections for the months of July 2015 and August 2015 were \$360.00 and \$155.00, respectively. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported.

If you should have any questions, please do not hesitate to contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 138TH D.C.

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JUDGE, 448TH D.C.

COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

August 10, 2015

The Honorable A.C. Cuellar, Jr., Commissioner
Hidalgo County Precinct No. 1
1902 Joe Stephens Suite 101
Weslaco, Texas 78599

Ref: Cash Count
Report No. 2015-40

Dear Commissioner Cuellar:

We conducted a surprise cash count of the cash held at the Weslaco Sanitation office on June 4, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$501.70. Based on the results of our review, we have concluded that generally total cash on hand did reconcile to the total receipts issued up to the time of the cash count and the approved change fund of \$100.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted that procedures for issuing manual receipts require improvement as noted below:

- Manual receipts were not issued in sequential order;
- Used manual receipts were not submitted to the County Auditor's Office. We noted that in some instances, all copies of the manual receipts were removed from the receipt book. Staff was not able to locate the receipts;

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

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JUDGE, 139TH D C

ROSE GUERRA REYNA
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AIDA SALINAS FLORES
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

- Each manual receipt and corresponding computer-generated receipt were not cross-referenced; and
- A log to record the sequence of official form issued, date issued, to whom issued, and date returned was not maintained. In addition, no one was responsible for periodically accounting for all unissued receipts.

According to staff, the collection of sanitation fees was recently implemented; therefore, staff is getting adjusted to the collection procedures.

The "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office set the minimum requirements necessary for ensuring adequate internal controls and the safeguarding of public funds. Pursuant to the "Cash Handling Guidelines and Procedures," the following procedures must be implemented when using manual receipts:

- Manual receipts must be issued in sequential order.
- Manual receipts should be ordered in triplicate. The first copy of the receipt must be issued to the payer, the second copy must be retained by the department, and the third copy must be submitted to the County Auditor's Office.
- When a department with a computerized receipting system uses manual receipts, those manual receipts must be entered into the computerized receipting system as soon as possible, but in no event later than the next business day after the computerized receipting system is operational. Each manual receipt and corresponding computer-generated receipt should be cross-referenced.
- Departments should designate an employee responsible for maintaining custody of unissued official forms in a secure place. Access to the secure place must be limited to as few employees as possible. A log must be used to record the sequence of official forms issued, date issued, to whom issued, and date returned. This log should be reviewed periodically to account for all official forms.

Failure to ensure that procedures for issuing manual receipts are properly followed may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that procedures for issuing manual receipts are properly followed. At a minimum, the procedures noted above should be implemented. In addition, management should re-train staff regarding the "Cash Handling Guidelines and Procedures" to ensure that staff is aware of the procedures for issuing manual receipts.

Observation No. 2:

We noted that security cameras were not utilized where cash is receipted and safeguarded. According to staff, security cameras have not been purchased due to budgetary constraints.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency.

Failure to properly utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should contact the Department of Budget and Management to request their assistance in obtaining funding for the purchase of security cameras.

Observation No. 3:

We noted that an employee comingled personal funds with the County funds maintained in the cash box. The employee was immediately informed that personal change should not be maintained in the cash box.

The County Auditor's Office requires that cash boxes only be used to safeguard County collections. Employee's personal funds should never be comingled with County funds.

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 92ND D C

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JUDGE, 139TH D C

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JUDGE, 266TH D C

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JUDGE, 275TH D C

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ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

Failure to ensure that personal funds are not comingled with County funds may result in the loss of County revenues.

Recommendation:

Management should ensure that employees do not comingle personal funds with County funds.

Observation No. 4:

We noted that cashiers issue receipts prior to receiving payment. According to staff, consequently, receipts have been voided on several instances when customers did not have sufficient funds to pay for the permit.

Payments must be received and currency and coins must be counted in front of the customer prior to issuing a receipt.

Failure to ensure that payment is received prior to issuing receipts may result in the loss of County funds.

Recommendation:

Management should ensure that payments are received and currency and coins counted in front of the customer prior to issuing a receipt.

Observation No. 5:

We noted that procedures for voiding receipts were not followed. According to staff, they were not aware of the procedures for voiding receipts.

Pursuant to the "Cash Handling Guidelines and Procedures," if a cashier makes an error, the receipt must be voided and the following procedures must be followed:

- a. The cashier must obtain approval by his/her supervisor prior to voiding the receipt.
- b. The supervisor must sign and date the voided receipt to document responsibility for verifying that all copies of the receipt are marked "VOID" on the face of the receipt, contain an explanation for the void, and contain the date the receipt was voided.
- c. If a new receipt is issued, the voided receipt must be securely attached together and submitted to the Auditor's Office.
- d. Computer access controls to void receipts should be limited to supervisors.

Recommendation:

Management should implement formal monitoring procedures to ensure receipts are properly voided. In addition, management should require staff to periodically read the Cash Handling Guidelines to ensure that they are aware of the procedures for handling voided receipts.

Observation No. 6:

We noted that cashiers are not required to request identification from the payer when a debit or credit card is presented as payment. According to staff, they were not aware that they needed to request identification to verify that the debit or credit card belonged to the payer.

The County Auditor's Office requires that the cashier request identification from the payer when a debit or credit card is presented as payment. The identification is required to verify that the card belongs to the payer.

Failure to ensure that cashier request identification from the payer when a debit or credit card is presented for payment may result in the loss of County funds.

Recommendation:

Management should ensure that cashiers request identification from the payer when a debit or credit card is presented for payment.

Please provide written management responses to the observations noted above by August 28, 2015.

In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions and provide a copy to the County Auditor's Office by August 28, 2015. These procedures should include, at a minimum, the following:

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

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OVERSEER

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JUDGE, 389TH D C

AIDA SALINAS FLORES
JUDGE, 398TH D C

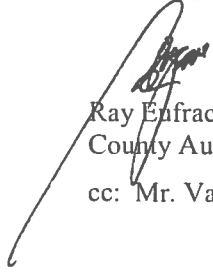
ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Ricardo Nunez, Internal Auditor I, at (956) 318-2511, ext. 4644, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Enfracio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

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JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

COUNTY OF HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 20, 2015

The Honorable A.C. Cuellar, Jr., Commissioner
Hidalgo County Precinct No. 1
1902 Joe Stephens Suite 101
Weslaco, TX 78596

Re: Cash Count
Report No. 2015-42

Dear Commissioner Cuellar:

We conducted a surprise cash count of the cash held at the Delta Lake Park on June 7, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$56.00. Based on the results of our review, we have concluded that total cash on hand did not reconcile to the total receipts issued up to the time of the cash count and the approved change fund of \$100.00 (see observation number 1). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

The County Auditor's staff initially only accounted for \$50.00 of the \$100.00 change fund. According to the cashier, only \$50.00 were issued to her for change fund purposes by management and that the remaining \$50.00 were being safeguarded at the Commissioners Precinct 1 Office. Therefore, we went to the

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

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OVERSEER

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JUDGE, 449TH D.C.

Commissioner Precinct 1 Office to inquire with management regarding the remaining \$50.00 change fund. According to management, the remaining \$50.00 were not maintained at the Commissioner Precinct 1 Office. Management contacted the cashier, who then stated that the change fund was maintained at the Delta Lake main office and not the Commissioners Precinct 1 Office. We accounted for the change fund at the Delta Lake main office. According to the cashier, the complete \$100.00 is not accounted for on a daily basis. In addition, the remaining \$50.00 change fund was maintained in an unlocked desk drawer.

Pursuant to the "Cash Handling Guidelines and Procedures", a secure area (i.e., cash drawer, safe, etc.) for safeguarding change funds must be provided and restricted to authorized personnel. Change funds must be accounted for on a daily basis. In addition, change funds must be established for the sole purpose of making change for customers. The authorized change fund should be limited to the amount needed to make change for customers.

Failure to account for the change fund on a daily basis increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that the change fund is accounted for on a daily basis. In addition, management should return the \$50.00 not utilized for change fund purposes to the County Treasurer's Office.

Observation No. 2:

According to the Delta Lake Park staff, effective July 21, 2012 the park entrance fees have been waived from Monday through Saturday. The park entrance fee is only collected on Sundays.

Local Government Code §316.001(4) states "the commissioners court of a county may set and collect fees for admission to a county park, if approved by a majority of the qualified voters of the county voting on the issue at a referendum election, which the commissioners court may order and hold for that purpose. Local Government Code §316.004 further states that "the commissioners court may set and collect the fees in different amounts or may waive the fees in consideration of the following factors: (1) the time of the day at which or the day of the week on which a facility or service is used; (2) the size of a group wishing to use a facility or service; (3) the special circumstances of certain classes of persons, including elderly persons and indigent persons; or (4) other factors that the court considers to justify a different fee or the waiver of a fee."

Commissioner's Court approval to waive the park entrance fee was not obtained.

Recommendation:

Commissioners Court approval to waive the park entrance fee should be obtained.

Observation No. 3:

A notice stating "Gifts, gratuities, and/or tips will not be accepted" was not posted in a place visible to the public near the cashier. According to staff, a notice was posted; however, the notice fell off.

The County Auditor's Office requires a notice stating "Gifts, gratuities, and/or tips will not be accepted" be posted in a place visible to the public near the cashiers.

Failure to ensure that a notice stating "Gifts, gratuities, and/or tips will not be accepted" is posted in a place visible to the public near cashiers increases the risk of loss or misuse of County revenues.

Recommendation:

Management should ensure that a notice stating "gifts, gratuities, and/or tips will not be accepted" is posted in a place visible to the public near cashiers.

Observation No. 4:

When collections are transferred from one cashier to another during a shift change (i.e., lunch break), a transfer form is not prepared. According to staff, they were not aware that a transfer form needed to be prepared and signed by the cashier who accepted custody during a shift change.

To establish individual responsibility for cash receipts, the County Auditor's Office requires that if a cash drawer is transferred from one cashier to another, even for a short period of time (i.e. shift change); the cash must be counted in the presence of both parties. The amount of cash in the cash drawer must be recorded on a

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 449TH D.C.

transfer form. The transfer form must be signed by the cashier accepting custody in order to establish responsibility in case of a shortage.

Failure to ensure that a transfer form is properly prepared when collections are transferred from one cashier to another during a shift change increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a transfer form is prepared when collections are transferred from one cashier to another during a shift change. The transfer form must be signed by the cashier accepting custody. At a minimum, the procedures noted above should be implemented.

Observation No. 5:

We noted during our review that park entrance tickets were not properly completed. Several park entrance tickets (portion issued to the customer) were noted with a date of issuance prior to actually being issued. In addition, several park entrance stubs (portion maintained by the Park) lacked the date of issuance and the initials or signature of the cashier who issued the park entrance ticket. According to staff, the date of issuance is pre-filled on the park entrance ticket to reduce wait time. In addition, the park entrance stubs (portion maintained by the Park) are initialed and dated at the end of the day.

The County Auditor's Office requires that all cash received be promptly recorded and controlled using a pre-numbered official County receipt (park entrance ticket). In order to create an audit trail, the official County receipt must be noted with the date of issuance and the initials or signature of the cashier who issued the receipt at the time of issuance.

Failure to ensure that park entrance tickets are properly completed at the time of issuance increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that the park entrance tickets are properly completed at the time of issuance. At a minimum, the procedures noted above should be implemented.

Observation No. 6:

Cashiers are not prohibited from receipting payments from relatives or personal friends. According to staff, they were not aware that employees were not allowed to receive payments from relatives or personal friends.

Pursuant to the "Cash Handling Guidelines and Procedures", cashiers must not receipt payments from their relatives or personal friends. Cashiers must notify their supervisors so that the supervisor may assign the receipting of the payment to another cashier.

Failure to ensure that cashiers do not receipt payments from their relatives or personal friends may result in the loss of County funds.

Recommendation:

Management should ensure that cashiers are prohibited from receipting payments from their relatives or personal friends. At a minimum, the procedures noted above should be implemented.

Observation No. 7:

Procedures for voiding receipts require improvement. According to staff, when voiding receipts, only the word "void" and an explanation for the void is documented on the face of the receipt.

The County Auditor's Office requires that approval of a void receipt be obtained prior to voiding a receipt. Approval of void receipts should be limited to supervisors. The supervisors should ensure the original and all copies of the void receipt contain on the face of the receipt the word "void", an explanation for the void, the date receipt was voided, and the supervisor's signature of approval. If a new receipt is issued, the voided receipt number and the new receipt number should be cross-referenced.

Failure to ensure that receipts are properly voided may result in the loss of County funds.

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 449TH D.C.

Recommendation:

Management should ensure that receipts are properly voided. At a minimum, the procedures noted above should be implemented.

Observation No. 8:

We noted during our review that park entrance tickets were not delivered by the vendor to the County Auditor's Office for proper safeguarding. The park entrance tickets were maintained in an area where access to unissued receipts was not secured and limited to as few employees as possible. According to staff, they were not aware receipts needed to be delivered and controlled by the County Auditor's Office. In addition, they were not aware that unissued receipts should be in maintained in a secure location with limited access to as few employees as possible.

The County Auditor's Office requires that manual receipt books be delivered by the vendor to the County Auditor's Office for proper safeguarding. The manual receipt books will be issued to the departments by the County Auditor's Office. The County Auditor's Office will maintain a log that includes the sequence of receipt books issued, date issued, the name of the employee receiving the receipt books, and the date the used receipt books are returned to the County Auditor's Office. Departments should designate an employee responsible for maintaining custody of unissued official forms in a secure place. Access to the secure place must be limited to as few employees as possible. A log must be used to record the sequence of official forms issued, date issued, to whom issued, and date returned. This log should be reviewed periodically to account for all official forms. Departments must return each used receipt book to the County Auditor's Office after a reconciliation of all receipts within the receipt book has been completed.

Failure to ensure that park entrance tickets are properly safeguarded may result in the loss of County funds.

Recommendation:

Management should ensure that park entrance tickets are properly safeguarded. At a minimum, the procedures noted above should be implemented.

Please provide written management responses to the observations noted above by September 18, 2015.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count, please contact Rey Cantu, Internal Auditor, at 956-318-3511, ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

August 10, 2015

The Honorable Eduardo Cantu, Commissioner
Hidalgo County Precinct No. 2
300 W. Hall Acres Suite G
Pharr, Texas 78577

Ref: Cash Count
Report No. 2015-43

Dear Commissioner Cantu:

We conducted a surprise cash count of the cash held at the Precinct 2 Swimming Pool on June 25, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total tickets issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

The total cash on hand at the time of the cash count was \$11.50. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$10.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

A separate locked cash drawer was not maintained by each Pool Attendant responsible for handling collections. According to staff, they do not maintain separate locked cash drawers due to the small staff size; however, protocols are in place to verify the cash collections and deposits.

The "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office set the minimum requirements necessary for ensuring adequate internal controls and the safeguarding of public funds. Departments must train all employees responsible for handling cash regarding proper cash handling procedures. Pursuant to the "Cash Handling Guidelines and Procedures", separate locked cash drawers must

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JUDGE 449TH D C

be assigned to each employee responsible for handling collections. Only one cashier should be allowed access to a specific cash drawer during a single shift. Furthermore, when cash is transferred from one person to another, it should be counted in the presence of both parties. The amount should be recorded on a receipt, and the receipt should be signed by the employee accepting custody. This is necessary for the purposes of establishing responsibility relating to a shortage.

Failure to utilize separate locked cash drawers and to prepare a receipt signed by the employee who accepts custody of collections during a shift change increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that each employee responsible for collecting cash is assigned a separate locked cash drawer. Only one cashier should be allowed access to a specific drawer during a single shift. Furthermore, when cash is transferred from one person to another, it should be counted in the presence of both parties and recorded on a receipt. At a minimum, procedures noted above should be implemented.

Observation 2:

Although security cameras are in place, they are not installed where cash collections are received and safeguarded. In addition, a notice stating that an area is being monitored by a security camera is not posted. According to staff, the recording system does not work.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras where cash collections are received and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should coordinate with the Information Technology Department to purchase security cameras to install in areas where cash collections are received and safeguarded and repair the current recording system for the other security cameras. In addition, management should ensure that a notice stating an area is being monitored by security camera is posted in a conspicuous location for the public's view.

Please provide written management responses to the observations noted above by August 28, 2015.

In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions and provide a copy to the County Auditor's Office by August 28, 2015. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and

HIDALGO COUNTY DISTRICT JUDGES

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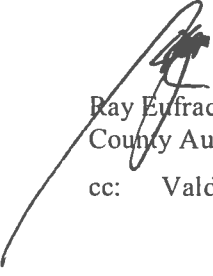
ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE 92ND D C

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COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

August 10, 2015

The Honorable Martin Cantu, Constable
Hidalgo County, Precinct No. 2
300 W. Hall Acres, Ste. E
Pharr, TX 78577

Re: Cash Count
Report No. 2015-44

Dear Constable Cantu:

We conducted a surprise cash count of the cash held at your office on July 1, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, the use of a log for mail-in payments, and segregation of duties.

Conclusion:

At the time of the cash count, receipts had not been issued and collections had not been made. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

A listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds has not been requested from the County Treasurer's Office. According to staff, they were not aware that a hot checks listing needed to be requested from the County Treasurer's Office.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may result in the loss of County funds.

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Recommendation:

Management should request the "hot check" listing from the County Treasurer's Office.

Observation No. 2:

A separate cash drawer is not maintained for each employee responsible for collecting cash. If a shift change is necessary and collections are transferred from one employee to another, the collections are not counted in the presence of both parties and a receipt is not signed by the employee who accepted custody of the collections. According to staff, during a shift change, only a verbal notice regarding the amount in the cash box is given.

Pursuant to the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office, separate locked cash drawers must be assigned to each employee responsible for handling cash. Only one cashier should be allowed access to a specific cash drawer during a single shift. Furthermore, when cash is transferred from one person to another, it should be counted in the presence of both parties. The amount should be recorded on a receipt, and the receipt should be signed by the employee accepting custody. This is necessary for the purposes of establishing responsibility relating to a shortage.

Failure to utilize separate locked cash drawers and prepare a receipt signed by the employee who accepts custody of collections during a shift change increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that each employee responsible for collecting cash is assigned a separate locked cash drawer. Furthermore, when cash is transferred from one person to another, it should be counted in the presence of both parties and recorded on a receipt. At a minimum, procedures noted above should be implemented.

Please provide written management responses to the observations noted above by August 28, 2015.

In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions and provide a copy to the County Auditor's Office by August 28, 2015. The procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you should have any questions or would like to schedule a meeting to discuss this cash count, please do not hesitate to contact Reynaldo Cantu, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, or Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

August 10, 2015

The Honorable Eduardo Cantu, Commissioner
Hidalgo County Precinct No. 2
300 W. Hall Acres Suite G
Pharr, Texas 78577

Ref: Cash Count
Report No. 2015-45

Dear Commissioner Cantu:

We conducted a surprise cash count of the cash held at the Pharr Sanitation office on July 2, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$275.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued up to the time of the cash count and approved change fund of \$200.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted that although security cameras were utilized, the security cameras were not utilized where cash was being receipted and safeguarded. In addition, a notice stating that the area was being monitored by a security camera was not posted in a conspicuous location for the public's view. According to staff, security cameras currently monitor the main lobby and the outside of the building. In addition, the staff was not aware that a notice of the security camera monitoring needed to be posted.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D C

AIDA SALINAS FLORES
JUDGE, 396TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras where cash is receipted and safeguarded and posting a notice to the public that the area is being monitored by security camera increases the risk of loss or misuse of County funds.

Recommendation:

Management should coordinate with the Information Technology Department to install security cameras where cash is receipted and safeguarded. In addition, management should ensure that a notice stating an area is being monitored by security camera is posted in a conspicuous location for the public's view.

Observation No. 2:

We noted that procedures for voiding receipts were not followed. According to staff, they were not aware of the procedures for voiding receipts.

Pursuant to the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office, if a cashier makes an error, the receipt must be voided and the following procedures must be followed:

- a. The cashier must obtain approval by his/her supervisor prior to voiding the receipt.
- b. The supervisor must sign and date the voided receipt to document responsibility for verifying that all copies of the receipt are marked "VOID" on the face of the receipt, contain an explanation for the void, and contain the date the receipt was voided.
- c. If a new receipt is issued, the voided receipt must be securely attached together and submitted to the Auditor's Office.
- d. Computer access controls to void receipts should be limited to supervisors.

Recommendation:

Management should ensure that receipts are properly voided. At a minimum, the procedures noted above should be implemented. In addition, management should require staff to periodically read the Cash Handling Guidelines to ensure awareness of proper procedures to follow for voiding receipts.

Observation No. 3:

We noted during our review that when collections are transferred from one cashier to another during a shift change (i.e., lunch break), a transfer form is not prepared. According to staff, the money is counted in front of the other person but a transfer form is not prepared.

To establish individual responsibility for cash receipts, the County Auditor's Office requires that if a cash drawer is transferred from one cashier to another, even for a short period of time (i.e. shift change), the cash must be counted in the presence of both parties. The amount of cash in the cash drawer must be recorded on a transfer form. The transfer form must be signed by the cashier accepting custody in order to establish responsibility in case of a shortage.

Failure to prepare a transfer form when collections are transferred from one cashier to another during a shift change increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a transfer form is prepared when collections are transferred from one cashier to another during a shift change. At a minimum, the procedures noted above should be implemented.

Observation No. 4:

A schedule of authorized fees was not posted in a conspicuous location for the public's view. According to staff, they were not aware that a schedule of authorized fees needed to be posted for the public's view.

The County Auditor's Office requires that a schedule of authorized fees be posted in a conspicuous location for the public to see. The schedule sets forth those fees to be charged by the County pursuant to state statutes and Commissioners Court approval.

Failure to post the required schedule increases the risk of loss or misuse of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C

LETICIA LOPEZ
JUDGE, 389TH D C

ANITA SALINAS FLORES
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

Recommendation:

Management should ensure that a schedule of authorized fees is posted in a conspicuous location for the public's view.

Observation No. 5:

We noted during our review that a sample of the official County receipt was not posted by the notice "Make sure you receive an official County receipt when making payments at this office." According to staff, they were not aware that a sample receipt needed to be posted by the notice.

The County Auditor's Office requires departments to post a notice stating "Make sure you receive an official County receipt when making payments at this office" in a conspicuous location for the public's view. A sample of each official County receipt issued by the department should be posted by the notice in order to indicate to the payee what he/she should expect to receive.

Failure to post the required sample official County receipt by the notice increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a sample official County receipt is posted by the notice "Make sure you receive an official County receipt when making payments at this office."

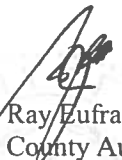
Please provide written management responses to the observations noted above by August 28, 2015.

In addition, information regarding the items listed below was previously provided to our office. Please provide any updated procedures, if applicable, by August 28, 2015. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Zufracio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

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LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 10, 2015

The Honorable Lazaro Gallardo, Jr., Constable
Hidalgo County, Precinct No. 3
730 N. Breyfogle Ste. B
Mission, TX 78573

Re: Cash Count
Report No. 2015-48

Dear Constable Gallardo:

We conducted a surprise cash count of the cash held at your office on July 9, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

At the time of the cash count, receipts had not been issued and collections had not been made. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that security cameras were not utilized where cash is received and safeguarded. According to staff, the existing security cameras monitor the outside of the building; however, security cameras for monitoring the areas where cash is received and safeguarded have not been purchased due to budgetary constraints.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
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RODOLFO DELGADO
JUDGE 13th D C

J. R. "BOBBY" FLORES
JUDGE 139th D C

ROSE GUERRA REYNA
JUDGE 206th D C

JUAN R. PARTIDA
JUDGE 275th D C

MARIO E. RAMIREZ, JR.
JUDGE 332nd D C

NOE GONZALEZ
JUDGE 370th D C
OVERSEER

LETICIA LOPEZ
JUDGE 389th D C

AIDA SALINAS FLORES
JUDGE 398th D C

ISRAEL RAMON, JR.
JUDGE 430th D C

JESSE CONTRERAS
JUDGE 449th D C

Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency.

Failure to utilize security cameras where cash is received and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized where cash is receipted and safeguarded. In addition, management should contact the Department of Budget and Management to request their assistance in obtaining funding for the purchase of security cameras.

Observation No. 2:

We noted during our review that segregation of duties over the handling of cash requires improvement. One of the Administrative Assistants performs the following incompatible duties:

- Custody: Receives collections, issues receipts, opens and lists mail receipts, balances receipts against cash drawer, maintains a cash drawer, prepares bank deposits, and has access to the inventory of unused receipts
- Recording: Accounts for the numerical sequence of cash receipts, maintains inventory log of unused receipts, and prepares monthly report
- Authorization: Compares listed mail receipts to recorded cash receipts and verifies that original voided receipts are kept and reviewed

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving collections, issuing receipts, opening and listing mail receipts, balancing receipts against cash drawer, maintaining the cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of cash receipts, maintaining the inventory log of unused receipts, and preparing the monthly report. In addition, the individuals previously noted should be different from the individual responsible for comparing listed mail receipts to recorded cash receipts and verifying that original voided receipts are kept and reviewed.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to have adequate segregation of duties increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that incompatible duties such as those noted above are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide written management responses to the observations noted above by August 28, 2015.

In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions and provide copy to the County Auditor's Office by August 28, 2015. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
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J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

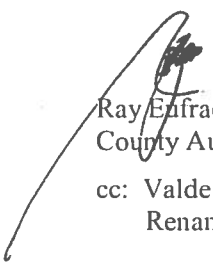
ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 - 1. Process for accounting and safeguarding of the change fund, if any;
 - 2. Process for safeguarding cash until it is deposited;
 - 3. Process for accounting and safeguarding mail-in payments;
 - 4. Process for reconciling collections, including frequency of reconciliation;
 - 5. Bookkeeping system used, and how it is maintained; and
 - 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Enfracio, CPA
County Auditor

cc: Valde Guerra, Commissioners Court Executive Officer
Renan Ramirez, Hidalgo County Chief Information Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
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JUDGE, 389TH D.C.

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JUDGE, 449TH D.C.

COUNTY of HIDALGO
HIDALGO COUNTY AUDITOR'S OFFICE
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PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 24, 2015

Mr. T.J. Arredondo, Director of Planning
Hidalgo County Planning Department
1304 S. 25th Street
Edinburg, Texas 78542

Ref: Cash Count
Report No. 2015-49

Dear Mr. Arredondo:

We conducted a surprise cash count of the cash held at the Planning Department's Mission Substation on July 9, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$450.00. Based on the results of our review, we have concluded that generally total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$150.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

Security cameras were used to monitor certain areas; however, they were not utilized where cash is receipted and safeguarded. According to staff, additional security cameras have not been purchased due to budgetary constraints.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J R. "BOBBY" FLORES
JUDGE, 139TH D.C.

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JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

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NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

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JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency.

Failure to properly utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should contact the Department of Budget and Management to request their assistance in obtaining funding for the purchase of additional security cameras.

Observation No. 2:

We noted that a unique username and password was not required to access the Building Permit Tracker information system. In addition, all users had unlimited access (read/write access) to the information system. According to staff, the Building Permit Tracker information system was not programmed to require the use of a username and password. According to staff, there will be an upgrade in software and computers by the end of this year. At that time, a new information system for the Building Permit Tracker will be implemented that will require unique usernames and passwords.

Access control is a key component of information security. The principle of access control is to limit access to users who have valid reasons for accessing computers, systems, or data. A users' access and privileges should be appropriate and consistent with their current job responsibilities. Electronic accounts consisting of a username and password are used to identify individuals and authenticate access to an information system.

Failure to require a unique username and password to access the Building Permit Tracker information system and limit access based on the user's current job responsibilities increases the risk of unauthorized access to the Building Permit Tracker information system.

Recommendation:

Management should ensure that a unique username and password is required to access the Building Permit Tracker information system and that access to the information system is appropriate and consistent with the user's current job responsibilities.

Please provide written management responses to the observations noted above by September 18, 2015.

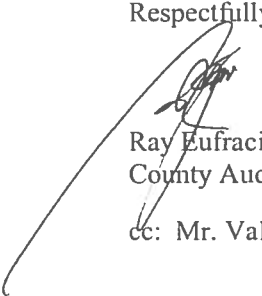
In addition, information regarding the items listed below was previously provided to our office. Please provide any updated procedures, if applicable, by September 18, 2015. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

HIDALGO COUNTY DISTRICT JUDGES

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufracio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

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JUDGE, 275TH D.C.

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JUDGE, 332ND D.C.

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OVERSEER

LETICIA LOPEZ
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JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY *of* HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
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PHONE: (956) 318-2511
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 25, 2015

The Honorable Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78541

Re: Cash Count
Report No. 2015-53

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office East Substation (Fee Account) on July 22, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$52.00. Based on the results of our review, we have concluded that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund of \$50.00. However, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that security cameras were not utilized in areas where cash was receipted and safeguarded. According to staff, security cameras are located throughout office; however, not in the area where money is receipt and safeguarded.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE 92ND D C

RODOLFO DELGADO
JUDGE 93RD D C

J R "BOBBY" FLORES
JUDGE 139TH D C

ROSE GUERRA REYNA
JUDGE 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C

LETICIA LOPEZ
JUDGE, 389TH D C

AIDA SALINAS FLORES
JUDGE 398TH D C

ISRAEL RAMON, JR.
JUDGE 430TH D C

JESSE CONTRERAS
JUDGE 449TH D C

Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras in areas where cash is receipted and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized in areas where cash is receipted and safeguarded.

Observation No. 2:

We noted during our review that if a shift change is necessary and collections are transferred from one employee to another, the collections are not counted in the presence of both parties and a receipt is not signed by the employee who accepted custody. According to staff, they were not aware that collections needed to be counted and a receipt be signed during a shift change.

The County Auditor's Office requires that when cash is transferred from one person to another, the cash is counted in the presence of both parties. The amount should be recorded on a receipt, and the receipt should be signed by the employee accepting custody. This is necessary for the purposes of establishing responsibility relating for a shortage.

Failure to ensure that a receipt is recorded and signed by the employee accepting custody of collections during the transfer of cash may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that the transfer of collections during a shift change is recorded on a receipt and the receipt is signed by the employee accepting custody.

Observation No. 3:

We noted during our review that a restrictively endorsement stamp "For deposit only" was not maintained by the cashier for money orders received. According to staff, it's rare for them to receive money orders since they just provide copies of offense reports. In addition, they have not been provided with an endorsement stamp.

The County Auditor's Office requires that all checks, money orders, and/or cashier's checks be stamped with the restrictive endorsement "For Deposit Only" upon receipt.

Failure to ensure that checks, money orders, and/or cashier's checks are stamped with the restrictive endorsement "For Deposit Only" upon receipt increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that all checks, money orders, and/or cashier's checks are stamped with the restrictive endorsement "For Deposit Only" upon receipt.

Please provide written management responses to the observations noted above by September 18, 2015.

In addition, please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of cash and cash equivalent transactions by September 18, 2015. The written procedures manual should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports; who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and

HIDALGO COUNTY DISTRICT JUDGES

The Honorable Eddie Guerra

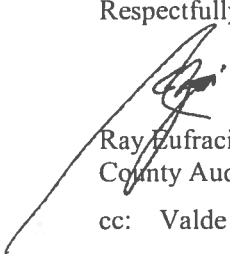
August 25, 2015

Page 3 of 3

h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Zufracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE 32ND D.C.

RODOLFO DELGADO
JUDGE 33RD D.C.

J R "BOBBY" FLORES
JUDGE 114TH D.C.

ROSE GUERRA REYNA
JUDGE 206TH D.C.

JUAN R. PARTIDA
JUDGE 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE 1132ND D.C.

NOE GONZALEZ
JUDGE 1728TH D.C.

LETICIA LOPEZ
JUDGE 180TH D.C.

ANITA SALINAS FLORES
JUDGE 180TH D.C.

ISRAEL RAMON, JR.
JUDGE 1736TH D.C.

JESSE CONTRERAS
JUDGE 240TH D.C.

COUNTY of HIDALGO
HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 24, 2015

The Honorable Jose M. Flores, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle Rd.
Mission, Texas 78572

Ref: Cash Count
Report No. 2015-54

Dear Commissioner Flores:

We conducted a surprise cash count of the cash held at the Anzalduas Park on August 1, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$58.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$50.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that security cameras were not utilized in areas where cash was receipted and safeguarded. According to staff, security cameras have not been purchased due to budgetary constraints.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERA
JUDGE, 448TH D.C.

period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras in areas where cash is receipted and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized in areas where cash is receipted and safeguarded. Management should contact the Department of Budget and Management for assistance regarding funding for the purchase of security cameras.

Observation No. 2:

We noted during our review that if a shift change is necessary and collections are transferred from one employee to the other, a transfer form is not prepared. According to staff, shift changes are mostly done during the lunch hour and completing a transfer form would be impractical due to limited staff.

The County Auditor's Office requires that only one cashier be allowed access to a specific cash drawer during a single shift. When cash is transferred from one person to another, it should be counted in the presence of both parties. In addition, a transfer form should be prepared when a shift change takes place. This is necessary for the purposes of establishing responsibility relating to a shortage.

Failure to prepare a transfer form when a shift change is necessary may result in the loss or misuse of County funds.

Recommendation:

Management should develop and implement formal monitoring procedures to ensure that a transfer form is prepared when a shift change takes place. At a minimum, the procedures noted above should be implemented.

Observation No. 3:

A \$4.00 park entrance fee is collected from vehicles entering the Anzalduas Park on Saturdays and Sundays. Commissioners Court approved to increase the park entrance fee from \$2.00 to \$4.00 on March 23, 1993. A review of the County's financial records indicated that a park entrance fee has been collected since at least 1992. Commissioners Court may set and approve park entrance fees if approved by a majority of qualified voters through a referendum election; however, evidence that a referendum election was conducted was not provided. According to the Anzalduas Park staff, they were not aware if and when a referendum election was held to approve the collection of the park entrance fee.

In addition, according to staff, the park entrance fee is waived under certain circumstances. For example, the park entrance fee is only collected on weekends and waived on weekdays. The park entrance fee is also waived from vehicles entering the park after the *Daily Close-Out Report* and deposit cut-off time of 4:30 p.m. In addition, the park entrance fee is waived from County employees and law enforcement personnel upon presentation of a County or law enforcement identification card. Although Commissioners Court may waive the collection of the park entrance fee under certain circumstances, evidence of a Commissioners Court waiver policy was not provided. According to the Anzalduas Park staff, a waiver policy will be presented to Commissioners Court.

Local Government Code §316.001(4) states that "the commissioners court of a county may set and collect fees for admission to a county park, if approved by a majority of the qualified voters of the county voting on the issue at a referendum election, which the commissioners court may order and hold for that purpose." Local Government Code §316.004 further states that "the commissioners court may set and collect the fees in different amounts or may waive the fees in consideration of the following factors: (1) the time of the day at which or the day of the week on which a facility or service is used; (2) the size of a group wishing to use a facility or service; (3) the special circumstances of certain classes of persons, including elderly persons and indigent persons; or (4) other factors that the court considers to justify a different fee or the waiver of a fee."

The County Auditor's Office requires that all departments continue to collect and receipt after the established cut-off time. Any collections receipted after the cut-off time can be safeguarded overnight until they are deposited the next business day with the next business day's collections.

Failure to properly collect the park entrance fees may result in the loss of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

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JUDGE, 376TH D.C.
OVERSEER

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JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERA
JUDGE, 449TH D.C.

Recommendation:

Management should ensure that park entrance fees are properly collected. Evidence that a referendum election was conducted and evidence authorizing the collection and waiver of the fee should be obtained. In addition, the park entrance fee should continue to be collected after the cut-off time as required by the *Cash Handling Guidelines and Procedures*.

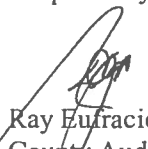
Please provide written management responses to the observations noted above by September 18, 2015.

In addition, please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of cash and cash equivalent transactions by September 18, 2015. The written procedures manual should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511, ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERA
JUDGE, 449TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 25, 2015

The Honorable Joseph Palacios, Commissioner
Hidalgo County Precinct No. 4
1051 N. Doolittle Rd.
Edinburg, Texas 78542

Ref: Cash Count
Report No. 2015-57

Dear Commissioner Palacios:

We conducted a surprise cash count of the cash held at the Edinburg Sanitation Office on August 4, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$1,525.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued up to the time of the cash count and approved change fund of \$200.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that security cameras were not utilized in areas where cash was receipted and safeguarded. According to staff, security cameras will be purchased in the near future.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE 92ND D C

RODOLFO DELGADO
JUDGE 93RD D C

J. R. "BOBBY" FLORES
JUDGE 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D C

ADA SALINAS FLORES
JUDGE 398TH D C

ISRAEL RAMON, JR.
JUDGE 430TH D C

JESSE CONTRERAS
JUDGE 449TH D C

(e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras in areas where cash is receipted and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized in areas where cash is receipted and safeguarded.

Observation No. 2:

We noted during our review that when collections are transferred from one cashier to another during a shift change (i.e., lunch break), a transfer form is not prepared. According to staff, the money is counted in front of the other person but a transfer form is not prepared. In addition, separate cash drawers are not always assigned to cashiers while on duty.

To establish individual responsibility for cash receipts, the County Auditor's Office requires that if a cash drawer is transferred from one cashier to another, even for a short period of time (i.e. shift change), the cash must be counted in the presence of both parties. The amount of cash in the cash drawer must be recorded on a transfer form. The transfer form must be signed by the cashier accepting custody in order to establish responsibility in case of a shortage. In addition, to establish individual responsibility for cash receipts, each cashier must be assigned to a separate cash drawer which only the cashier may access while on duty.

Failure to ensure that a transfer form is prepared when collections are transferred from one cashier to another and that each cashier is assigned a separate cash drawer while on duty increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a transfer form is prepared when collections are transferred from one cashier to another and that each cashier is assigned a separate cash drawer while on duty. At a minimum, the procedures noted above should be implemented.

Observation No. 3:

We noted during our review that manual receipts and corresponding computer-generated receipts were not cross-referenced. According to staff, they were not aware that the receipts needed to be cross-referenced.

The County Auditor's Office requires that manual receipts be entered into the computerized receipting system, as soon as possible. Each manual receipt and corresponding computer-generated receipt must be cross-referenced.

Failure to ensure that each manual receipt and corresponding computer-generated receipt is cross-referenced increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that each manual receipt and corresponding computer-generated receipt is cross-referenced.

Please provide a written management responses to the observations noted above by September 18, 2015.

In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions and provide a copy to the County Auditor's Office by September 18, 2015. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
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ROSE GUERRA REYNA
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LETICIA LOPEZ
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AIDA SALINAS FLORES
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 - 1. Process for accounting and safeguarding of the change fund, if any;
 - 2. Process for safeguarding cash until it is deposited;
 - 3. Process for accounting and safeguarding mail-in payments;
 - 4. Process for reconciling collections, including frequency of reconciliation;
 - 5. Bookkeeping system used, and how it is maintained; and
 - 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J R "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
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OVERSEER

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JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

September 2, 2015

The Honorable Pablo (Paul) Villarreal Jr., RTA
Hidalgo County Tax Assessor/Collector
2804 South Business Highway 281
Edinburg, Texas 78539

Re: Cash Count
Report No. 2015-531

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the San Juan Motor Vehicle Substation on August 17, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$18,893.96. Based on the results of our review, we have concluded that generally total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$4,000.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

According to staff, when checks are accepted in excess of the amount due, a cash refund will be made if the refund does not exceed \$5.00.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 312ND D.C.

NOE GONZALEZ
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LETICIA LOPEZ
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JUDGE, 398TH D.C.

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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

The County Auditor's Office requires that cashiers be prohibited from cashing personal checks or disbursing cash for checks or credit card transactions that are in excess of the payment due. Payers should be asked to make the check amount for the amount due. If this is not possible, refunds for checks accepted in excess of the payment due should be made by check.

Failure to ensure that cashiers do not issue cash refunds when checks are accepted in excess of the amount due may result in the loss of funds.

Recommendation:

Management should ensure that cashiers do not issue cash refunds when checks are accepted in excess of the amount due. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted during our review that a notice stating, "Make sure you receive an official County receipt when making payments at this office" was posted in a conspicuous location for the public's view; however, a copy of the official County receipt was not posted by the notice. According to staff, a copy of the official County receipt has not been posted; however, the receipt will be posted.

The County Auditor's Office requires that a notice stating "Make sure you receive an official County receipt when making payments at this office" be posted in a conspicuous location for the public's view. A sample of each official County receipt issued by the department should be posted by the notice in order to indicate to the payee what he/she should expect to receive.

Failure to display a sample official County receipt increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a copy of the official County receipt is posted by the notice stating "Make sure you receive an official County receipt when making payments at this office."

Observation No. 3:

According to staff, a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds is maintained by the department. However, the listing had not been provided to the cashiers. Therefore, cashiers were not required to verify if the payer's name is on the hot check list, prior to accepting a check as a payment.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced by cashiers when receiving checks from customers.

Failure to ensure that a current hot check list is maintained and referenced by cashiers when receiving checks from customers may result in the loss of County funds.

Recommendation:

Management should ensure that a current hot check list is maintained and referenced by cashiers when receiving checks from customers. Checks from customers on the hot check list should not be accepted.

Please provide a written management response to the observations noted above by September 18, 2015.

Procedures established by your department for the handling of cash were previously provided to the Auditor's Office; however, the procedures did not address the following:

- a. The training that will be provided at the collection point and description of how segregation of duties will be maintained;
- b. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 438TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used; and
- c. A schedule of how often deposits will be made.

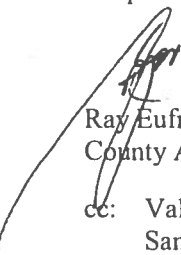
In addition, if there has been a change in office personnel please provide the following:

- d. An office organizational chart;
- e. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained.

Please provide our office with copies of the procedures listed above and any updated procedures, if applicable, by September 18, 2015.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Crystal A. Puente, Internal Auditor II, at (956) 318-2511, ext. 4646, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer
Santos Castilleja, Motor Vehicle Division Manager
Herlinda Lara, San Juan Motor Vehicle Substation Supervisor

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
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LETICIA LOPEZ
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JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 21, 2015

Honorable Arturo Guajardo, Jr.
Hidalgo County Clerk
100 N. Closner, 1st Floor
Edinburg, TX 78539

Ref: Cash Count
Report No. 2015-534

Dear Mr. Guajardo:

We conducted a surprise cash count of the cash held at the Hidalgo County Clerk's Collections Department on June 9, 2015, as required by Local Government Code § 115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

The total cash on hand at the time of the cash count was \$23,959.17. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$300.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that County Clerk and District Clerk collections were comingled by one of the cashiers at the Collections Division. According to the Clerk, County Clerk and District Clerk collections are normally separated by placing County Clerk collections in a cash bag and keeping District Clerk collections in a cash box. However, at the time of the cash count, the cash bag was being utilized to safeguard the prior day's collections.

Pursuant to County Auditor's Office *Cash Handling Guidelines and Procedures*, "Cash received for payment should not be comingled with cash received on behalf of other departments."

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 52ND D.C.

RODOLFO DELGADO
JUDGE, 53RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

Failure to ensure that cash received for payment is not comingled with cash received on behalf of other departments may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that cash received for payment is not comingled with cash received on behalf of other departments. An additional cash bag should be obtained to ensure the collections are not comingled.

Observation No. 2:

Receipts acknowledging employees understanding of the County Auditor's Office "Cash Handling Guidelines and Procedures" were not maintained on file. Instead, the County Clerk maintained signed acknowledgement receipts for the employees understanding of the "County Clerk Collections Department Cashiering Policy" only.

The County Auditor's Office requires that departments train all employees responsible for handling cash regarding proper cash handling procedures. The employees handling cash must read the "Cash Handling Guidelines and Procedures" and sign a receipt acknowledging their understanding of these guidelines and procedures. The acknowledgment receipt should be kept on file by the department.

Failure to ensure that receipts acknowledging employees understanding of the County Auditor's Office "Cash Handling Guidelines and Procedures" increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that receipts acknowledging employees understanding of the County Auditor's Office "Cash Handling Guidelines and Procedures" are kept on file.

Observation No. 3:

According to staff, cash on hand is reconciled to receipts issued and the change fund on a daily basis by generating a Daily Balance Report and by running a tape to confirm collections. However, the daily cash reconciliation for the County Clerk collections is not documented by the cashiers on the *Cashier's Daily Close-Out Report* (Close-out Report).

The County Auditor's Office requires that cash on hand be reconciled to receipts issued and the change fund on a daily basis utilizing the *Cashier's Daily Close-Out Report* (Close-out Report). The following procedures should be implemented consistently when preparing the Close-out Report:

1. The Cashier must count the money and record the appropriate amounts on the Close-out Report.
2. The Witness must generate a daily recap of collections report issued for the day and record the total and beginning and ending receipt numbers on the Close-out Report.
3. The Witness must confirm that the amount recorded by the Cashier agrees to the daily recap of collections report and the change fund, if any. Any variances must be noted with a detailed explanation.
4. Both the Cashier and the Witness must verify that the Close-out Report is completed in its entirety. Both the Cashier and Witness must sign the Close-out Report to document their responsibility for this verification.
5. Copies of the Close-out Report, and checks/money orders/cashier's checks etc., shall be maintained by the department. This documentation shall be made available to the County Auditor's Office for review upon request.

Failure to ensure that the daily cash reconciliation is documented by the cashiers on the Close-out Report increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that the daily cash reconciliation is documented by the cashiers on the Close-out Report.

Observation No 4:

According to the Collections Supervisor, cashiers are not prohibited from receipting payments from relatives and personal friends; however, they are encouraged to notify the supervisor.

Pursuant to the County Auditor's Office *Cash Handling Guidelines and Procedures*, "Cashiers should not receipt payments from their relatives or personal friends. Cashiers must notify their supervisor so that the supervisor may assign the receipt of the payment to another cashier."

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J R. "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D C

AIDA SALINAS FLORES
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

Failure to ensure that cashiers do not receipt payments from relatives or personal friends may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that cashiers do not receipt payments from relatives and personal friends.

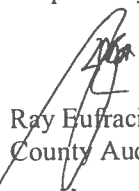
Please provide written management responses to the observations noted above by September 18, 2015.

In addition, please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of cash and cash equivalent transactions by September 18, 2015. The written procedures manual should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count, please contact Gricelda Quintero, Internal Auditor I, at ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Honorable Laura Hinojosa, Hidalgo County District Clerk
Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

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COUNTY of HIDALGO

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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 21, 2015

Honorable Gilberto Saenz
Hidalgo County Justice of the Peace Pct. 1, Pl. 1
1902 Joe Stephens, Suite 301
Weslaco, Texas 78596

Re: Cash Count
Report No. 2015-536

Dear Judge Saenz:

We conducted a surprise cash count of the cash held at your office on May 18, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued up to the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. In addition, we evaluated the procedures in place related to 1.) the collections process; 2.) accounting of citations and civil cases filed with the court; and 3.) documenting the authorization of dismissed criminal cases for the period of April 1, 2015 through April 30, 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, segregation of duties, filing of citations and civil cases, and documenting the authorization of dismissed cases.

Conclusion:

Total cash on hand at the time of the cash count was \$10,507.28. Based on the results of our review, we have concluded that total cash on hand did not reconcile to the total receipts issued for the day up to the time of the cash count (see Observations 1 and 2). In addition, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No.1:

We noted during our review that a cash drawer contained a cash overage of \$4.08. The overage consisted of the Justice of the Peace's personal change (\$2.08) and an overpayment made by a defendant (\$2.00). According to staff, the Justice of the Peace, at times, places his spare change in the cash drawer to be utilized when defendant's need a couple of cents to pay off the remaining balance on a citation. In addition, a

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
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JUDGE, 385TH D C

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JUDGE, 390TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 448TH D C

defendant left without taking his remaining change. Staff members were advised that personal change should not be comingled with County Funds. In addition, staff was advised to receipt and deposit the overpayment in order that the funds be refunded by check to the defendant.

The County Auditor's Office requires that all personal change and County funds not be commingled. In addition, overpayments should be receipted as such and refunded to payors.

Failure to ensure that personal change is not comingled with County funds and that overpayments are receipted as refunds increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that personal change is not comingled with County funds and that overpayments are receipted and deposited in order that the funds be refunded by check to the defendant.

Observation No.2:

We noted during our review that 25 cash bond checks totaling \$5,056.40 had not been receipted at the time of the cash count. The cash bond checks had been issued by the Sheriff's Office between February 2015 and April 2015. According to the Court Coordinator, she is responsible for receipting bond payments; however, she had been out of the office for several days and had not had time to receipt the cash bond checks. In addition, due to several errors made by the Sheriff's Office additional research needed to be conducted prior to receipting the cash bond checks.

The County Auditor's Office requires that all cash (i.e., cash, checks, credit card payments, etc.) received be promptly recorded and controlled using pre-numbered official County receipts. In addition, the case dispositions should be recorded in *AbleTerm* upon receipt of payment.

Failure to ensure that cash bond checks are promptly receipted and case dispositions are entered in a timely manner may result in the loss or misuse of County funds and/or the arrest of the defendant, in error.

Recommendation:

Management should ensure that the all cash bond checks are promptly receipted and case dispositions are entered in a timely manner. If additional research is required, the research should be conducted after the cash bond checks are receipted.

Observation No. 3:

We noted during our review that segregation of duties over the handling of cash requires improvement. The Court Clerk and Court Coordinator perform the following incompatible duties:

- Custody: Receive money, issue receipts, open and list mail receipts, balance copies of receipts against cash bag, maintain cash bag, prepare deposits, and have access to the inventory of unused receipts
- Recording: Account for numerical sequence of cash receipts and prepare reports of cash received
- Authorization: Compare listed mail receipts to recorded cash receipts and verify that voided original receipts are kept and reviewed

According to staff, segregation of duties is difficult to implement due to limited staff and a heavy work load.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving money, issuing receipts, opening and listing mail receipts, balancing copies of receipts issued against the cash bag, maintaining the cash bag, preparing deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of cash receipts and preparing reports of cash received. In addition, the individuals previously noted should be different from the individual responsible for comparing listed mail receipts to recorded cash receipts and verifying that voided original receipts are kept and reviewed.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 32ND D.C.

RODOLFO DELGADO
JUDGE, 33RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
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OVERSEER

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AIQA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to have adequate segregation of duties increases the risk of loss or misuse of County revenues.

Recommendation:

Management should implement formal procedures to ensure that incompatible duties are adequately segregated such as those noted above. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Observation No. 4:

Procedures for the accounting of citations received from law enforcement agencies and civil cases filed with the court require improvement as follows:

1. Citations received from law enforcement agencies were recorded on a log, however, required information was not recorded on the log (i.e., citation number, name of violator/plaintiff, date of entry into *AbleTerm/Odyssey* and docket number assigned to the citation).
2. A reconciliation of citations and civil cases filed at the court to those recorded on *AbleTerm/Odyssey* was not conducted and formally documented; and
3. Duties related to citations and civil cases are not properly segregated. Individuals responsible for issuing receipts (custody responsibility) are also responsible for entering citations and civil cases into *AbleTerm/Odyssey* (reporting responsibility).

According to staff, procedures for the accounting of citations and civil case filings have not been improved due to a heavy case load and limited number of staff.

The County Auditor's Office requires that a reconciliation of citations and civil cases (cases) filed at the court be conducted and formally documented. This reconciliation may be conducted and formally documented by completing a cases filed log (log). Cases should be entered into *AbleTerm/Odyssey* the same day they are received. Any exceptions should be brought to the attention of the Supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed when processing citations:

- a. The person responsible for opening the mail and/or accepting the delivery of cases should immediately list the cases on the log before distribution to the person responsible for entering them into *Ableterm/Odyssey*. Since the person responsible for entering the cases into *Ableterm/Odyssey* has recording responsibilities, he/she should not be responsible for accepting payments.
- b. The person responsible for opening the mail and/or accepting the delivery of cases should note, at a minimum, the following on the log: date received, citation number, name of violator/plaintiff, and name of officer who issued the citation, as applicable. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the log.
- c. The person responsible for entering the cases into *Ableterm/Odyssey* should enter the date of entry and docket number assigned to the case and his/her signature on the log.
- d. The "New Cases" and "Cases Filed" reports for the specified date should be generated from *Ableterm/Odyssey* and reconciled to the log by a person other than the person responsible for entering the cases into *Ableterm/Odyssey*. Any variances should be noted on the log, with a detailed explanation, and immediately brought up to the attention of the Justice of the Peace. In addition, the person conducting this reconciliation should provide his/her signature on the log as acknowledgment of the reconciliation.
- e. Citations should be placed in the applicable file.
- f. The Justice of the Peace should request periodic reports regarding the cases filed with the courts from law enforcement agencies and reconcile the reports to the cases recorded in *Ableterm/Odyssey*.
- g. Copies of the logs and periodic reports received from law enforcement agencies shall be maintained by the Justice of the Peace Office. This documentation shall be made available to the County Auditor's Office for review upon request.

Maintaining adequate internal controls over citations is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel,

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
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J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
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NOE GONZALEZ
JUDGE, 379TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations.

Failure to ensure that citations and civil cases are properly accounted and reconciled or that applicable compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that citations and civil cases are properly accounted and reconciled. If these procedures cannot be implemented, management should ensure that compensating controls are implemented.

Observation No. 5:

We randomly selected 26 of 102 (25%) dismissed criminal cases for the month ended April 30, 2015 to determine if authorization for dismissal of the cases was properly documented. The results of the review revealed the following:

- 21 (81%) dismissals were not properly documented. The case files lacked the "Motion to Dismiss" submitted by the District Attorney's Office and an "Order to Dismiss" signed by the Justice of the Peace. All 21 cases had reason(s) for the dismissal noted in the applicable docket book.
- 5 (19%) dismissals were properly documented. The dismissals contained a "Motion to Dismiss" submitted by the District Attorney's Office, "Order to Dismiss" signed by the Justice of the Peace, and reason(s) for the dismissal noted in the applicable docket book.

Pursuant to the Justices of the Peace Manual, Justices of the Peace may dismiss cases in criminal proceedings only when specifically authorized to do so by statute or when directed to do so by the prosecution (i.e. district attorney) in accordance with Code of Criminal Procedure Art. 32.02. All dismissals should be noted in the applicable docket book along with the reason(s) for dismissal.

A properly authorized dismissed criminal case should include in the case files and/or the docket book the following:

- "Motion to Dismiss" submitted by the District Attorney's Office, an "Order to Dismiss" signed by the Justice of the Peace, and reason(s) for the dismissal noted in the applicable docket; or
- "Order to Dismiss" and/or judgment signed by the Justice of the Peace, copies of documents as proof of dismissal based on the judge's discretion in accordance with state statutes (i.e. copies of a commercial vehicle service logs, motor vehicle registration, valid driver's license, etc.), and reason(s) for the dismissal noted in the applicable docket.

Failure to properly document dismissals may result in sanctions from the State Commission on Judicial Conduct and/or loss or misuse of County funds.

Recommendation:

Management should ensure that dismissals are properly documented. At a minimum, the procedures noted above should be implemented.

Observation No. 6:

A listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds has not been requested from the County Treasurer's Office. Since payments received by check are minimal, staff believes the possibility of accepting a hot check is decreased.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may result in the loss of County funds.

Recommendation:

Management should request the "hot check" listing from the County Treasurer's Office.

Observation No. 7:

We noted during our review that three online credit card transactions received on May 18, 2015 were not promptly receipted. The credit card transactions were subsequently receipted on May 22, 2015, four days after

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
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J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

ADA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

receipt. Consequently, the applicable case dispositions were not recorded in *AbleTerm* in a timely manner. According to the Court Coordinator, staff attempts to review and receipt online credit transactions on a daily basis; however, procedures are not consistently followed.

The County Auditor's Office requires that all cash (i.e., cash, checks, credit card payments, etc.) received be promptly recorded and controlled using pre-numbered official County receipts. In addition, the case dispositions should be recorded in *AbleTerm* upon receipt of payment.

Failure to ensure that credit card transactions are promptly receipted and case dispositions are entered in a timely manner may result in the loss or misuse of County funds and/or the arrest of the defendant, in error.

Recommendation:

Management should ensure that the Court Coordinator verifies that all credit card transactions are promptly receipted and case dispositions are entered in a timely manner.

Observation No. 8:

A mail log was not properly utilized to record payments received through the mail. Mail-in payments are only recorded on the mail log once the payment has been entered into *AbleTerm*. According to staff, a mail log was not properly completed as they were not aware that the mail-in payments were to be receipted when received and not when receipted into *AbleTerm*.

The County Auditor's Office requires that mail-in payments be listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., cash or check), and, if applicable, the check number.

Failure to ensure that a daily mail log is properly prepared may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a daily mail log is properly prepared. Please refer to the mail log section of the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office for the minimum procedures to be implemented for processing mail-in payments.

Observation No. 9:

Two money orders were not immediately restrictively endorsed "For Deposit Only" upon receipt. According to the staff, checks and money orders are restrictively endorsed upon receipt; however, the clerk accidentally failed to restrictively endorse the money orders.

The County Auditor's Office requires that checks and money orders received as payment be restrictively endorsed "For Deposit Only" immediately upon receipt.

Failure to ensure that money orders are immediately restrictively endorsed "For Deposit Only" upon receipt may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that money orders accepted as payment are immediately restrictively endorsed "For Deposit Only" upon receipt.

Please provide written management responses to the observations noted above by September 18, 2015.

In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;

HIDALGO COUNTY DISTRICT JUDGES

5. Bookkeeping system used, and how it is maintained; and
6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due);
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

Please provide a copy of the written procedures by September 18, 2015.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you should have any questions, do not hesitate to contact Alejandra Santa Ana, MSA, Internal Auditor I, at 318-2511 ext. 4647, Yvonne Torres, Revenue Internal Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
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JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 21, 2015

The Honorable Jaime J. Muñoz
Hidalgo County Justice of the Peace Pct. 2, Pl. 2
300 W. Hall Acres, St. B
Pharr, Texas 78577

Ref: Cash Count
Report No. 2015-539

Dear Judge Muñoz:

We conducted a surprise cash count of the cash held at your office on May 15, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope

The scope of our review was limited to a count of cash on hand as of the time of the cash count. In addition, we evaluated the procedures in place related to 1.) the collections process, 2.) accounting of citations and civil cases filed with the court, and 3.) documenting the authorization of dismissed criminal cases for the period of April 1, 2015 through April 30, 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, segregation of duties, filing of citations and civil cases, and documenting the authorization of dismissed cases.

Conclusion:

Total cash on hand at the time of the cash count was \$824.10. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

At the time of the cash count, collections from two employees were comingled in a single locked cash box. According to staff, separate cash boxes are maintained for each cashier. However, one of the cashiers, who was out for the day, had receipted collections the prior day after the cut-off time. Those collections had been placed in the cash box of the current day's cashier to ensure that the collections would be deposited at the end of the day.

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

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JUDGE, 275TH D C

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JUDGE, 312ND D C

NOE GONZALEZ
JUDGE, 378TH D C
OVERSEER

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JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

To establish individual responsibility for cash receipts, each cashier must be assigned to a separate cash drawer which only that cashier may access while on duty. This drawer must be locked during the cashier's absence. In addition, undeposited collections should be protected by using a cash drawer, safe, or other secure place until it is deposited.

Failure to ensure that collections received by separate cashiers are not commingled may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that collections received by separate cashiers are not commingled.

Observation No. 2:

We noted that although security cameras were utilized, the security cameras were not utilized where cash was receipted and safeguarded. In addition, a notice stating that the area was being monitored by a security camera was not posted in a conspicuous location for the public's view. According to staff, installation of the cameras was done prior to the arrival of the current court administration; however, the Justice of the Peace will make efforts to install more cameras. In addition, staff was not aware that a notice of the security camera monitoring needed to be posted.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras where cash is receipted and safeguarded and posting a notice to the public that the area is being monitored by security camera increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized where cash is receipted and safeguarded. In addition, management should ensure that a notice stating an area is being monitored by security camera is posted in a conspicuous location for the public's view.

Observation No. 3:

A notice stating "A \$__ fee will be collected on all returned checks" was not posted in a conspicuous location for the public's view. According to staff, they were not aware that the notice needed to be posted.

The County Auditor's Office requires that a notice stating "A \$__ fee will be collected on all returned checks" be posted in a conspicuous location for the public's view.

Failure to post the required notice increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a notice stating "A \$__ fee will be collected on all returned checks" is posted in a conspicuous location for the public's view.

Observation No. 4:

A notice stating "Gifts, gratuities, and/or tips will not be accepted" was not posted in a conspicuous location for the public's view. According to staff, they were not aware that the notice needed to be posted.

The County Auditor's Office requires a notice stating "Gifts, gratuities, and/or tips will not be accepted" be posted in a conspicuous location for the public's view.

Failure to post the required notice increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a notice stating "Gifts, gratuities, and/or tips will not be accepted" is posted in a conspicuous location for the public's view.

Observation No. 5:

We noted during our review that procedures for the accounting of citations received from law enforcement agencies and civil cases filed with the court require improvement as follows:

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
CVFRSFFR

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

1. Citations received from law enforcement agencies and civil cases filed with the court are not recorded on a log. A reconciliation of citations and civil cases filed at the court to those recorded on the *AbleTerm/Odyssey*, the case management systems, was not conducted and formally documented; and
2. Duties related to citations and civil cases are not properly segregated. Individuals responsible for issuing receipts (custody responsibility) are also responsible for entering citations into the *AbleTerm/Odyssey* (recording responsibility).

According to staff, due to a heavy case load and limited staff, procedures for the accounting of citations and civil case filings have not been improved.

The County Auditor's Office requires that a reconciliation of citations and civil cases filed at the court be conducted and formally documented. This reconciliation may be conducted and formally documented by completing a citation/civil cases filed log (log). Citations/civil cases should be entered into *AbleTerm/Odyssey* the same day they are received. Any exceptions should be brought to the attention of the Supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed when processing citations:

- a. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should immediately list citations/civil cases on the log before distribution to the person responsible for entering them into *Ableterm/Odyssey*. Since the person responsible for entering the citations/civil cases into *Ableterm/Odyssey* has recording responsibilities, he/she should not be responsible for accepting payments.
- b. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should note, at a minimum, the following on the log: date received, citation number, name of violator/plaintiff, and name of officer who issued the citation, as applicable. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the log.
- c. The person responsible for entering the citations into *Ableterm/Odyssey* should enter the date of entry and docket number assigned to the citation/civil case on the log and provide his/her signature on the "Entered by" line of the log.
- d. The "New Cases" and "Cases Filed" reports for the specified date should be generated from *Ableterm/Odyssey* and reconciled to the log by a person other than the person responsible for entering the citations into *Ableterm/Odyssey*. Any variances should be noted on the log, with a detailed explanation, and immediately brought up to the attention of the Justice of the Peace. In addition, the person conducting this reconciliation should provide his/her signature on the log as acknowledgment of the reconciliation.
- e. Citations should be placed in the applicable file.
- f. The Justice of the Peace should request periodic reports regarding the citations filed with the courts from law enforcement agencies and reconcile the reports to the citations recorded in *Ableterm/Odyssey*.
- g. Copies of the citation logs and periodic reports received from law enforcement agencies shall be maintained by the Justice of the Peace Office. This documentation shall be made available to the County Auditor's Office for review upon request.

Maintaining adequate internal controls over citations is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations.

Failure to ensure that citations and civil cases are properly accounted and reconciled or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted above should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Observation No. 6:

A schedule of authorized fines and fees was not posted in a conspicuous location for the public's view. According to staff, they were not aware that the notice needed to be posted.

The County Auditor's Office requires that a schedule of authorized fines and fees be posted in a conspicuous location for the public to see. The schedule sets forth those fines and fees to be charged by the County pursuant to state statutes and Commissioners Court approval.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

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JUDGE, 388TH D C

aida salinas flores
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

Failure to post the required schedule increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a schedule of authorized fines and fees is posted in a conspicuous location for the public's view.

Please provide written management responses to the observations noted above by September 18, 2015. In addition, management should develop and implement procedures for the handling of cash and cash equivalent transactions. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

Please provide our office with copies of the procedures by September 18, 2015.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you should have any questions or would like to schedule a meeting to discuss this cash count, please do not hesitate to contact Alejandra Santa Ana, MSA, Internal Auditor I, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext.4604.

Respectfully,



Ray Eufracio, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

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COUNTY HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
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Edinburg, Texas 78539-3587
PHONE: (956) 318-2511
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 28, 2015

The Honorable Charlie Espinoza
Justice of the Peace, Pct.4, Pl. I
212 N. 12th Avenue
Edinburg, TX 78539

Re: Cash Count
Report No. 2015-542

Dear Judge Espinoza:

We conducted a surprise cash count of the cash held at your office on August 10, 2015, as required by Local Government Code § 115.0035. The objective of the cash count was to determine that total cash on hand reconciled to the total receipts issued up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. In addition, we evaluated the procedures in place related to the 1.) collections process, 2.) accounting of citations and civil cases filed with the court and 3.) documenting the authorization of dismissed criminal cases for the period of June 1, 2015 through June 30, 2015. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also interviewed staff and reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, segregation of duties, filing of citations and civil cases, and documenting the authorization of dismissed cases.

Conclusion:

Total collections at the time of the cash count were \$502.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$50.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that a mail log was not utilized to record payments received through the mail. In addition, checks/money orders received through the mail were not immediately restrictively endorsed "For Deposit Only" by the person responsible for opening the mail. Instead, the checks/money orders were restrictively endorsed by the cashiers at the time a receipt was issued. According to staff, the Justice of the Peace receives,

HIDALGO COUNTY DISTRICT JUDGES

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JESSE CONTRERAS
JUDGE, 448TH D.C.

opens, and distributes the mail-in payments to clerks; however, due to time constraints, does not log in all incoming mail or restrictively endorses the checks/money orders "For Deposit Only."

The County Auditor's Office requires that payments received through the mail be recorded on the *Daily Mail Collection Report* (mail log). The person responsible for opening the mail should immediately endorse all checks/money orders with a restrictive endorsement stamp "For Deposit Only" and list them on the mail log before distribution to the cashier(s).

Failure to ensure that all mail-in payments are properly recorded on a mail log and immediately restrictively endorsed "For Deposit Only" may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all mail-in payments are properly recorded on a mail log and immediately restrictively endorsed "For Deposit Only". Please refer to the Cash Handling Guidelines and Procedures for specific procedures to follow while completing the *Daily Mail Collection Report*.

Observation No. 2:

We noted during our review that procedures for the accounting of citations received from law enforcement agencies and civil cases filed with the court require improvement as follows:

1. A reconciliation of citations and civil cases filed at the court to those recorded on *AbleTerm/Odyssey*, the case management systems, was not conducted and formally documented; and
2. Duties related to citations and civil cases are not properly segregated. Individuals responsible for issuing receipts (custody responsibility) are also responsible for entering citations and civil cases into *AbleTerm/Odyssey* (reporting responsibility).

According to staff, due to a heavy case load and limited staff, procedures for the accounting of citations and civil case filings have not been improved.

The County Auditor's Office requires that a reconciliation of citations and civil cases filed at the court be conducted and formally documented. This reconciliation may be conducted and formally documented by completing a citation/civil cases filed log (log). Citations/civil cases should be entered into *AbleTerm/Odyssey*, the case management systems, the same day they are received. Any exceptions should be brought to the attention of the Supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed when processing citations:

- a. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should immediately list citations/civil cases on the log before distribution to the person responsible for entering them on *Ableterm/Odyssey*. Since the person responsible for entering the citations/civil cases on *Ableterm/Odyssey* has recording responsibilities, he/she should not be responsible for accepting payments.
- b. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should note, at a minimum, the following on the log: date received, citation number, name of violator/plaintiff, and name of officer who issued the citation, as applicable. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the log.
- c. The person responsible for entering the citations on *Ableterm/Odyssey* should enter the date of entry and docket number assigned to the citation/civil case on the log and provide his/her signature on the "Entered by" line of the log.
- d. The "New Cases" and "Cases Filed" reports for the specified date should be generated from *Ableterm/Odyssey* and reconciled to the log by a person other than the person responsible for entering the citations on *Ableterm/Odyssey*. Any variances should be noted on the log, with a detailed explanation, and immediately brought up to the attention of the Justice of the Peace. In addition, the person conducting this reconciliation should provide his/her signature on the log as acknowledgment of the reconciliation.
- e. Citations should be placed in the applicable file.
- f. The Justice of the Peace should request periodic reports regarding the citations filed with the courts from law enforcement agencies and reconcile the reports to the citations recorded in *Ableterm/Odyssey*.
- g. Copies of the citation logs and periodic reports received from law enforcement agencies shall be maintained by the Justice of the Peace Office. This documentation shall be made available to the County Auditor's Office for review upon request.

HIDALGO COUNTY DISTRICT JUDGES

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OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D C

AIDA SALINAS FLORES
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

Maintaining adequate internal controls over citations is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations.

Failure to ensure that citations and civil cases are properly accounted and reconciled or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted above should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Observation No. 3:

A notice stating "A \$__ fee will be collected on all returned checks" was not posted in a conspicuous location for the public's view. According to staff, the sign is not posted as they are not the ones who receive the NSF fee.

The County Auditor's Office requires that a notice stating "A \$__ fee will be collected on all returned checks" be posted in a conspicuous location for the public's view.

Failure to post the required notice increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a notice stating "A \$__ fee will be collected on all returned checks" is posted in a conspicuous location for the public's view.

Observation No. 4:

A listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds is not maintained. According to staff, a copy of the hot check list has not been requested from the County Treasurer's Office. In addition, if staff notices that a patron previously made payment with an insufficient funds check, checks will no longer be accepted as payment from the patron.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to maintain a hot check list may result in the loss of County funds.

Recommendation:

Management should request the "hot check" listing from the County Treasurer's Office.

Observation No. 5:

We noted during our review that security cameras were not utilized where cash is received and safeguarded. According to staff, the cameras are installed but due to technical issues, they are not functional. Several attempts have been made to correct the issue; however, the issue has not been resolved.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to properly utilize security cameras increases the risk of loss or misuse of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J R "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D C

NOE GONZALEZ
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OVERSEER

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JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

Recommendation:

Management should ensure that security cameras installed in the areas where cash collections are received and safeguarded are fully functional.

Observation No. 6:

We noted during our review that segregation of duties over the handling of cash requires improvement. The Court Coordinator performs the following incompatible duties:

- o Custody: Receipts money, issues receipts, balances copies of receipts issued against cash drawer, maintains a cash drawer, and prepares daily bank deposits.
- o Recording: Accounts for the numerical sequence of cash receipts, has access to dismiss cases in *AbleTerm/Odyssey*, prepares reports of cash received and disbursed

According to staff, segregation of duties is difficult to implement due to a limited number of staff.

The responsibility of sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receipting money, issuing receipts, balancing copies of receipts issued against the cash drawer, maintaining a cash drawer, and preparing daily bank deposits should be different from the individual responsible for the accounting of the numerical sequence of cash receipts, having access to dismiss cases on *AbleTerm/Odyssey*, and preparing reports of cash received and disbursed.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to have adequate segregation of duties increases the risk of loss or misuse of County revenues.

Recommendation:

Management should develop and implement formal procedures to ensure that incompatible duties are adequately segregated such as those noted above. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Observation No. 7:

We noted during our review that a separate locked cash drawer was not maintained by every employee responsible for handling collections. According to staff, a Clerk does not have a cash box since she seldom takes in payments.

The County Auditor's Office requires that separate locked cash drawers be assigned to each employee responsible for handling collections. Only one cashier should be allowed access to a specific cash drawer during a single shift. Furthermore, when cash is transferred from one person to another, it should be counted in the presence of both parties. The amount should be recorded on a receipt, and the receipt should be signed by the employee accepting custody. This is necessary for the purposes of establishing responsibility relating to a shortage.

Failure to ensure that a separate locked cash drawer is assigned to each employee responsible for receipting collections may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a separate locked cash drawer is assigned to each employee responsible for receipting collections.

Observation No. 8:

At the time of the cash count, there were no appeal bonds on hand. However; according to staff, appeal bonds are not receipted. The appeal bonds are made payable to the County Clerk's Office. According to the Court Coordinator, the bonds are kept in a locked cash drawer until the Justice of the Peace approves the appeal to be sent to the County Clerk's Office. The Court Coordinator further indicated that it may take from 3 to 5 days to obtain

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

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JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

approval from the Justice of the Peace. Both the appeal bond and applicable court documentation are then submitted to the County Clerk's office. A receipt for the appeal bond is received from the County Clerk's office.

The County Auditor's Office requires that all cash (i.e., cash, checks, credit card payments, etc.) received be promptly recorded and controlled using pre-numbered official County receipts.

Failure to ensure that appeal bonds are promptly receipted in a timely manner may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all appeal bonds are promptly receipted in a timely manner. In the alternative, the Justice of the Peace should prepare all applicable court documentation and request that the payor submit the documentation along with payment of the appeal bond to the County Clerk's Office.

Please provide written management responses to the observations noted above by September 18, 2015.

In addition, management should develop and implement procedures for the handling of cash transactions and provide a copy to the County Auditor's Office by September 18, 2015. These procedures should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Alejandra Santa Ana, MSA, Internal Auditor I, at 318-2511 ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4645, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Sincerely,


Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, Commissioners Court Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

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JUDGE, 206TH D C

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JUDGE, 449TH D C

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 21, 2015

Mr. Eduardo Olivarez, Chief Administrative Officer
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count
Report No. 2015-547

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Weslaco Health Clinic on May 20, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$55.00. Based on the results of our review, we have concluded that total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$25.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted that security cameras were not utilized where cash is receipted and safeguarded. According to management, security cameras have not been installed due to budgetary constraints.

The County Auditor's Office recommends that security alarms and security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 32ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are installed and utilized where cash is receipted and safeguarded. Management should contact the Department of Budget and Management to request funding assistance to purchase the security cameras.

Observation No. 2:

We noted during our review that when transporting the cash deposit to the bank, the key to the cash bag is taken by the employee responsible for making the deposit. According to staff, the key is taken by the employee to verify that the validated deposit slip that is placed in the locked cash bag by the bank teller corresponds to the amount being deposited.

The County Auditor's Office requires that cash be secured in a locked cash bag when transporting deposits to the bank or County Treasurer's Office, as applicable. The courier should exercise caution when transporting deposits by not taking the key to the cash bag with them and by varying the time and the route taken.

Failure to ensure that the employee making the deposit does not take the key to the cash bag when transporting the cash deposit to the bank may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that the employee making the deposit does not take the key to the cash bag when transporting the cash deposit to the bank.

Observation No. 3:

We noted in our review that staff has difficulty maintaining a change fund with the proper bill denominations. According to staff, their \$25.00 change fund consists of \$15.00 in \$1.00 bills and \$5.00 in 20 quarter coins. However, there are times when the department needs to use all of their \$1.00 bills to provide change to customer. When this situation occurs, the department is left with no appropriate change to provide to their next customer.

The County Auditor's Office requires that a change fund in the amount necessary to maintain an effective cash handling operation be maintained and utilized for making the appropriate change when necessary.

Failure to ensure that a change fund, in the amount necessary to maintain an effective cash handling operation, is maintained and utilized for making the appropriate change when necessary may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a change fund, in the amount necessary to maintain an effective cash handling operation, is maintained and utilized for making the appropriate change when necessary.

Observation No. 4:

We noted during our review that segregation of duties over the handling of cash requires improvement. The Clerk Manager performs the following incompatible duties:

- Custody: Receives money, issues receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares bank deposits, and has access to inventory of unused receipts
- Recording: Accounts for the numerical sequence of receipts, maintains inventory log of unused receipts, and prepares reports of cash received
- Authorization: Verifies that voided original receipts are kept and reviewed, and approves reports of cash received

According to staff, proper segregation of duties has not been implemented due to limited staff. However, staff rotates responsibilities on a daily basis, depending on their schedule.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 312ND D C

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OVERSEER

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AIDA SALINAS FLORES
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ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 448TH D C

transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of receipts, maintaining inventory log of unused receipts, and preparing reports of cash received. In addition, the individuals noted above should be different from the individual responsible for verifying that voided original receipts are kept and reviewed and approving reports of cash received.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with limited numbers of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to ensure that incompatible duties are adequately segregated or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that incompatible duties are adequately segregated, such as those noted above. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide written management responses to the observation noted above by September 18, 2015.

In addition, information regarding the items listed below was previously provided to our office. Please provide any updated procedures, if applicable, by September 18, 2015.

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions or would like to schedule a meeting to discuss this cash count, please contact Gricelda Quintero, Internal Auditor I, at 318-2511 ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext.4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE 92ND D C

RODOLFO DELGADO
JUDGE 93RD D C

J. R. "BOBBY" FLORES
JUDGE 139TH D C

ROSE GUERRA REYNA
JUDGE 206TH D C

JUAN R. PARTIDA
JUDGE 275TH D C

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COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

August 21, 2015

Mr. Eduardo Olivarez, Chief Administrative Officer
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Ref: Cash Count
Report No. 2015-546

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Pharr Health Clinic on May 14, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$65.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$25.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that although security cameras are located at the entrance of the building and a security alarm is in place, security cameras have not been installed where cash is received and safeguarded.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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JUDGE, 139TH D.C.

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JUDGE, 206TH D.C.

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JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

According to staff, security cameras have not been installed where cash is received and safeguarded due to budgetary constraints.

The County Auditor's Office recommends that security alarms and security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras where cash collections are received and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are installed and utilized where cash is received and safeguarded. Management should contact the Department of Budget and Management to request funding assistance to purchase the security cameras.

Observation No. 2:

We noted during our review that when transporting the cash deposit to the bank, the key to the cash bag is taken by the employee responsible for making the deposit. According to staff, the key is taken by the employee to verify that the validated deposit slip corresponds to the amount being deposited.

The County Auditor's Office requires that cash be secured in a locked cash bag when transporting deposits to the bank or County Treasurer's Office, as applicable. The courier should exercise caution when transporting deposits by not taking the key to the cash bag with them and by varying the time and the route taken.

Failure to ensure that the employee making the deposit does not take the key to the cash bag when transporting the cash deposit to the bank may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that the employee making the deposit does not take the key to the cash bag when transporting the cash deposit to the bank.

Observation No. 3:

According to staff, fees will be waived (for immunizations only), if sufficient funds are not available to provide change. In addition, if a check payment is received for less than the amount due, staff will waive the remaining balance.

The County Auditor's Office requires that individuals make payment of all fees at the time services are rendered, with the exception of individuals that are deemed indigent, based on the Hidalgo County Health and Human Services Department "Income Guidelines and Schedule of Charges-Sliding Fee Schedule". In addition, a change fund in the amount necessary to maintain an effective cash handling operation should be maintained and utilized for making the appropriate change when necessary.

Failure to ensure that individuals make payment of all fees at the time services are rendered and that a change fund, in the amount necessary to maintain an effective cash handling operation, is maintained may result in the loss or misuse of county funds.

Recommendation:

Management should ensure that individuals make payment of all fees at the time services are rendered and that a change fund, in the amount necessary to maintain an effective cash handling operation, is maintained. Please refer to the Cash Handling Guidelines for proper procedures in requesting an increase of the change fund.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 52ND D C

RODOLFO DELGADO
JUDGE, 53RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 266TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
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JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

Observation No. 4:

We noted during our review that segregation of duties over the handling of cash requires improvement. The Clerk Manager performs the following incompatible duties:

- Custody: Receives collections, issues receipts, balances copies of receipts against the cash drawer, maintains a cash drawer, prepares bank deposits, and has access to the inventory of unused cash receipts
- Recording: Accounts for numerical sequence of cash receipts, maintains inventory log of unused cash receipts, and prepares reports of cash received
- Authorization: Verifies that voided original receipts are kept and reviewed

According to staff, segregation of duties is difficult to implement due to limited staff; however, staff alternates responsibilities on a daily basis depending on staff's time schedule for the day.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving collections, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to inventory of unused cash receipts should be different from the individual responsible for accounting for the numerical sequence of cash receipts, maintaining inventory log of unused cash receipts, and preparing reports of cash received. In addition, the individuals noted above should be different from the individual responsible for verifying that voided original receipts are kept and reviewed.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with limited numbers of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to ensure that incompatible duties are adequately segregated or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that incompatible duties are adequately segregated, such as those noted above. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide written management responses to the observations noted above by September 18, 2015.

In addition, information regarding the items listed below was previously provided to our office. Please provide any updated procedures, if applicable, by September 18, 2015.

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 - 1. Process for accounting and safeguarding of the change fund, if any;
 - 2. Process for safeguarding cash until it is deposited;
 - 3. Process for accounting and safeguarding mail-in payments;
 - 4. Process for reconciling collections, including frequency of reconciliation;
 - 5. Bookkeeping system used, and how it is maintained; and
 - 6. Computer hardware and software used;

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J R "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
JUDGE, 275TH D C

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D C

NOE GONZALEZ
JUDGE, 370TH D C
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D C

ADA SALINAS FLORES
JUDGE, 398TH D C

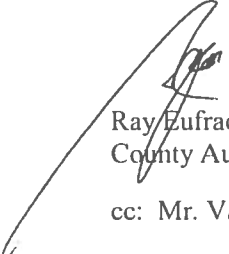
ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Marissa Castillo, Internal Auditor I, at (956) 318-2511, ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Zufracio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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JUDGE, 275TH D.C.

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JUDGE, 332ND D.C.

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JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 24, 2015

Mr. Eduardo Olivarez, Chief Administrative Officer
Hidalgo County Health and Human Services
1304 S. 25th Street
Edinburg, Texas 78539

Ref: Cash Count
Report No. 2015-548

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Edinburg Health Clinic located on Schunior Road on July 2, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$60.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund in the amount of \$25.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted during our review that segregation of duties over the handling of cash requires improvement. The Clerk Manager, one Clerk II employee, and one Community Service Aid employee perform the following incompatible duties:

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92nd D C

RODOLFO DELGADO
JUDGE, 93rd D C

J. R. "BOBBY" FLORES
JUDGE, 139th D C

ROSE GUERRA REYNA
JUDGE, 206th D C

JUAN R. PARTIDA
JUDGE, 275th D C

MARIO E. RAMIREZ, JR.
JUDGE, 332nd D C

NOE GONZALEZ
JUDGE, 370th D C
OVERSEER

LETICIA LOPEZ
JUDGE, 389th D C

AIDA SALINAS FLORES
JUDGE, 398th D C

ISRAEL RAMON, JR.
JUDGE, 430th D C

JESSE CONTRERAS
JUDGE, 449th D C

- Custody: Receive money, issue receipts, balance copies of receipts against the cash drawer, maintain a cash drawer, prepare bank deposits, and have access to inventory of unused receipts
- Recording: Account for the numerical sequence of receipts, maintain inventory log of unused receipts, and prepare reports of cash received
- Authorization: Verify that voided original receipts are kept and reviewed

According to staff, proper segregation of duties has not been implemented due to limited staff.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, preparing bank deposits, and having access to the inventory of unused receipts should be different from the individual responsible for accounting for the numerical sequence of receipts, maintaining inventory log of unused receipts, and preparing reports of cash received. In addition, the individuals previously noted should be different from the individual responsible for verifying that voided original receipts are kept and reviewed.

Maintaining segregation of duties is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with limited numbers of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations. Adequate and timely supervision is especially important in small departments, where limited personnel may inhibit a thorough segregation of duties.

Failure to have adequate segregation of duties increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that incompatible duties are adequately segregated. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Observation No.2:

We noted that security cameras were not utilized where cash is receipted and safeguarded. According to management, security cameras have not been purchased due to budgetary constraints.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized where cash is receipted and safeguarded. Management should contact the Department of Budget and Management to request their assistance in obtaining funding for the purchase of security cameras.

Please provide written management responses to the observations noted above by September 18, 2015.

In addition, please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of cash and cash equivalent transactions by September 18, 2015. The written procedures manual should include, at a minimum, the following:

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 379TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

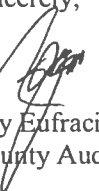
ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Gricelda Quintero, Internal Auditor I, at 318-2511 ext. 4643, Yvonne Torres, Revenue Supervisor, at ext. 4642, Arcy B. Duran CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Sincerely,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, Commissioners Court Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 92ND D C

RODOLFO DELGADO
JUDGE, 93RD D C

J. R. "BOBBY" FLORES
JUDGE, 139TH D C

ROSE GUERRA REYNA
JUDGE, 206TH D C

JUAN R. PARTIDA
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JUDGE, 332ND D C

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JUDGE, 389TH D C

ADA SALINAS FLORES
JUDGE, 398TH D C

ISRAEL RAMON, JR.
JUDGE, 430TH D C

JESSE CONTRERAS
JUDGE, 449TH D C

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 21, 2015

Mr. Eduardo Olivarez, Chief Administrative Officer
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count
Report No. 2015-550

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Hidalgo Health Clinic on August 5, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$50.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$25.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

We noted that security cameras were not utilized where cash is receipted and safeguarded; however, there is a security alarm system in place for the building. According to management, security cameras have not been installed due to budgetary constraints.

The County Auditor's Office recommends that security alarms and security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation,

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92nd D.C.

RODOLFO DELGADO
JUDGE, 93rd D.C.

J. R. "BOBBY" FLORES
JUDGE, 139th D.C.

ROSE GUERRA REYNA
JUDGE, 266th D.C.

JUAN R. PARTIDA
JUDGE, 275th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332nd D.C.

NOE GONZALEZ
JUDGE, 370th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389th D.C.

AIDA SALINAS FLORES
JUDGE, 398th D.C.

ISRAEL RAMON, JR.
JUDGE, 430th D.C.

JESSE CONTRERAS
JUDGE, 449th D.C.

they must be retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are installed and utilized where cash is receipted and safeguarded. Management should contact the Department of Budget and Management to request funding assistance to purchase the security cameras.

Observation No. 2:

According to staff, fees for services are waived when the Clerk and Clerk manager are away on the quarterly meetings and/or trainings.

The County Auditor's Office requires that individuals make payment of all fees at the time services are rendered, with the exception of individuals deemed indigent, based on the Hidalgo County Health and Human Services Department "Income Guidelines and Schedule of Charges-Sliding Fee Schedule".

Failure to ensure that individuals make payment of all fees at the time services are rendered, with the exception of individuals deemed indigent, may result in the loss or misuse of county funds.

Recommendation:

Management should ensure that individuals make payment of all fees at the time services are rendered, with the exception of individuals deemed indigent.

Please provide written management responses to the observations noted above by September 18, 2015. In addition, information regarding the items listed below was previously provided to our office; however, please provide any updated procedures, if applicable, by September 18, 2015.

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you should have any questions, do not hesitate to contact Marissa Castillo, Internal Auditor I, at 318-2511 ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

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JUDGE, 378TH D.C.
OVERSEER

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JUDGE, 389TH D.C.

ADA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY HIDALGO

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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 21, 2015

The Honorable Pablo (Paul) Villarreal, Jr., RTA
Hidalgo County Tax Assessor/Collector
2804 South Business Highway 281
Edinburg, Texas 78539

Re: Cash Count
Report No. 2015-559

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Alamo Tax Office on June 15, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$9,707.52. Based on the results of our review, we have concluded that generally total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$300.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observation.

Observation No. 1:

According to staff, when accepting checks as payment, cashiers are not required to ensure that the payer's name, address, driver's license number, date of birth, and phone number are pre-printed or recorded on the face of the check. Staff is only required to verify that an Hidalgo County Appraisal District (HCAD) number and phone number are included on the check.

The County Auditor's Office requires that, prior to accepting a check for payment, the cashier must verify that the payer's name, address, driver's license number, date of birth, and phone number is pre-printed on the face

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

JUAN R. PARTIDA
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 378TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

of the check. If some of this information is not pre-printed on the face of the check, the cashier must request this information and record it in on the face of the check.

Failure to ensure that cashiers verify that the payer's name, address, driver's license number, date of birth, and phone is pre-printed or recorded on the face of the check may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that cashiers verify that the payer's name, address, driver's license number, date of birth, and phone is pre-printed or recorded on the face of the check.

Please provide a written management response to the observation noted above by September 18, 2015. In addition, please provide our office with copies of the procedures listed below and any updated procedures, if applicable, by September 18, 2015.

- a. Location of cash collection points;
- b. Types of collections made by each cash collection point;
- c. The training that will be provided at the collection point and description of how segregation of duties will be maintained;
- d. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained;
 6. Computer hardware and software used; and
- e. A schedule of how often deposits will be made.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Abigail Guajardo, MSA, Internal Auditor I, at (956) 318-2511, ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Eva Mireles, Chief of Operations
Daisy Perez, Substation Supervisor
Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
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MARIO E. RAMIREZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
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AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
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PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 20, 2015

The Honorable Pablo (Paul) Villarreal, Jr., RTA
Hidalgo County Tax Assessor/Collector
2804 South Business Highway 281
Edinburg, Texas 78539

Re: Cash Count
Report No. 2015-560

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the San Juan Tax Office on May 5, 2015, as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included but were not limited to the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$13,380.78. Based on the results of our review, we have concluded that generally total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$300.00. However, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

During the cash count, we were informed that temporary or foreign checks cannot be deposited remotely. Therefore, a separate deposit slip is prepared; however, the checks are not listed individually. In addition, copies

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of the checks are not maintained and attached to the Close-Out Report. According to staff, they were not aware that the deposit slip should contain a listing of check numbers and amounts or that copies should be maintained for these type of payments.

The County Auditor's Office requires that deposits slips contain sufficient information to identify the cash receipts for which the deposit is being made. Deposit slips must include the date of deposit, receipt sequence, amount of currency and coins, a listing of check numbers and amounts, and the total dollar amount of the deposit. If it is not possible to list all the checks collected, copies of the checks must be maintained and attached to the Close-Out Report.

Failure to ensure that a listing of check numbers and amounts are included in the deposit slip may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that deposit slips include a listing of check numbers and amounts. If it is not possible to list all the checks, copies of the checks must be maintained and attached to the Close-Out Report.

Observation No. 2:

According to staff, temporary receipts and computer-generated receipts are not cross-referenced. According to staff, the ACT Tax Collection System does not have an option to enter comments in order to reference the temporary receipt on the computer-generated receipt.

The County Auditor's Office requires a manual receipting system be used when a computerized receipting system is not available. The manual receipts must be entered into the computerized receipting system as soon as possible, but in no event later than the next business day after the computerized receipting system is operational. Each manual receipt and corresponding computer-generated receipt should be cross-referenced.

Recommendation:

Management should ensure that temporary receipts are cross-referenced to the computer-generated receipts. If the cross-referenced manual receipt cannot be noted on the ACT Tax Collection System receipt, a note should be entered into the corresponding tax account to cross-reference the receipts.

Procedures established by your department for the handling of cash were previously provided to the Auditor's Office; however, the procedures did not address the following:

- a. Location of cash collection points;
- b. Types of collections made by each cash collection point;
- c. The training that will be provided at the collection point and description of how segregation of duties will be maintained;
- d. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- e. A schedule of how often deposits will be made;
- f. An office organizational chart; and
- g. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained.

Please provide our office with copies of the procedures listed above and any updated procedures, if applicable. In addition, please provide a written management response to the observations noted above by September 18, 2015.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Abigail Guajardo, MSA, Internal Auditor

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Honorable Pablo (Paul) Villarreal Jr.
August 20, 2015
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I, at (956) 318-2511, ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Eva Mireles, Chief of Operations
Herlinda Lara, Substation Supervisor
Valde Guerra, County Executive Officer

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COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

August 21, 2015

Ms. Yvonne Ramon, Elections Administrator
Hidalgo County Elections Department
101 S. 10th Street
Edinburg, Texas 78539

Ref: Cash Count
Report No. 2015-562

Dear Ms. Ramon:

We conducted a surprise cash count of the cash held at the Elections Department on May 5, 2015 as required by Local Government Code §115.0035. The objective of the cash count was to determine whether total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of our review was limited to a count of the cash on hand as of the time of the cash count. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and recorded properly.

As part of our procedures, we verified that cash on hand agreed to the total receipts issued up to the time of the cash count. We also reviewed the internal control structure in order to verify that cash on hand was safeguarded against loss from unauthorized use and that only authorized transactions were executed, recorded, and reported in accordance with applicable laws and procedures. The internal controls reviewed during our walkthrough included, but were not limited to, the following: custody of cash, use of locked cash drawers, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$98.60. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$50.00; however, we noted that the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

Although security cameras are utilized, the security cameras are not utilized where collections are receipted and safeguarded. According to staff, recent changes have been made and collections are receipted and safeguarded in a different location that does not have a security camera present.

The County Auditor's Office recommends that security alarms and/or security cameras be installed in areas where cash collections and receipts are received and safeguarded. Camera images must be stored on the type of media (e.g., digital recording box, tape, DVD, etc.) and retained for the period of time recommended by the Information Technology Department. If, however, the camera images are part of an ongoing investigation, they must be

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retained for the period of time determined by the investigating agency. Furthermore, a notice stating that an area is being monitored by a security camera must be posted at the entrance to the area being monitored.

Failure to utilize security cameras where collections are receipted and safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that security cameras are utilized where cash is receipted and safeguarded. As part of these procedures, management should consider re-locating some of the current cameras in use or purchase additional cameras.

Observation No. 2:

We noted during our review that procedures for processing mail-in payments require improvements as follows:

1. A continuous mail log instead of a daily mail log was utilized to record mail-in payments.
2. Collections received through the mail are not immediately stamped with a restrictive endorsement.

According to staff, they were not aware of the proper procedures for preparing the mail log.

The County Auditor's Office requires that mail be opened on the same day it is received. If this is not possible, mail must be kept in a locked safe in a secure area overnight and opened the following business day. The following procedures should be followed when processing mail:

1. Mail should be opened by an employee who is not responsible for receipting or maintaining accounting records.
2. Immediately upon receipt, the person responsible for opening the mail must restrictively endorse all checks "For Deposit Only" to the credit of the County.
3. Mail-in payments must be listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., cash or check), and, if applicable, the check number.
4. The employee responsible for opening the mail and listing the mail-in payments must sign and date the mail log to document responsibility for verifying the cash received and preparing the listing.
5. Mail-in payments must then be transferred to the cashier. After issuing a receipt for the mail-in payment, the cashier must enter the receipt date and receipt number issued for the mail-in payment on the mail log.
6. An employee other than the cashier should verify that an official County receipt was issued for each mail-in payment. The employee conducting this verification must sign and date the mail log to document responsibility for the verification.
7. The "Customer Copy" of a receipt issued for a mail-in payment should be mailed to the payer if the payer included a stamped, self-addressed envelope with the mail-in payment. Otherwise, the "Customer Copy" of the receipt for the mail-in payment must be properly filed (e.g., case file).

Failure to ensure mail-in payments are properly processed and recorded on a mail log may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that mail-in payments are properly processed and recorded on a mail log. At a minimum, the procedures noted above should be implemented.

Observation No. 3:

At the time of the cash count, the April 28, 2015 collections totaling \$48.60 had not been deposited with the County Treasurer. According to staff, they were not aware the collections had not been deposited since the cashier who was assigned the cash bag had been out on leave since April 20, 2015. The cashier's cash bag had been utilized by a backup cashier to receipt collections received after the cut-off time. In addition, since a *Cashier's Daily Close-Out Report* (Close-out Report) had not been prepared to reconcile the collections they were not aware that the collections had not been deposited.

The County Auditor's Office requires that cash on hand be reconciled to receipts issued and the change fund on a daily basis by utilizing the *Cashier's Daily Close-Out Report* (Close-out Report). The reconciliation must be conducted by the Cashier and witnessed by another individual. In addition, cash receipts must be deposited on a daily basis, unless the amount collected is less than \$100.00. Undeposited funds must be kept in a locked safe in a secure area overnight.

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Failure to ensure that the daily cash reconciliation is documented by the cashiers on the Close-out Report and that the deposits are made on a daily basis increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that daily cash reconciliation is documented by the cashiers and that the deposits are made on a daily basis.

Observation No. 4:

A listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds was requested from the County Treasurer's Office; however, the list is not referenced when receiving checks from customers.

The County Auditor's Office requires that a listing of the names of customers whose checks have been returned by the bank ("hot checks") due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds be maintained. The hot check list should be referenced when receiving checks from customers.

Failure to reference the hot check list when receiving checks from customers may result in the loss of County funds.

Recommendation:

Management should reference the hot check list when receiving checks from customers.

Please provide written management responses to the observations noted above by September 18, 2015.

In addition, please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of cash and cash equivalent transactions by September 18, 2015. The written procedures manual should include, at a minimum, the following:

- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation of duties will be maintained;
- e. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the change fund, if any;
 2. Process for safeguarding cash until it is deposited;
 3. Process for accounting and safeguarding mail-in payments;
 4. Process for reconciling collections, including frequency of reconciliation;
 5. Bookkeeping system used, and how it is maintained; and
 6. Computer hardware and software used;
- f. List of the reports prepared/generated for the collection and the reporting of funds, including procedures for preparing the reports, who the reports should be submitted to, and when the reports are due;
- g. A schedule of how often deposits will be made; and
- h. Copies of any related forms/reports.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact Crystal A. Puente, Internal Auditor II, at (956) 318-2511, ext. 4646, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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