

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

January 5, 2017

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
Ms. Yvonne Ramon, Elections Administrator	\$ 20,717.05	Sept. 2016 Monthly Report/Letter
Mr. T.J. Arredondo, Director of Planning	\$ 28,143.70	Sept. 2016 Monthly Report/Letter
Mr. T.J. Arredondo, Director of Planning	\$ 26,935.50	Oct. 2016 Monthly Report/Letter
Mr. Homero Garza, Fire Marshal	\$ 11,020.00	Oct. 2016 Monthly Report/Letter
Mr. Homero Garza, Fire Marshal	\$ 8,430.00	Nov. 2016 Monthly Report/Letter
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	\$ 36,420.00	Oct. 2016 Monthly Report/Letter
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	\$ 488.00	Oct. 2016 Monthly Report/Letter Delta Lake
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	\$ 262.00	Nov. 2016 Monthly Report/Letter Delta Lake
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	\$ 17,300.00	Oct. 2016 Monthly Report/Letter Sanitation Program
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	\$ 5,250.00	Oct. 2016 Monthly Report/Letter Sanitation Program
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	\$ 4,425.00	Nov. 2016 Monthly Report/Letter Sanitation Program
The Hon. Jose M. Flores, Commissioner Precinct No. 3	\$ 33,300.00	Oct. 2016 Monthly Report/Letter Sanitation Program
The Hon. Jose M. Flores, Commissioner Precinct No. 3	\$ 2,480.00	Oct. 2016 Monthly Report/Letter Anzalduas Park
The Hon. Jose M. Flores, Commissioner Precinct No. 3	\$ 776.00	Nov. 2016 Monthly Report/Letter Anzalduas Park
The Hon. Joseph Palacios, Commissioner Precinct No. 4	\$ 25,825.00	Oct. 2016 Monthly Report/Letter Sanitation Program
The Hon. Celestino Avila Jr. Constable Precinct No. 1	\$ 3,575.00	Oct. 2016 Monthly Report/Letter
The Hon. Martin Cantu, Constable Precinct No. 2	\$ 31,677.30	Oct. 2016 Monthly Report/Letter
The Hon. Lazaro Gallardo, Constable Precinct No. 3	\$ 63,045.00	Oct. 2016 Monthly Report/Letter
The Hon. Atanacio Gaitan Jr. Constable Precinct No. 4	\$ 18,893.00	Oct. 2016 Monthly Report/Letter
The Hon. Eddie Guerra, Hidalgo County Sheriff	\$ 76,854.85	Sept. 2016 Monthly Report/Letter

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
 JUDGE, 12th D.C.

RODOLFO DELGADO
 JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
 JUDGE, 13th D.C.

ROSE GUERRA REYNA
 JUDGE, 20th D.C.

JUAN R. PARTIDA
 JUDGE, 21st D.C.

MARIO E. RAMIREZ, JR.
 JUDGE, 32nd D.C.

NOE DOMAZALEZ
 JUDGE, 37th D.C.
 OVERSEER

LETICIA LOPEZ
 JUDGE, 38th D.C.

L. KENO VASQUEZ
 JUDGE, 38th D.C.

ISRAEL RAMON, JR.
 JUDGE, 43rd D.C.

RENEE R. BETANCOURT
 JUDGE, 44th D.C.

The Hon. Eddie Guerra, Hidalgo County Sheriff	\$	66,651.73	Oct. 2016 Monthly Report/Letter
---	----	-----------	---------------------------------

Department	Description
The Hon. Eddie Guerra, Hidalgo County Sheriff	Review of Sheriff's "D" Monthly Fines and Fees Report and Supporting Documentation For the month ended September 30, 2016
The Hon. Eddie Guerra, Hidalgo County Sheriff	Review of Sheriff's Regular Trust Fund Financial Statements For the Month Ended September 30, 2016
The Hon. Eddie Guerra, Hidalgo County Sheriff	Review of Sheriff's Fee Financial Statements For the Months Ended August 31, 2016 and September 30, 2016
The Hon. Eddie Guerra, Hidalgo County Sheriff	Review of Sheriff's Regular Trust Fund Financial Statements For the Months Ended June 30, 2016 through August 31, 2016
The Hon. Eddie Guerra, Hidalgo County Sheriff	Review of Sheriff's Inmate Trust Financial Statements For the Months of June 2016 through August 2016
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of Hot Checks Balance Sheet For the month of August 2016
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of the H.B. 65 Financial Statements For the month of September 2016
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of the Hot Checks Processing Fees Reports and Supporting Documentation For the Months of September 2016 and October 2016
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Review of Hot Checks Processing Fees Reports and Supporting Documentation For the Month of November 2016
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Review of Delinquent Tax Attorney Payment Request-October 2016 Report No. 2016-75
The Hon. A.C. Cuellar, Jr., Commissioner Precinct No. 1	Audit of the Commissioner Precinct 1 Office Asset Inventory Listing Audit No. 2016-67
The Hon. Aida Salinas Flores, 398 th District Judge	Audit of the 398 th District Court Asset Inventory Listing Audit No. 2016-71
The Hon. Jesse Contreras, 449 th District Judge	Audit of the 449 th District Court Asset Inventory Listing Audit No. 2016-72
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Audit of the Chapter 59 Asset Forfeiture Audit Report by Attorney Representing the State For the Fiscal Year Ended August 31, 2016 Audit No. 2016-54
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	District Attorney's Asset Forfeiture Section-Cash Count Report No. 2016-56
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	District Attorney's Office-Cash Count Report No. 2016-57
The Hon. Jose M. Flores, Commissioner Precinct No. 3	Anzalduas Park-Cash Count Report No. 2016-62
The Hon. Eddie Guerra, Hidalgo County Sheriff	Inmate Trust-Cash Count Report No. 2016-63
The Hon. Eddie Guerra, Hidalgo County Sheriff	Bond "B" Trust-Cash Count Report No. 2016-64
The Hon. Eddie Guerra, Hidalgo County Sheriff	Discharge "D"-Cash Count Report No. 2016-65
The Hon. Joseph Palacios, Commissioner Precinct No. 4 Mr. Sergio Cruz, Budget Officer	Edinburg Sanitation Office-Cash Count Report No. 2016-66 Cash Count-Report No. 2016-70
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Environmental Health Division-On-Site Sewage Facilities Edinburg Location-Cash Count Audit No. 2016-73
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Environmental Health Division-Restaurant Health Permit Section-Cash Count Audit No. 2016-74
The Hon. Eddie Guerra, Hidalgo County Sheriff	Investigation Fund-Cash Count Audit No. 2016-76
The Hon. Eddie Guerra, Hidalgo County Sheriff	Regular Trust-Cash Count Report No. 2016-77
The Hon. Eddie Guerra, Hidalgo County Sheriff	Fee Account-Cash Count Report No. 2016-78

HIDALGO COUNTY DISTRICT JUDGES

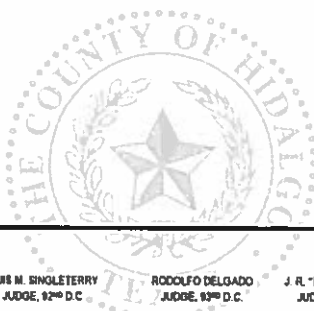
Mr. Homero Garza, Fire Marshal	Cash Count Audit No. 2016-79
Mr. T.J. Arredondo, Director of Planning	Edinburg Office-Cash Count Report No. 2016-80
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	San Juan Motor Vehicle Substation-Cash Count Report No. 2016-530
The Hon. Jesus E. Morales, Justice of the Peace Pct. 1, Pl. 2	Cash Count Report No. 2016-536
The Hon. Bobby Contreras, Justice of the Peace Pct. 2, Pl. 1	Cash Count Report No. 2016-537
The Hon. Laura Hinojosa, Hidalgo County District Clerk	Cash Count Report No. 2016-543
Mr. Eduardo Olivarez, Chief Administrator Officer Hidalgo County Health and Human Services Department	Hidalgo Health Clinic-Cash Count Report No. 2016-549
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Edinburg Tax Office-Cash Count Audit No. 2016-557
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Mission Tax Office-Cash Count Audit No. 2016-560

Respectfully,



Ray Eufacio, CPA
 Hidalgo County Auditor

Attachments



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 12th D.C.
 RODOLFO DELGADO JUDGE, 12th D.C.
 J. R. "BOBBY" FLORES JUDGE, 13th D.C.
 ROSE GUERRA REYNA JUDGE, 20th D.C.
 JUAN R. PARTIDA JUDGE, 27th D.C.
 MARIO E. RAMIREZ, JR. JUDGE, 33rd D.C.
 NOE GONZALEZ JUDGE, 37th D.C.
 LETICIA LOPEZ JUDGE, 38th D.C.
 L. KENO VASQUEZ JUDGE, 39th D.C.
 ISRAEL RAMON, JR. JUDGE, 43rd D.C.
 RENEE R. BETANCOURT JUDGE, 44th D.C.
 OVERSEER

**HIDALGO COUNTY ELECTIONS DEPARTMENT
MONTHLY FEES REPORT
FOR THE MONTH ENDED September, 2016**

PBC

PART I: SUMMARY OF MONTHLY COLLECTIONS

A	B Receipt Date	C Elections Receipt # Sequence		E Revenues		G Total Collected	H COUNTY TREASURER			K OVER/ (SHORT)
		D BEG #	END #	Contractual Revenues	Non-Contractual Revenues		Receipt Amount	Receipt No.	Receipt Date	
1	1-Sep-16	0	0	\$ -	\$ -	\$ -				
2	2-Sep-16	902 X	904 X	\$ 19,925.15	\$ 34.00	\$ 19,959.15	\$ 19,959.15	X 202148	09/06/16	Day
3	3-Sep-16	0	0	\$ -	\$ -	\$ -				
4	4-Sep-16	0	0	\$ -	\$ -	\$ -				
5	5-Sep-16	0	0	\$ -	\$ -	\$ -				
6	6-Sep-16	0	0	\$ -	\$ -	\$ -				
7	7-Sep-16	905 X	908 X	\$ -	\$ 91.10	\$ 91.10	\$ 91.10	X 202221	09/08/16	Day
8	8-Sep-16	0	0	\$ -	\$ -	\$ -				
9	9-Sep-16	909 X	909 X	\$ -	\$ 17.50	\$ 17.50	\$ 17.50	X 202312	09/12/16	Day
10	10-Sep-16	0	0	\$ -	\$ -	\$ -				
11	11-Sep-16	0	0	\$ -	\$ -	\$ -				
12	12-Sep-16	0	0	\$ -	\$ -	\$ -				
13	13-Sep-16	0	0	\$ -	\$ -	\$ -				
14	14-Sep-16	910 X	910 X	\$ -	\$ 44.00	\$ 44.00	\$ 44.00	X 202454	09/15/16	Day
15	15-Sep-16	911 X	911 X	\$ -	\$ 17.50	\$ 17.50	\$ 17.50	X 202488	09/16/16	Day
16	16-Sep-16	0	0	\$ -	\$ -	\$ -				
17	17-Sep-16	0	0	\$ -	\$ -	\$ -				
18	18-Sep-16	0	0	\$ -	\$ -	\$ -				
19	19-Sep-16	0	0	\$ -	\$ -	\$ -				
20	20-Sep-16	912 X	913 914	\$ -	\$ 52.50	\$ 52.50	\$ 52.50	X 202623	09/21/16	Day
21	21-Sep-16	915 X	915 X	\$ 500.00	\$ -	\$ 500.00	\$ 500.00	X 202676	09/22/16	Day
22	22-Sep-16	916 X	916 X	\$ -	\$ 17.50	\$ 17.50	\$ 17.50	X 202719	09/23/16	Day
23	23-Sep-16	917 X	917 X	\$ -	\$ 17.00	\$ 17.00	\$ 17.00	X 202784	09/26/16	Day
24	24-Sep-16	0	0	\$ -	\$ -	\$ -				
25	25-Sep-16	0	0	\$ -	\$ -	\$ -				
26	26-Sep-16	0	0	\$ -	\$ -	\$ -				
27	27-Sep-16	0	0	\$ -	\$ -	\$ -				
28	28-Sep-16	0	0	\$ -	\$ -	\$ -				
29	29-Sep-16	0	0	\$ -	\$ -	\$ -				
30	30-Sep-16	918 X	918 X	\$ -	\$ 0.80	\$ 0.80	\$ 0.80	X 203044	10/03/16	Day
31	1-Oct-16	0	0	\$ -	\$ -	\$ -				
TOTAL				\$ 20,425.15	\$ 291.90	\$ 20,717.05	X3			0.00

PART II: SUMMARY OF YEARLY COLLECTIONS:

January	\$ 53,950.86 X	July	\$ 1,174.20 X
February	\$ 41,278.70 X	August	\$ 91,754.36 X
March	\$ 3,081.74 X	September	\$ 20,717.05 X
April	\$ 23,483.06 X	October	
May	\$ 20,895.75 X	November	
June	\$ 17,591.77 X	December	
(1) Subtotal	\$ 160,281.88	(2) Subtotal	\$ 113,645.61
		Total (1+2)	\$ 273,927.49 X

AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE
DATE: 10/08/16
10/14/16

RECEIVED BY COUNTY AUDITOR 5 10/17

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

[Signature]
PREPARED BY

10/14/16
DATE

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

[Signature]
ELECTIONS ADMINISTRATOR

10/14/16
DATE

This Report is Due in the Office of the County Auditor before the 5th day of the following month

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

November 29, 2016

Ms. Yvonne Ramon, Elections Administrator
Hidalgo County Elections Department
101 S. 10th Street
Edinburg, Texas 78539

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the Month of September 2016

Dear Ms. Ramon:

We have conducted a limited scope review of the *Monthly Fees Report (Monthly Report)* and supporting documentation for the month of September 2016 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 by your office on the *Monthly Report* for the month of September 2016. 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 the *Monthly Report*, fee schedules, and *Contracts for Lease Election Services* approved by Commissioners Court. The following procedures were performed:

- Reviewed the submittal date of the *Monthly Report* to the County Auditor's Office to determine if the report and supporting documentation were received within 5 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 receipts issued to determine if fees were allocated and reported in the proper amounts.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total deposits made with the County Treasurer and 2.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Verified that the 10% administrative fee pursuant to Article VI Cost of Service and Billing in the *Contract for Lease Election Services* and Elections Code §31.100(d) was paid timely.

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, 394TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

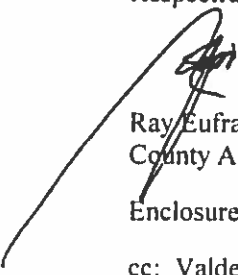
- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Report (Close-Out Reports)* and County Treasurer receipts to determine whether collections were properly accounted and deposited with the County Treasurer on a timely basis.
- Reviewed receipts issued to verify the proper completion and issuance in sequential order.
- Reviewed *Close-Out Reports* to verify proper completion.
- Verified that payments for Election Services were timely remitted.

Conclusion:

Total collections for the month of September 2016 were \$20,717.05. Based on the results of our review, we have concluded that fees were generally properly accounted and reported.

If you should have any questions or would like to schedule a meeting to discuss the above noted observations, 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 Eufrazio, CPA
County Auditor

Enclosures: *Monthly Fees Report*

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 82ND D.C.

RODOLFO DELGADO
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH 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.

**HIDALGO COUNTY PLANNING DEPARTMENT
MONTHLY FEES REPORT
FOR THE MONTH OF: SEPTEMBER 2016**

Part I: RECAP OF COLLECTIONS

A. TOTAL CASH COLLECTED

1 HELD IN ESCROW					
a. EDINBURG	\$ 4,500.00	X2			
b. MISSION	\$ -				
c. WESLACO	\$ -				
2 UTILITY CERTIFICATE FEE					
a. EDINBURG	\$ 4,530.00	X3			
b. MISSION	\$ 2,580.00	X4			
c. WESLACO	\$ 4,080.00	X5			
3 SUBDIVISION FEES					
a. EDINBURG	\$ 12,453.70	X2			
b. MISSION	\$ -				
c. WESLACO	\$ -				

AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE

DATE: 10-28-16

[Handwritten Signature]

\$ 28,143.70

RECEIVED BY COUNTY AUD.

2016 OCT 11 AM 10

\$ 4,500.00

\$ 11,190.00

\$ 12,453.70

TOTAL AMOUNT DUE TO THE COUNTY TREASURER:

\$ 28,143.70

Part II: SUMMARY OF COLLECTIONS REMITTED TO THE CO. TREASURER

Name of Fee Collected	Statutory Reference	Fee Amt.	GL Account Number	Amount Collected
1/3 Paving Escrow			Account is Determined per Project	\$ -
Septic Tank-Held in Escrow	LGC § 232.027	\$1500/septic	1100-211-00-000-018-0-000	\$ 4,500.00 X3
Other-Held in Escrow			1100-211-00-000-026-0-000	\$ -
Utility Subdivision Fees	LGC § 232.028(g) 8/7/07 CT Approval	\$30	1100-341-30-210-003-0-000	\$ 11,190.00 X3, X5
Subdivision Fees	LGC § 232.0021 11/29/2011 CT	Varies per acreage	1100-341-30-210-001-0-000	\$ 12,453.70 X5

TOTAL AMOUNT DUE TO THE COUNTY TREASURER:

\$ 28,143.70

variance should => "0"

PREPARED BY:

[Handwritten Signature]

DATE PREPARED:

October 7, 2016

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

RECEIVED

OCT 11 2016

[Handwritten Signature]

DIRECTOR OF PLANNING

10-11-16

DATE

This Report is Due in the Office of the County Auditor before the (5th) workday of the following month.

COUNTY AUDITOR'S FORM: RE-PLAN-013

REVISED 11/13

Hidalgo County
AUDITORS OFFICE

**HIDALGO COUNTY PLANNING DEPARTMENT
 DETAIL ON MONTHLY FEES COLLECTED
 FOR THE MONTH OF: SEPTEMBER 2016**

Part III: SUMMARY OF FEES COLLECTED

1 HELD IN ESCROW

a. 1/3 PAVING	\$ -				
b. SEPTIC TANK	\$ 4,500.00	From	X?		
c. OTHER	\$ -				
				\$ 4,500.00	To X 1

2 UTILITY CERTIFICATE FEE

\$ 11,190.00	From	X 1
--------------	------	-----

3 SUBDIVISION FEES

a. FILING/REVIEW FEE	\$ 1,095.00				
b. 2% INSPECTION FEE	\$ 11,102.70				
c. MAPS	\$ 56.00		X3		
d. SUBD. RULES BOOK	\$ -				
e. OTHER	\$ 200.00				
				\$ 12,453.70	To X 1

TOTAL AMOUNT COLLECTED

\$ 28,143.70
 ≠ 1

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

November 9, 2016

Mr. T.J. Arredondo, Director of Planning
Hidalgo County Planning Department
1304 S. 25th St.
Edinburg, Texas 78539

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the month of September 2016

Dear Mr. Arredondo:

We conducted a review of the Planning Department's *Monthly Fees Report* and all supporting documentation for the month of September 2016 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 our review was limited to collections reported by your office on the *Monthly Fees Report* for the month of September 2016. 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.

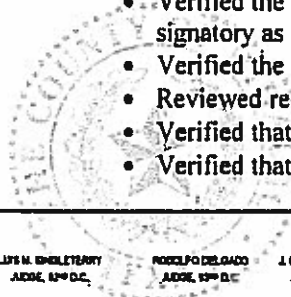
The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that 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 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 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 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 that receipts issued followed a sequential order.
- Verified that procedures for voided receipts were properly followed.



HIDALGO COUNTY DISTRICT JUDGES

LITA H. ENGLETERY JUDGE, 1 st D.C.	ROSELFO DELGADO JUDGE, 2 nd D.C.	J. R. "BOBBY" FLORES JUDGE, 11 th D.C.	ROSIE GUERRA REYNA JUDGE, 24 th D.C.	JUAN R. PARTIDA JUDGE, 37 th D.C.	BARRO E. RAMIREZ, JR. JUDGE, 33 rd D.C.	NOE GONZALEZ JUDGE, 37 th D.C. CHIEF CLERK	LETICIA LOPEZ JUDGE, 36 th D.C.	ADA SALINAS FLORES JUDGE, 36 th D.C.	ISRAEL RAMON, JR. JUDGE, 60 th D.C.	JESSE CONTRERAS JUDGE, 14 th D.C.
--	--	--	--	---	---	---	---	--	---	---

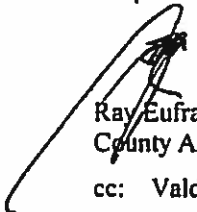
- Reviewed the *Revenue Detail Report by Account* generated from *alio* to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth business day after the day on which the funds were received.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts issued and *Monthly Fees Report* to verify proper completion.

Conclusion:

Total collections for the month of September 2016 were \$28,143.70. 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 call Ricardo Nuñez, Internal Auditor I, at 318-2511 ext. 4644, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer



HIDALGO COUNTY DISTRICT JUDGES

LUIS H. BINGLETERRY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 17TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 18TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 21ST D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 22ND D.C.

NOE GONZALEZ
JUDGE, 27TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 28TH D.C.

ADA SALINAS FLORES
JUDGE, 29TH D.C.

ISRAEL RAMON, JR.
JUDGE, 30TH D.C.

JESSE CONTRERAS
JUDGE, 40TH D.C.

HIDALGO COUNTY PLANNING DEPARTMENT

MONTHLY FEES REPORT

FOR THE MONTH OF: **OCTOBER 2016**

PAGE 1 OF 6

Part I: RECAP OF COLLECTIONS

A. TOTAL CASH COLLECTED			\$ 26,935.50
1 HELD IN ESCROW			
a. EDINBURG	<u>\$ 1,500.00</u> X3		
b. MISSION	<u>\$ -</u>		
c. WESLACO	<u>\$ -</u>	<u>\$ 1,500.00</u>	
			^
2 UTILITY CERTIFICATE FEE			
a. EDINBURG	<u>\$ 4,350.00</u> X3		
b. MISSION	<u>\$ 2,580.00</u> X4		
c. WESLACO	<u>\$ 4,020.00</u> X5	<u>\$ 10,950.00</u>	
			^
3 SUBDIVISION FEES			
a. EDINBURG	<u>\$ 14,485.50</u> X2		
b. MISSION	<u>\$ -</u>		
c. WESLACO	<u>\$ -</u>	<u>\$ 14,485.50</u>	
			^
TOTAL AMOUNT DUE TO THE COUNTY TREASURER:			\$ 26,935.50
			^

AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE
DATE: 12-7-16

J. C. 12/10/16

Part II: SUMMARY OF COLLECTIONS REMITTED TO THE CO. TREASURER

Name of Fee Collected	Statutory Reference	Fee Amt.	GL Account Number	Amount Collected
1/3 Paving Escrow			Account is Determined per Project	\$ - Fam
Septic Tank-Held in Escrow	LGC § 232.027	\$1500/septic	1100-211-00-000-018-0-000	\$ 1,500.00 X3
Other-Held in Escrow			1100-211-00-000-026-0-000	\$ -
Utility Subdivision Fees	LGC § 232.028(g) 8/7/07 CT Approval	\$30	1100-341-30-210-003-0-000	\$ 10,950.00 X3, X4 X5
Subdivision Fees	LGC § 232.0021 11/29/2011 CT	Varies per acreage	1100-341-30-210-001-0-000	\$ 14,485.50 X3
TOTAL AMOUNT DUE TO THE COUNTY TREASURER:				\$ 26,935.50
				^

.variance should => "0"

PREPARED BY: Heidi Castillo DATE PREPARED: November 15, 2016

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

RECEIVED
NOV 15 2016

[Signature]
DIRECTOR OF PLANNING
DATE: 11-15-16

**HIDALGO COUNTY PLANNING DEPARTMENT
 DETAIL ON MONTHLY FEES COLLECTED
 FOR THE MONTH OF: OCTOBER 2016**

Part III: SUMMARY OF FEES COLLECTED

1 HELD IN ESCROW

a. 1/3 PAVING	\$	-		
b. SEPTIC TANK	\$	<u>+1,500.00</u>	X 3	
c. OTHER	\$	-		
				\$ 1,500.00 ^

2 UTILITY CERTIFICATE FEE

\$ 10,950.00 From X1
^

3 SUBDIVISION FEES

a. FILING/REVIEW FEE	\$	+ 1,580.00		
b. 2% INSPECTION FEE	\$	<u>+12,705.50</u>	} X3	
c. MAPS	\$	-		
d. SUBD. RULES BOOK	\$	-		
e. OTHER	\$	<u>+ 200.00</u>		
				\$ 14,485.50 ^

TOTAL AMOUNT COLLECTED

\$ 26,935.50
^

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

December 14, 2016

Mr. T.J. Arredondo, Director of Planning
Hidalgo County Planning Department
1304 S. 25th St.
Edinburg, Texas 78539

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the month of October 2016

Dear Mr. Arredondo:

We conducted a review of the Planning Department's *Monthly Fees Report* and all supporting documentation for the month of October 2016 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 our review was limited to collections reported by your office on the *Monthly Fees Report* for the month of October 2016. 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 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 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 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 that 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, 179TH D.C.

ROSE GUERRA REYNA
JUDGE, 201ST D.C.

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

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

HOE GONZALEZ
JUDGE, 379TH 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.

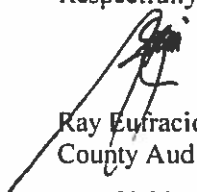
- Reviewed the *Revenue Detail Report by Account* generated from *alio* to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth business day after the day on which the funds were received.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts issued and *Monthly Fees Report* to verify proper completion.

Conclusion:

Total collections for the month of October 2016 were \$26,935.50. 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 call Ricardo Nuñez, Internal Auditor I, at 318-2511 ext. 4644, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufiracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 129TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH 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, 388TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

HIDALGO COUNTY FIRE MARSHAL MONTHLY REPORT

FOR THE MONTH OF OCTOBER PBC

			2	2	2			AMOUNTS
	APPLICANT	RECEIPT	Cash	Check	MO	TYPE OF	TREASURER	DUE TO
DATE	NAME	NUMBER				SERVICE	RECEIPT	COUNTY
10/03/16	JOHN SIGRIST	14204	X			BURN PERMIT	203093	\$25.00
10/03/16	VIRGINIA VEGA	14205	X			BURN PERMIT	203093	\$25.00
10/03/16	MARIO GUERRERO	14206		X		COMMERCIAL BURN PERMIT	203093	\$100.00
10/03/16	MIGUEL VELAZQUEZ	14207	X			BURN PERMIT	203093	\$25.00
10/03/16	JESSICA MORENO	14208	X			BURN PERMIT	203093	\$25.00
10/03/16	SUSANA RAMIREZ	14209	X			BURN PERMIT (2)	203093	\$50.00
10/03/16	ESMERALDA SILVA	14210		X		BURN PERMIT	203093	\$25.00
10/03/16	DAVID MONTEMAYOR	14211		X		BURN PERMIT	203093	\$25.00
10/03/16	THELMA S CORONADO	14212		X		BURN PERMIT	203093	\$25.00
10/04/16	ISABEL GALINDO	14213	X			DUPLICATE BURN PERMIT	203182	\$5.00
10/04/16	ADAM FIKE	14214	X			COMMERCIAL BURN PERMIT (2)	203182	\$200.00
10/04/16	JOSE LUGO	14215	X			BURN PERMIT	203182	\$25.00
10/04/16	PABLO ROCHA	14216	X			BURN PERMIT	203182	\$25.00
10/04/16	APOLINAR PALOMO	14217	X			BURN PERMIT	203182	\$25.00
10/04/16	JESUS MARTINEZ	14218	X			BURN PERMIT	203182	\$25.00
10/04/16	PEDRO VENEZIA JR	14219	X			BURN PERMIT	203182	\$25.00
10/04/16	JUAN BAUTISTA	14220		X		BURN PERMIT	203182	\$25.00
10/04/16	JOEL LEAL	14221	X			BURN PERMIT	203182	\$25.00
10/04/16	JAY VASQUEZ	14222		X		BURN PERMIT	203182	\$25.00

10/05/16	RENE VALDEZ	14223	X	X	COMMERCIAL BURN PERMIT (2)	203183	\$200.00
10/05/16	DIANA VEGA PARTY SUPPLY	14224	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	DORA REA HIDALGO CO HEAD START	14225		X	BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	ROGELIO SOLIS APARTMENT DUPLEX	14226	X		BUILDING PERMIT	203183	\$200.00
10/05/16	NORA VARELA ATELEZ EVENTOS	14227	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	VICTOR/MARTHA MARTINEZ FOSTER HOME	14228	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	GLORIA FLORES THE APPLE TREE DAYCARE # 2	14229		X	BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	JUAN VEGA J & J	14230	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	ANNA RIOS	14231	X		BURN PERMIT	203183	\$25.00
10/05/16	JUANA HERNANDEZ HOT DOG CART	14232	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	MARISOL REYES	14233	X		BURN PERMIT	203183	\$25.00
10/05/16	HILDA A GRANT	14234	X		BURN PERMIT	203183	\$25.00
10/05/16	RAQUEL SAAVEDRA HERBALIFE NUTRITION	14235	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	MOISES R MORIN	14236	X		BURN PERMIT	203183	\$25.00
10/05/16	RICKY GRANADOS TACO STAND	14237	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	EVANGELINA RIVERA TAQUERIA	14238	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	EDUARDO GARZA	14239	X		BURN PERMIT	203183	\$25.00
10/05/16	VICTOR FARIAS RECONNECTED LIGHT APT	14240	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	MIGUEL GUZMAN	14241	X		BURN PERMIT	203183	\$25.00
10/05/16	KIMBERLY GONZALEZ MUNCHIE MUNCHIE	14242	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	BELLAM TAMEZ MOBILE UNIT	14243	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	ISAAC SOTO	14244	X		BURN PERMIT	203183	\$25.00
10/05/16	MINERVA GONZALEZ RGV SNACKS	14245	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	CARMEN TORRES RESTAURANT	14246	X		BUSINESS OCCUPANCY	203183	\$75.00

X/a

10/05/16	MARIA D GARCIA CIRCLE C	14247	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	BRENDA ROJAS	14248	X		BURN PERMIT	203183	\$25.00
10/05/16	ESMERALDA Q ESPINO STUDIO	14249	X		BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	GLORIA DOMINGUEZ FOSTER HOME	14250		X	BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	HIDALGO CO HEAD START PROGRAM EDCOUCH HEAD START	14251		X	BUSINESS OCCUPANCY	203183	\$75.00
10/05/16	JULIO SEGUY FEED & SEED	14252	X		BUSINESS OCCUPANCY	203183	\$75.00
10/06/16	JORGE GONZALEZ	14253		X	BURN PERMIT	203392	\$25.00
10/06/16	MURRAY LEERHOFF	14254		X	BURN PERMIT	203392	\$25.00
10/06/16	ALVINO SALINAS	14255	X		BURN PERMIT	203392	\$25.00
10/06/16	DELIA CUELLAR	14256	X		BURN PERMIT	203392	\$25.00
10/06/16	BALDEMAR VENTO	14257		X	BURN PERMIT	203392	\$25.00
10/06/16	ROEL ZAMORA FREEDOM EXPRESS TRANSPORT	14258	X		COMMERCIAL BURN PERMIT	203392	\$100.00
10/06/16	RICARDO CAZARES	14259	X		COMMERCIAL BURN PERMIT DUPLICATE PERMIT	203392	\$105.00
10/06/16	MARIA RAMOS	14260	X		BURN PERMIT	203392	\$25.00
10/06/16	OSCAR CASTANEDA	14261		X	BURN PERMIT	203392	\$25.00
10/06/16	IRENE ESCAMILLA	14262	X		BURN PERMIT	203392	\$25.00
10/07/16	JAIME PENA	14263	X		BURN PERMIT	203393	\$25.00
10/07/16	LUCIO JIMENEZ	14264	X		BURN PERMIT	203393	\$25.00
10/07/16	NOEMI ORTEGA DELTA LAKE IRRIGATION	14265		X	COMMERCIAL BURN PERMIT	203393	\$100.00
10/07/16	RAMIRO AGADO	14266		X	BURN PERMIT	203393	\$25.00
10/07/16	LINDA VASQUEZ	14267		X	BURN PERMIT	203393	\$25.00
10/07/16	BYRON FARLEY	14268	X		BURN PERMIT	203393	\$25.00
10/07/16	OLGA SAENZ	14269		X	COMMERCIAL BURN PERMIT	203393	\$100.00
10/07/16	TRINIDAD SANCHEZ	14270	X		BURN PERMIT	203393	\$25.00

10/07/16	DEBBIE CRUZ	14271	X		BURN PERMIT	203393	\$25.00
10/07/16	ARNULFO BARAJAS	14272	X		BURN PERMIT	203393	\$25.00
10/11/16	TYLER MORGAN MORGAN AND SONS FARMS	14273	X		COMMERCIAL BURN PERMIT	203404	\$100.00
10/11/16	GERARDO MIRELES	14274	X		BURN PERMIT	203404	\$25.00
10/11/16	RICK MALDONADO	14275	X		BURN PERMIT (2)	203404	\$50.00
10/11/16	LILIA L VEGA	14276	X		BURN PERMIT	203404	\$25.00
10/11/16	MARIA SUAREZ	14277		X	BURN PERMIT	203404	\$25.00
10/11/16	FERNANDO MUJICA	14278	X		BURN PERMIT	203404	\$25.00
10/11/16	REFUJIO RODRIGUEZ	14279	X		BURN PERMIT	203404	\$25.00
10/11/16	JOSE ALVAREZ	14280	X		BURN PERMIT	203404	\$25.00
10/11/16	EXIQUIO VASQUEZ	14281	X		DUPLICATE BURN PERMIT	203404	\$5.00
10/11/16	ALICIA HERNANDEZ	14282	X		BURN PERMIT	203404	\$25.00
10/11/16	ISRAEL SAGREDO	14283		X	COMMERCIAL BURN PERMIT	203404	\$100.00
10/11/16	JOE METZ	14284		X	BURN PERMIT	203404	\$25.00
10/11/16	JORGE AGUINAGA	14285		X	BURN PERMIT	203404	\$25.00
10/11/16	HUGO PEDRERO	14286		X	BURN PERMIT	203404	\$25.00
10/12/16	ASENETTE GUERRA SUPER STAR KIDS LEARNING CENTER	14287	X		BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	NOELIA FLORES SANTO NINO DE ATOCHA	14288	X		BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	MARCOS ALVARADO	14289	X		DUPLICATE BURN PERMIT	203405	\$5.00
10/12/16	SYLVIA CARREON LITTLE JACKETS DAYCARE	14290		X	BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	DAVID FLORES	14291	X		BURN PERMIT	203405	\$25.00
10/12/16	GERARDO VASQUEZ	14292		X	BURN PERMIT	203405	\$25.00
10/12/16	WILLIAM HATHORN CLARA'S BEAUTY SALON	14293	X		BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	TIBURCIO PENA	14294	X		BURN PERMIT	203405	\$25.00

X/C

10/12/16	HELEN NASH	14295	X		BURN PERMIT	203405	\$25.00
10/12/16	CRISPINA CONRIQUE	14296	X		BURN PERMIT	203405	\$25.00
10/12/16	MARIO FLORES	14297	X		COMMERCIAL BURN PERMIT / BURN PERMIT	203405	\$125.00
10/12/16	BUKNER RIO GRANDE CHILDRENS HOME BARBEE COTTAGE	14298		X	BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	BUKNER RIO GRANDE CHILDRENS HOME PIFER COTTAGE	14299		X	BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	BUKNER RIO GRANDE CHIDRENS HOME ELY COTTAGE	14300		X	BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	ANNETTE GONZALEZ MI RANCHITO ADC	14301	X		BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	GILBERT SAENZ	14302	X		BURN PERMIT	203405	\$25.00
10/12/16	RICHARD HERNANDEZ KIDDE KOLLEGE LEARNING CENTER	14303		X	BUSINESS OCCUPANCY	203405	\$75.00
10/12/16	VOID	14304			VOID	203405	\$0.00
10/12/16	ROBERTO MARTINEZ TEJAS FIRE SYSTEMS	14305		X	FIRE PROTECTION SYSTEM PERMIT	203405	\$150.00
10/13/16	OFIRA N GUERRA ST. ANN'S CATHOLIC CHURCH	14306	X		BUSINESS OCCUPANCY (2)	203408	\$150.00
10/13/16	JESUS VELA	14307	X		BURN PERMIT	203408	\$25.00
10/13/16	JUAN MENDOZA	14308	X		BURN PERMIT	203408	\$25.00
10/13/16	DOMINGO RIOS NORTH ALAMO WATER	14309		X	COMMERCIAL BURN PERMIT	203408	\$100.00
10/13/16	CLEO DE LEON	14310		X	BURN PERMIT	203408	\$25.00
10/13/16	JAVIER PENA	14311	X		BURN PERMIT	203408	\$25.00
10/13/16	HERACLIO SUSTAITA	14312	X		BURN PERMIT	203408	\$25.00
10/13/16	MAYDIN MEDIAVILLA	14313		X	BURN PERMIT	203408	\$25.00
10/13/16	ALONZO LAZOS	14314	X		BURN PERMIT	203408	\$25.00
10/14/16	MINERVA MARIN	14315	X		DUPLICATE BURN PERMIT	203507	\$5.00
10/14/16	RUBEN RIOJAS JR	14316		X	BURN PERMIT	203507	\$25.00
10/14/16	JORGE RODRIGUEZ	14317	X		BURN PERMIT	203507	\$25.00
10/14/16	JOSE ALEMAN	14318	X		BURN PERMIT	203507	\$25.00

Xld

10/17/16	LOIS A GALLANT	14319	X		BURN PERMIT	203508	\$25.00
10/17/16	HILDA R BOTELLO	14320	X		BURN PERMIT	203508	\$25.00
10/17/16	SHERRI BENNACK	14321	X		BURN PERMIT	203508	\$25.00
10/17/16	GUADALUPE VALDEZ	14322	X		BURN PERMIT	203508	\$25.00
10/17/16	JUAN M PEREZ	14323	X		BURN PERMIT	203508	\$25.00
10/17/16	ISRAEL GARCIA	14324	X		BURN PERMIT	203508	\$25.00
10/17/16	JOSE RUBEN LEAL	14325	X		COMMERCIAL BURN PERMIT	203508	\$100.00
10/17/16	JOSE M LONGORIA	14326	X		BURN PERMIT	203508	\$25.00
10/18/16	GEORGINA PACHECO	14327	X		BURN PERMIT	203570	\$25.00
10/18/16	ELIAS GARZA	14328	X		BURN PERMIT	203570	\$25.00
10/18/16	GEORGE MEJIA	14329	X		DUPLICATE BURN PERMIT	203570	\$5.00
10/18/16	ELIDA RAMOS	14330	X		BURN PERMIT	203570	\$25.00
10/19/16	BULL DOG FIRE SAFETY	14331		X	FIRE PROTECTION SYSTEM PERMIT	203674	\$150.00
10/19/16	GERARDO CASTORENA GRANO DE ORO	14332	X		BUILDING PERMIT	203674	\$200.00
10/19/16	NAILA JASSO PASSAGE COUNSELING GROUP PLLC	14333		X	BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	SUHELLY HERNANDEZ CHURCH	14334	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	LAURA GUTIERREZ	14335	X		DUPLICATE BURN PERMIT	203674	\$5.00
10/19/16	JORGE GONZALEZ RGV REHAB CENTER	14336		X	BUSINESS OCCUPANCY	203674	\$125.00
10/19/16	RAUL GARCIA APARTMENT DUPLEX	14337	X		BUILDING PERMIT	203674	\$200.00
10/19/16	LUDIVINA O. ALMAGUER HEADSTART EDINBURG 5	14338		X	BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	LEONIDES BAZAN	14339	X		BURN PERMIT	203674	\$25.00
10/19/16	JUAN MANUEL	14340	X		BURN PERMIT	203674	\$25.00
10/19/16	BRENDA ROCHA BIBI'S DRIVE THRU	14341	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	KATIA ALVARADO EL NORTENO	14342	X		BUSINESS OCCUPANCY	203674	\$75.00

Me

10/19/16	PATRICIA MENDOZA	14343	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	JUANA SOLIS HERBALIFE	14344	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	BEATRIZ HERNANDEZ	14345		X	BURN PERMIT	203674	\$25.00
10/19/16	HIDALGO CO HEAD START PROGRAM WESTERN RD HEAD START	14346		X	BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	CELIA CADENA QUICK PICK MEAT MARKET	14347	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	CELIA CADENA QUICK PICK CONVENIENCE STORE	14348	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	RAUL HERNANDEZ DOMINO'S PIZZA	14349	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	BELIA PHILLIPS	14350	X		BURN PERMIT	203674	\$25.00
10/19/16	CEDIA CADENA MONTES DRIVE THRU	14351	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	ARNOLDO OCHOA CONV STORE / PROPANE	14352		X	BUILDING PERMIT	203674	\$200.00
10/19/16	JOSE CHAVARRIA	14353	X		DUPLICATE BURN PERMIT	203674	\$5.00
10/19/16	CELIA CADENA	14354	X		BUSINESS OCCUPANCY	203674	\$75.00
10/19/16	HENOR ROJAS	14355	X		BURN PERMIT	203674	\$25.00
10/20/16	GLORIA GARCIA	14356	X		BURN PERMIT	203805	\$25.00
10/20/16	ARTURO IBARRA	14357	X		BURN PERMIT	203805	\$25.00
10/20/16	LUIS TREVINO	14358	X		BURN PERMIT	203805	\$25.00
10/20/16	ROBERTO TAGEL	14359	X		BURN PERMIT	203805	\$25.00
10/21/16	ABEL RODRIGUEZ	14360	X		BURN PERMIT	203806	\$25.00
10/21/16	SAN JUANITA GARCIA	14361	X		BURN PERMIT	203806	\$25.00
10/21/16	ARMADO SOTO	14362	X		BURN PERMIT	203806	\$25.00
10/21/16	KRISTINA BECERRA	14363	X		BURN PERMIT	203806	\$25.00
10/21/16	HUMBERTO ELIZONDO	14364	X		BURN PERMIT	203806	\$25.00
10/24/16	MICHALE JIMENEZ	14365	X		COMMERCIAL BURN PERMIT	203807	\$100.00
10/24/16	FRANCISCO BARRIENTES	14366	X		BURN PERMIT	203807	\$25.00

XIF

10/24/16	ALBERTA CASANEDA	14367	X		BURN PERMIT	203807	\$25.00
10/24/16	JULIO MORALES	14368	X		BURN PERMIT	203807	\$25.00
10/24/16	RICHARD HOUGH	14369		X	BURN PERMIT	203807	\$25.00
10/24/16	BRENDA GONZALEZ	14370	X		BURN PERMIT	203807	\$25.00
10/24/16	FERNANDO GALLEGOS	14371	X		COMMERCIAL BURN PERMIT	203807	\$100.00
10/24/16	HUGO MOSCOSO	14372	X		BURN PERMIT	203807	\$25.00
10/24/16	JESUS RODRIGUEZ	14373	X		BURN PERMIT	203807	\$25.00
10/24/16	JESSICA CARDONOA THE 5125 CO.	14374	X		COMMERCIAL BURN PERMIT	203807	\$100.00
10/25/16	DIANA GARCIA	14375	X		BURN PERMIT	203936	\$25.00
10/25/16	CLAUDIA VAZQUEZ	14376	X		BURN PERMIT	203936	\$25.00
10/25/16	NOE LOPEZ IS-PE TRUCKING	14377		X	BURN PERMIT	203936	\$25.00
10/25/16	PRIMITIVO RODRIGUEZ	14378		X	BURN PERMIT	203936	\$25.00
10/25/16	RAMIRO FLORES	14379	X		COMMERCIAL BURN PERMIT	203936	\$100.00
10/25/16	JAIME IBANEZ	14380	X		BURN PERMIT	203936	\$25.00
10/26/16	CARMELITA MUNOZ	14381	X		COMMERCIAL BURN PERMIT	203938	\$100.00
10/26/16	IRASEME LOPEZ FOSTER HOME	14382		X	BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	NOE CAVAZOS	14383	X		BURN PERMIT	203938	\$25.00
10/26/16	PILAR DAMM LIVEX & AGRO	14384	X		BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	MARIA E. CANO CONO'S SNO-CONE	14385	X		BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	ANGELITA DE LA ROSA WAREHOUSE	14386		X	BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	IRMA LOZANO	14387	X		BURN PERMIT	203938	\$25.00
10/26/16	JUAN ALMARAZ	14388	X		BURN PERMIT	203938	\$25.00
10/26/16	JOSE A ZUNIGA	14389	X		BURN PERMIT	203938	\$25.00
10/26/16	GUADALUPE RADA TEMPLO FUENTE DE PODER Y GARCIA	14390		X	BUSINESS OCCUPANCY	203938	\$75.00

Xlg

10/26/16	FELIPE VILLARREAL	14391	X		BURN PERMIT	203938	\$25.00
10/26/16	ALEXIS ARELLANO SNACK STAND	14392	X		BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	ALFREDO HERNANDEZ USED APPLIANCE STORE	14393	X		BULDING PERMIT	203938	\$200.00
10/26/16	ABDELHAKIN OBEID KIDDING AROUND THERAPY INC	14394		X	BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	CARMEN MARROQUIN	14395	X		BURN PERMIT	203938	\$25.00
10/26/16	DANNON J BASALDUA BEAUTY SALON	14396	X		BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	SAMUEL MORAN MORAN'S PIZZERIA	14397	X		BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	BERTHA GARZA	14398	X		DUPLICATE BURN PERMIT	203938	\$5.00
10/26/16	MARIA HERRERA	14399	X		BURN PERMIT	203938	\$25.00
10/26/16	JOSE RIOS BUCK HORN GRILL	14400	X		BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	ADRIAN GARCIA	14401	X		BURN PERMIT	203938	\$25.00
10/26/16	JOSE RIOS RIOS MEAT MARKET	14402	X		BUSINESS OCCUPANCY	203938	\$75.00
10/26/16	CARLOS LEAL	14403	X		BURN PERMIT	203938	\$25.00
10/27/16	EDELMIRO SOLIS	14404	X		BURN PERMIT	204009	\$25.00
10/27/16	EDDIE YANEZ	14405	X		BURN PERMIT	204009	\$25.00
10/26/16	ERNESTO MONTEMAYOR	14406	X		BURN PERMIT	204009	\$25.00
10/27/16	ROBERTO MORALES	14407	X		BURN PERMIT	204009	\$25.00
10/27/16	LEOPOLDO CORONADO	14408	X		BURN PERMIT	204009	\$25.00
10/27/16	ANASTACIO MORIN	14409	X		COMMERCIAL BURN PERMIT	204009	\$100.00
10/27/16	JOSE VILLALOBOS	14410		X	COMMERCIAL BURN PERMIT	204009	\$100.00
10/28/16	LEONEL LOPEZ	14411	X		BURN PERMIT	204010	\$25.00
10/28/16	MARTIN ARTEAGA	14412	X		BURN PERMIT (2)	204010	\$50.00
10/28/16	ALEJANDRO RAMOS	14413	X		BURN PERMIT	204010	\$25.00
10/28/16	YESENIA CELESTINO	14414		X	BURN PERMIT	204010	\$25.00

Xlh

10/28/16	RAMIRO GARCIA	14415	X		BURN PERMIT	204161	\$25.00
10/28/16	ALVARO ZUNIGA	14416	X		BURN PERMIT	204010	\$25.00
10/31/16	MARIA SERNA	14417	X		BURN PERMIT	204161	\$25.00
10/31/16	SILVIA MCMURREY	14418	X		BURN PERMIT	204161	\$25.00
10/31/16	FELIX GARCIA	14419	X		BURN PERMIT	204161	\$25.00
10/31/16	ERNESTO GARZA	14420	X		BURN PERMIT	204161	\$25.00
10/31/16	MONICA HINOJOSA	14421		X	BURN PERMIT	204161	\$25.00
10/31/16	ALEJANDRO LOZANO	14422	X		BURN PERMIT	204161	\$25.00
<i>Grand Total</i>							\$1,020.00

X231

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

Approved by: [Signature] Fire Marshal Date: 11/29/16
 Prepared by: Elizabeth Castro Administrative Assistant Date: 11/29/16

Print Name: Homero Garza Print Name: Elizabeth Castro

This report is due in the Office of the County Auditor on or before the fifth (5th) business day after the end of the month.

County Auditor's Form: ARS-FM-001
 Revised 10/04

HIDALGO COUNTY AUDITOR'S OFFICE
 APPROVED BY: [Signature]
 DATE: 11/30/16
 Revised monthly

NOV 30 PM 1 35

COUNTY AUDITOR

X/1

HIDALGO COUNTY FIRE MARSHAL MONTHLY REPORT FOR THE MONTH OF NOVEMBER

pbc

	APPLICANT	RECEIPT	Cash	Check	MO	TYPE OF	TREASURER	AMOUNTS DUE TO COUNTY
DATE	NAME	NUMBER				SERVICE	RECEIPT	
11/01/16	OSCAR GONZALEZ	144234	X			BURN PERMIT	204163	\$25.00
11/01/16	MIGUEL SANTANA CRUZ	144244		X		BURN PERMIT (2)	204163	\$50.00
11/01/16	JOSE GAMBINO	144254	X			COMMERCIAL BURN PERMIT	204163	\$100.00
11/01/16	JULIAN AGUIRRE	144264	X			BURN PERMIT	204163	\$25.00
11/02/16	RICARDO MELENDEZ	144274		X		BURN PERMIT	204162	\$25.00
11/02/16	JOSE VILLARREAL	144284	X			BURN PERMIT	204162	\$25.00
11/02/16	MANUEL CHAPA PENA CHAPA DEVELOPMENT	144294		X		BUSINESS OCCUPANCY	204162	\$75.00
11/02/16	CONCEPCION ALONZO	144304	X			BURN PERMIT	204162	\$25.00
11/02/16	CYNTHIA FLORES AMIGOS POR SIEMPRE ADC	144314		X		BUSINESS OCCUPANCY	204162	\$75.00
11/02/16	LAILA SANCHEZ CARLOT	144324	X			BUSINESS OCCUPANCY	204162	\$75.00
11/02/16	ROSMAN REJIMO LA CHIKIS	144334	X			BUILDING PERMIT	204162	\$200.00
11/02/16	GABRIEL AGUILAR	144344	X			BURN PERMIT	204162	\$25.00
11/02/16	NORBERTO RODRIGUEZ	144354	X			DUPLICATE BURN PERMIT	204162	\$5.00
11/02/16	JUAN DE ANDA CENTRAL AUTO SALES	144364	X			BUSINESS OCCUPANCY	204162	\$75.00
11/02/16	MELISSA TREVINO	144374	X			BURN PERMIT	204162	\$25.00
11/02/16	ENRIQUE GARCIA	144384	X			BURN PERMIT	204162	\$25.00
11/02/16	MARK KIM METRO PCS	144394		X		BUSINESS OCCUPANCY	204162	\$75.00
11/03/16	ALBERTO LEAL	144404	X			BURN PERMIT	204264	\$25.00
11/03/16	FEDERICO ROBLES	144414	X			DUPLICATE BURN PERMIT	204264	\$5.00
11/03/16	ROSALINDA MENDEZ	144424		X		BURN PERMIT	204264	\$25.00
11/03/16	EMANUEL HERNANDEZ MEETING ROOM	144434	X			BUSINESS OCCUPANCY	204264	\$75.00
11/03/16	PETRA TORRES DE VALLIN	144444	X			BURN PERMIT	204264	\$25.00
11/03/16	NORA NUNEZ	144454		X		BURN PERMIT	204264	\$25.00
11/03/16	DULCE GONZALEZ	144464	X			BURN PERMIT	204264	\$25.00

XI

11/03/16	MARCELINA PALOMO	14447	X		BURN PERMIT	204264	\$25.00
11/03/16	MARIO CASTANEDA ACELEEN'S	14448		X	BUSINESS OCCUPANCY	204264	\$75.00
11/03/16	LISBET GUTIERREZ	14449	X		BURN PERMIT	204264	\$25.00
11/04/16	LEOPOLDO CANTU	14450		X	BURN PERMIT	204265	\$25.00
11/04/16	ARNOLDO PENA	14451	X		COMMERCIAL BURN PERMIT	204265	\$100.00
11/04/16	IRMA VALDEZ	14452	X		DUPLICATE BURN PERMIT	204265	\$5.00
11/04/16	VOID	14453			VOID	204265	\$0.00
11/04/16	GERALD MAGALLON	14454	X		BURN PERMIT	204265	\$25.00
11/04/16	MANUEL TAMEZ	14455		X	BURN PERMIT	204265	\$25.00
11/04/16	ENEDELIA CANTU	14456	X		BURN PERMIT	204265	\$25.00
11/04/16	MARTIN GARZA	14457	X		BURN PERMIT	204265	\$25.00
11/04/16	ROBERTO REYES	14458	X		BURN PERMIT	204265	\$25.00
11/07/16	MIGUEL RODRIGUEZ	14459	X		BURN PERMIT	204329	\$25.00
11/07/16	ROY GARCIA	14460	X		BURN PERMIT	204329	\$25.00
11/07/16	RUBEN REYNA	14461		X	BURN PERMIT (2)	204329	\$50.00
11/07/16	RAUL TAPIA	14462	X		BURN PERMIT	204329	\$25.00
11/07/16	CANDELARIA GAMEZ	14463	X		BURN PERMIT	204329	\$25.00
11/07/16	EMMA MUNOZ	14464		X	BURN PERMIT	204329	\$25.00
11/08/16	ROBERTO DAVILA	14465	X		BURN PERMIT	204330	\$25.00
11/08/16	RAMON PEREZ	14466	X		BURN PERMIT	204330	\$25.00
11/08/16	ARTURO NAVA	14467	X		BURN PERMIT	204330	\$25.00
11/08/16	MANUEL HERBA	14468		X	BURN PERMIT	204330	\$25.00
11/08/16	EDUARDO LOPEZ	14469	X		BURN PERMIT	204330	\$25.00
11/08/16	ORLANDO CAVAZOS	14470	X		BURN PERMIT	204330	\$25.00
11/08/16	MARIO ORNELAS	14471		X	BURN PERMIT	204330	\$25.00
11/08/16	JAVIER GONZALEZ	14472	X		BURN PERMIT	204330	\$25.00
11/09/16	MARCELA MORENO LOS CARANCHOS DRIVE THRU	14473	X		BUSINESS OCCUPANCY	204399	\$75.00
11/09/16	JOSEPH BIJU 107 FOOD MART #3	14474	X		BUSINESS OCCUPANCY	204399	\$75.00

X1a

11/09/16	BERTHA L JUAREZ LA TEXANITA MART	14475 ₄	X [✓]		BUSINESS OCCUPANCY ₄	204399 ₄	\$75.00 ₄
11/09/16	RAUL VENEGAS MONTE CRISTO LEARNING CENTER	14476 ₈		X [✓]	BUSINESS OCCUPANCY ₈	204399 ₄	\$75.00 ₄
11/09/16	JESUS J JIMENEZ	14477 ₄	X [✓]		BURN PERMIT ₄	204399 ₄	\$25.00 ₄
11/09/16	CHRISTABEL CORTEZ TMC - PALMVIEW CENTER	14478 ₄		X [✓]	BUSINESS OCCUPANCY ₄	204399 ₄	\$75.00 ₄
11/09/16	SEVERIANO GALLARDO CHURCH OF APOSTOLIC FAITH	14479 ₄	X [✓]		BUSINESS OCCUPANCY ₄	204399 ₄	\$75.00 ₄
11/09/16	JOSE SANCHEZ	14480 ₄	X [✓]		BURN PERMIT ₄	204399 ₄	\$25.00 ₄
11/09/16	KARLA RODRIGUEZ MK BBQ	14481 ₄	X [✓]		BUSINESS OCCUPANCY ₄	204399 ₄	\$75.00 ₄
11/09/16	GUSTAVO Z FLORES DONNA NORTH HIGH SCHOOL	14482 ₄		X [✓]	BUILDING PERMIT ₄	204399 ₄	\$200.00 ₄
11/09/16	GUADALUPE DELGADO	14483 ₄	X [✓]		BURN PERMIT ₄	204399 ₄	\$25.00 ₄
11/09/16	GUADALUPE CAVAZOS LUPE'S TAQUERIA	14484 ₄	X [✓]		BUSINESS OCCUPANCY ₄	204399 ₄	\$75.00 ₄
11/09/16	VOID	14485 ₄			VOID ₄	204399 ₄	\$0.00 ₄
11/09/16	SENON MOYA	14486 ₄	X [✓]		DUPLICATE BURN PERMIT ₄	204399 ₄	\$5.00 ₄
11/09/16	KARINA GARZA/CARLOS CHIRINO LIPZTICK	14487 ₄	X [✓]		BUSINESS OCCUPANCY ₄	204399 ₄	\$75.00 ₄
11/09/16	VIOLA ESQUIVEL	14488 ₄		X [✓]	BURN PERMIT (2) ₄	204399 ₄	\$50.00 ₄
11/09/16	LUIS MARTINEZ MEAT MARKET/STORE	14489 ₄	X [✓]		BUSINESS OCCUPANCY ₄	204399 ₄	\$75.00 ₄
11/09/16	ALEJANDRO CASTILLO	14490 ₄	X [✓]		BURN PERMIT ₄	204399 ₄	\$25.00 ₄
11/09/16	ELOY MARTINEZ	14491 ₄	X [✓]		BURN PERMIT ₄	204399 ₄	\$25.00 ₄
11/09/16	MCCOOK LAND & CATTLE CO	14492 ₄		X [✓]	BURN PERMIT ₄	204399 ₄	\$25.00 ₄
11/09/16	BERTHA GUTIERREZ	14493 ₄	X [✓]		BURN PERMIT ₄	204399 ₄	\$25.00 ₄
11/10/16	IRIS ELIZONDO	14494 ₄		X [✓]	BURN PERMIT ₄	204567 ₄	\$25.00 ₄
11/10/16	ALFREDO ROSAS RODEO DENTAL	14495 ₄	X [✓]		BUSINESS OCCUPANCY ₄	204567 ₄	\$75.00 ₄
11/10/16	ARTURO BALDERAS	14496 ₄		X [✓]	BURN PERMIT ₄	204567 ₄	\$25.00 ₄
11/10/16	JUAN SAN MIGUEL	14497 ₄	X [✓]		BURN PERMIT ₄	204567 ₄	\$25.00 ₄
11/10/16	MAYRA GUAJARDO	14498 ₄	X [✓]		BURN PERMIT ₄	204567 ₄	\$25.00 ₄
11/10/16	ADMIRA QUINTANILLA	14499 ₄	X [✓]		BURN PERMIT ₄	204567 ₄	\$25.00 ₄
11/10/16	MARIA DIAZ DE AYALA	14500 ₄	X [✓]		BURN PERMIT ₄	204567 ₄	\$25.00 ₄
11/10/16	MARIA ZAPATA	14501 ₄	X [✓]		BURN PERMIT ₄	204567 ₄	\$25.00 ₄
11/14/16	LAMBERTO SOLIS	14502 ₄	X [✓]		BURN PERMIT ₄	204569 ₄	\$25.00 ₄

X16

11/14/16	JOSE GONZALEZ	14503	X		BURN PERMIT	204569	\$25.00
11/14/16	ROGELIO FLORES	14504	X		BURN PERMIT	204569	\$25.00
11/14/16	ADRIAN PARAS WELSH	14505	X		BURN PERMIT	204569	\$25.00
11/14/16	RAUL BALDERAS	14506	X		BURN PERMIT (2)	204569	\$50.00
11/14/16	MARGARET KENT	14507	X		BURN PERMIT	204569	\$25.00
11/14/16	FIDEL MEDRANO	14508		X	BURN PERMIT	204569	\$25.00
11/14/16	ADAN GARCIA	14509	X		COMMERCIAL BURN PERMIT	204569	\$100.00
11/15/16	ROBERTO GARCIA	14510	X		BURN PERMIT	204570	\$25.00
11/15/16	EFREN DIAZ	14511	X		BURN PERMIT	204570	\$25.00
11/15/16	CASSANDRA BROWN RIO FRESH	14512		X	COMMERCIAL BURN PERMIT	204570	\$100.00
11/15/16	ALMA GLORIA ALVARADO	14513		X	BURN PERMIT	204570	\$25.00
11/15/16	DAHLIA GARZA	14514		X	BURN PERMIT	204570	\$25.00
11/15/16	DAVID GARCIA	14515		X	BURN PERMIT	204570	\$25.00
11/15/16	EMERADO VILLARREAL	14516	X		BURN PERMIT	204570	\$25.00
11/15/16	WILLIAM ROSS	14517	X		BURN PERMIT	204570	\$25.00
11/16/16	SEFARIN FARIAS	14518		X	BURN PERMIT	204568	\$25.00
11/16/16	ANGELA DIAZ J&J'S SNOW CONE	14519	X		BUSINESS OCCUPANCY	204568	\$75.00
11/16/16	VICTOR SANTA ANA	14520	X		BURN PERMIT	204568	\$25.00
11/16/16	JOSE LUNA PARTY PLACE	14521		X	BUILDING PERMIT	204568	\$200.00
11/16/16	MARIA PACHECO	14522	X		BURN PERMIT	204568	\$25.00
11/16/16	SERGIO NAVAEREZ	14523	X		BURN PERMIT	204568	\$25.00
11/16/16	EDUARDO RAMIREZ NEW PLAZA - STORE	14524		X	BUSINESS OCCUPANCY	204568	\$75.00
11/16/16	EDWARD DELEON	14525	X		BURN PERMIT	204568	\$25.00
11/16/16	MARIA DEL CARMEN MAY ALEJANDRO BEAUTY SALON	14526	X		BUSINESS OCCUPANCY	204568	\$75.00
11/16/16	RODOLFO ESPINOZA	14527	X		BURN PERMIT	204568	\$25.00
11/16/16	ARTURO MEDRANO	14528	X		BURN PERMIT	204568	\$25.00
11/16/16	SEBASTIAN TRISTAN	14529		X	BURN PERMIT	204568	\$25.00
11/16/16	STEVEN KELLER	14530		X	BURN PERMIT	204568	\$25.00

X/c

11/16/16	SYLVIA PUENTE DONNA HEAD START #2	14531	X		BUSINESS OCCUPANCY	204568	\$75.00
11/16/16	JAVIER RAMOS	14532	X		BURN PERMIT	204568	\$25.00
11/16/16	ABEL TAMEZ	14533	X		BURN PERMIT	204568	\$25.00
11/16/16	ISMAEL VILLARREAL	14534	X		BURN PERMIT	204568	\$25.00
11/17/16	ELIAZAR BARRERA	14535	X		BURN PERMIT	204612	\$25.00
11/17/16	ABDIEL CUEVAS FARMS	14536	X		BURN PERMIT	204612	\$25.00
11/17/16	EVANGELINA HERRERA	14537	X		BURN PERMIT	204612	\$25.00
11/17/16	MARIA GONZALEZ	14538	X		BURN PERMIT	204612	\$25.00
11/17/16	GUSTAVO CHAPA	14539		X	COMMERCIAL BURN PERMIT	204612	\$100.00
11/17/16	MARIA GONZALEZ	14540	X		BURN PERMIT	204612	\$25.00
11/17/16	ARMENDINA PEREZ	14541	X		BURN PERMIT	204612	\$25.00
11/17/16	ROSA MENDOZA	14542	X		BURN PERMIT	204612	\$25.00
11/17/16	MARIO OLGUIN	14543	X		DUPLICATE BURN PERMIT	204612	\$5.00
11/17/16	HENOC MACIAS	14544	X		BURN PERMIT	204612	\$25.00
11/17/16	ELOY Z GONZALEZ	14545	X		BURN PERMIT	204612	\$25.00
11/18/16	ADAN GARCIA	14546	X		DUPLICATE BURN PERMIT	204720	\$5.00
11/18/16	ROBERT TAGAL	14547	X		DUPLICATE BURN PERMIT	204720	\$5.00
11/18/16	MARTHA VARGAS	14548	X		BURN PERMIT	204720	\$25.00
11/18/16	SHELBY GABAR	14549	X		BURN PERMIT	204720	\$25.00
11/18/16	ALFREDO DE LA GARZA	14550		X	BURN PERMIT	204720	\$25.00
11/18/16	MARIA GONZALEZ	14551	X		BURN PERMIT	204720	\$25.00
11/18/16	CINDY ZUNIGA	14552	X		BURN PERMIT	204720	\$25.00
11/21/16	NANCY GARZA	14553	X		BURN PERMIT	204721	\$25.00
11/21/16	JAIME CANTU	14554	X		BURN PERMIT	204721	\$25.00
11/21/16	ESMERALDA C GONZALEZ	14555	X		BURN PERMIT	204721	\$25.00
11/21/16	FABIAN LOPEZ	14556	X		BURN PERMIT	204721	\$25.00
11/21/16	MICHAEL RALEIGH	14557		X	BURN PERMIT	204721	\$25.00
11/21/16	MICHAEL RALEIGH	14558	X		BURN PERMIT	204721	\$25.00

Ad

11/21/16	JOE GUZMAN	14559	X		BURN PERMIT	20472	\$25.00
11/21/16	BRYAN GARCIA	14560	X		BURN PERMIT	20472	\$25.00
11/21/16	DAGOBERTO GUERRERO	14561	X		BURN PERMIT	20472	\$25.00
11/21/16	RENE PINA	14562	X		BURN PERMIT	20472	\$25.00
11/21/16	SERGIO PENA	14563	X		BURN PERMIT	20472	\$25.00
11/21/16	LIBORIO RUIZ	14564	X		BURN PERMIT	20472	\$25.00
11/21/16	RICHARD SANCHEZ	14565	X		BURN PERMIT	20472	\$25.00
11/21/16	ALBERTO CANTU	14566	X		BURN PERMIT	20472	\$25.00
11/22/16	LUIS SANCHEZ	14567	X		BURN PERMIT	204887	\$25.00
11/22/16	FRANCISCO OZUNA	14568	X		BURN PERMIT	204887	\$25.00
11/22/16	MARISELA MURILLO	14569	X		BURN PERMIT	204887	\$25.00
11/22/16	DANIEL MERAZ	14570	X		BURN PERMIT	204887	\$25.00
11/22/16	SYLVIA FRANCO	14571	X		BURN PERMIT	204887	\$25.00
11/22/16	ERNESTO GONZALEZ	14572	X		BURN PERMIT	204887	\$25.00
11/23/16	ROSA ESTRADA	14573	X		BURN PERMIT	204888	\$25.00
11/23/16	ROSA FLORES	14574	X		BURN PERMIT	204888	\$25.00
11/23/16	RSBR INVESTMENTS DOLLAR GENERAL	14575	X		BUSINESS OCCUPANCY	204888	\$620.00
11/23/16	MARTHA ORTON	14576	X		BURN PERMIT	204888	\$25.00
11/23/16	JUAN PEREZ	14577	X		BURN PERMIT	204888	\$25.00
11/23/16	ESMERALDA PEREZ	14578	X		BURN PERMIT	204888	\$25.00
11/23/16	MARIA DE JESUS LEOS	14579	X		BURN PERMIT	204888	\$25.00
11/23/16	JULIAN VEGA	14580	X		BURN PERMIT	204888	\$25.00
11/23/16	ELISEO GARZA	14581	X		BURN PERMIT	204888	\$25.00
11/23/16	ACE FIRE & SOUND WIND FARM OFFICE	14582	X		FIRE ALARM SPRINKLER SYSTEM PERMIT	204888	\$100.00
11/23/16	ISABEL SALAZAR	14583	X		BURN PERMIT	204888	\$25.00
11/23/16	SANTIAGO RAMIREZ	14584	X		BURN PERMIT	204888	\$25.00
11/23/16	MARTHA ADAME	14585	X		BURN PERMIT	204888	\$25.00
11/23/16	MARIA VELA	14586	X		BURN PERMIT	204888	\$25.00

X/e

11/23/16	HERIBERTO VILLARREAL MOBILE FOOD CART	14587	X		BUSINESS OCCUPANCY	204888	\$75.00
11/23/16	ROSA CRUZ POLLOS ASADOS #1	14588	X		BUSINESS OCCUPANCY	204888	\$75.00
11/23/16	DIANA RESENDEZ	14589	X		BURN PERMIT	204888	\$25.00
11/28/16	JUAN JOSE GUTIERREZ	14590	X		BURN PERMIT	204889	\$25.00
11/28/16	ESTANISLAO AMAYA	14591	X		BURN PERMIT	204889	\$25.00
11/28/16	DIANA DE ANDA	14592	X		BURN PERMIT	204889	\$25.00
11/28/16	RENE GARZA	14593		X	BURN PERMIT	204889	\$25.00
11/28/16	VICTOR MENDOZA	14594	X		BURN PERMIT	204889	\$25.00
11/28/16	ROSIE RIVERA	14595	X		BURN PERMIT	204889	\$25.00
11/29/16	CASSANDRA HEARN	14596	X		BURN PERMIT	204964	\$25.00
11/29/16	SAMUEL CAVAZOS	14597	X		COMMERCIAL BURN PERMIT	204964	\$100.00
11/30/16	RAUL VENEGAS MONTE ALTO BAPTIST CHURCH	14598		X	BUSINESS OCCUPANCY	205006	\$75.00
11/30/16	BERTHA TAMEZ KOOL KIDS ACADEMY	14599	X		BUSINESS OCCUPANCY	205006	\$75.00
11/30/16	JUSTO HERNANDEZ JR	14600	X		BURN PERMIT	205006	\$25.00
11/30/16	ESTEFANIA SANCHEZ	14601	X		BURN PERMIT	205006	\$25.00
11/30/16	DAVID GARCIA	14602		X	BURN PERMIT	205006	\$25.00
11/30/16	JULIO MONTELONGO	14603	X		BURN PERMIT	205006	\$25.00
11/30/16	DAGOBERTO ACEVEDO	14604	X		BURN PERMIT	205006	\$25.00
11/30/16	FMC INDUSTRIES LLC	14605	X		BUSINESS OCCUPANCY	205006	\$75.00
11/30/16	SERGIO MORENO	14606	X		BURN PERMIT	205006	\$25.00
11/30/16	LUCAS STIEN LOS GUEROS DRIVE INN	14607	X		BUSINESS OCCUPANCY	205006	\$75.00
11/30/16	ARTEMIO HINOJOSA NEW PLAZA	14608		X	BUSINESS OCCUPANCY	205006	\$200.00
11/30/16	PATRICIA LINTON P & L	14609	X		BUSINESS OCCUPANCY	205006	\$75.00
11/30/16	LA JOYA ISD	14610		X	BUILDING PERMIT	205006	\$200.00
11/30/16	ISABEL GARZA RECONNECT LIGHT	14611	X		BUSINESS OCCUPANCY	205006	\$75.00
11/30/16	CANDELARIA LEAL ROCKING HORSE LEARNING CENTER	14612		X	BUSINESS OCCUPANCY	205006	\$75.00
11/30/16	ROSALINDA REYES	14613	X		BURN PERMIT	205006	\$25.00
11/30/16	JUAN CORTEZ GOD IS LOVE CHURCH	14614	X		BUILDING PERMIT	205006	\$200.00

XIF

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

December 21, 2016

Mr. Homero Garza, Fire Marshal
Hidalgo County Fire Marshal's Office
1903 N. Knights Drive
Pharr, Texas 78577

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the months of October 2016 and November 2016

Dear Mr. Garza:

We have conducted a limited scope review of the *Monthly Fees Reports* and supporting documentation for the months of October 2016 and November 2016 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 and Methodology:

The scope of our review was limited to collections reported by the Fire Marshal's Office on the *Monthly Fees Reports* for the months of October 2016 and November 2016. 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 reports 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, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 33RD D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

AIDA SALINAS FLORES
JUDGE, 39TH D.C.

ISRAEL RAMON, JR.
JUDGE, 43RD D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

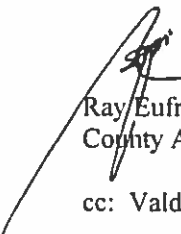
- Reviewed *Daily Remittance* to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds were received.
- Verified that the collections per the *Monthly Fees Reports* agreed to total receipts issued and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

Conclusion:

Total collections for the months of October 2016 and November 2016 were \$11,020.00 and \$8,430.00, respectively. 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 call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, 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, 204TH 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, 381TH D.C.

AIDA SALINAS FLORES
JUDGE, 394TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

**HIDALGO COUNTY HEALTH DEPARTMENT
ENVIRONMENTAL HEALTH DIVISION
MONTHLY FEES REPORT
FOR THE MONTH OF: OCTOBER 2016**

PBC

Part I: RECAP OF COLLECTIONS

A. TOTAL CASH COLLECTED

\$36,420.00 *

1. ON-SITE SEWAGE DISPOSAL INSPECTION PERMIT FEES

a. INSTALLATION PERMIT FEE

1. EDINBURG	<u>\$13,260.00</u>	* X12
2. MISSION	<u>\$-</u>	
3. WESLACO	<u>\$-</u>	

\$13,260.00 * X12

b. FINAL INSPECTION PERMIT FEE

1. EDINBURG	<u>\$9,360.00</u>	* X12
2. MISSION	<u>\$-</u>	
3. WESLACO	<u>\$-</u>	

\$9,360.00 * X12, X9

2. RESTAURANT INSPECTION FEE

\$13,800.00 * X11

3. FOOD HANDLER'S CERTIFICATE FEES

\$-

4. MOBILE UNIT DECAL FEES

\$-

TOTAL AMOUNT DUE TO THE COUNTY TREASURER: (Should Match Amt in Part II)

\$36,420.00 *

Part II: SUMMARY OF COLLECTIONS REMITTED TO THE CO. TREASURER

Name of Fee Collected	Fee Amt.	Statute Ref.	# Issued	GL Account Number	Amount Collected
LOCAL FEES					
Installation Permit Fee	\$75	HSC § 366.001 (A)	<u>156</u>	1100-345-21-340-000-0-000	<u>\$11,700.00</u>
Final Inspection Permit Fee	\$60	HSC § 366.001 (A)	<u>156</u>	1100-345-25-340-000-0-000	<u>\$9,360.00</u>
Restaurant Inspection Fee	\$150, \$125, \$100	HSC § 437.012	<u>155</u>	1100-345-22-340-000-0-000	<u>\$13,800.00</u>
Food Handler's Certificate Fee	\$10	HSC § 438.047	<u>0</u>	1100-345-23-340-001-0-000	<u>\$-</u>
Mobile Unit Decal Fee	\$5	HSC § 121.006 (a)	<u>0</u>	1100-345-24-340-000-0-000	<u>\$-</u>
STATE FEES					
TCEQ Waste Water Fee	\$10	HSC § 367.010	<u>156</u>	1100-207-20-000-002-0-000	<u>\$1,560.00</u>
TOTAL AMOUNT DUE TO THE COUNTY TREASURER:					<u>\$36,420.00</u>

variance should => "0"

Mullal
PREPARED BY

11/15/16
DATE

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

11-15-16
DATE

Eliardo Roman J
HEALTH DEPARTMENT DIRECTOR

This Report is Due in the Office of the County Auditor before the (5th) day of the following month.

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 12/12/16

XI

RECEIVED BY
 COUNTY ENGINEER
 11/14/16

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

December 21, 2016

Mr. Eduardo Olivarez
Chief Administrative Officer
Hidalgo County Health & Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Review of the *Monthly Fees Report* and Supporting Documentation
For the month of October 2016

Dear Mr. Olivarez:

We have conducted a limited scope review of the Environmental Health Division *Monthly Fees Report* and supporting documentation for the month of October 2016 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 by your office on the Environmental Health Division *Monthly Fees Report* for the month of October 2016. Our review was not 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 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 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 that receipts followed 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, 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, 398TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.


- Reviewed *Daily Remittance/Close-Out Reports* 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, *Daily Remittance/Close-Out Reports*, and the *Monthly Fees Report*, among other supporting documentation, to verify proper completion.

Conclusion:

Total collections for the month of October 2016 were \$36,420.00. 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 contact Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer
Elizardo Ramos, Environmental Health Services Division Manager

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, 204TH D.C.

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

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

NOE GONZALEZ
JUDGE, 370TH D.C.
DIVERSIFFR

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.

HIDALGO COUNTY, TEXAS
 DELTA LAKE PARK, PRECINCT 1
 MONTHLY REPORT FOR THE MONTH ENDING
 October 2016

pbc

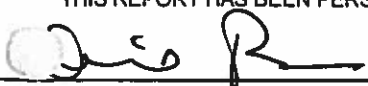
DATE	BEGINNING RECEIPT NUMBER	ENDING RECEIPT NUMBER	TOTAL RECEIPTS ISSUED	TOTAL RECEIPT AMOUNT	COUNTY TREASURER			DEPOSIT SLIP NUMBER
					DEPOSIT AMOUNT	DATE OF DEPOSIT	RECEIPT NUMBER	
1	10/1/2016			\$ -	\$ -			211 0
2	10/2/2016 ✓	316911 ✓	316953 ✓	43 ✗	\$ 86.00	10/4/2016	203817 ✗	211 2516 ✗
3	10/3/2016			\$ -	\$ -			211 0
4	10/4/2016			\$ -	\$ -			211 0
5	10/5/2016			\$ -	\$ -			211 0
6	10/6/2016			\$ -	\$ -			211 0
7	10/7/2016			\$ -	\$ -			211 0
8	10/8/2016			\$ -	\$ -			211 0
9	10/9/2016 ✓	316954 ✓	316989 ✓	36 ✗	\$ 72.00	10/11/2016	203818 ✗	211 02517 ✗
10	10/10/2016			\$ -	\$ -			211 0
11	10/11/2016			\$ -	\$ -			211 0
12	10/12/2016			\$ -	\$ -			211 0
13	10/13/2016			\$ -	\$ -			211 0
14	10/14/2016			\$ -	\$ -			211 0
15	10/15/2016			\$ -	\$ -			211 0
16	10/16/2016 ✓	316990 ✓	317042 ✓	53 ✗	\$ 106.00	10/17/2016	203819 ✗	211 02518 ✗
17	10/17/2016			\$ -	\$ -			211 0
18	10/18/2016			\$ -	\$ -			211 0
19	10/19/2016			\$ -	\$ -			211 0
20	10/20/2016			\$ -	\$ -			211 0
21	10/21/2016			\$ -	\$ -			211 0
22	10/22/2016			\$ -	\$ -			211 0
23	10/23/2016 ✓	317043 ✓	317100 ✓	58 ✗	\$ 116.00	10/24/2016	204070 ✗	211 02519 ✗
24	10/24/2016			\$ -	\$ -			211 0
25	10/25/2016			\$ -	\$ -			211 0
26	10/26/2016			\$ -	\$ -			211 0
27	10/27/2016			\$ -	\$ -			211 0
28	10/28/2016			\$ -	\$ -			211 0
29	10/29/2016			\$ -	\$ -			211 0
30	10/30/2016 ✓	317101 ✓	317154 ✓	54 ✗	\$ 108.00	11/1/2016	204072 ✗	211 02520 ✗
31	10/31/2016			\$ -	\$ -			211 0
244				\$ 488.00 ✗	\$ 488.00 ✗			

TOTAL RECEIPTS AND FUNDS COLLECTED: 244 ✗ x \$2.00 ✗ = \$ 488.00 ✗ *x33*

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-347-40-121-000-0-000-----	\$ 488.00 ✗
LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND-----	\$ 488.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER-----	\$ - ✗

PREPARED BY: Delma Cadena

DATE: 11/3/16

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

 A.C. CUELLAR
 COMMISSIONER PRCT NO. 1

HIDALGO COUNTY AUDITOR'S OFFICE
 APPROVED BY: [Signature]
 DATE: 11/9/16 *11-04-16*
 DATE

HIDALGO COUNTY, TEXAS
DELTA LAKE PARK, PRECINCT 1
MONTHLY REPORT FOR THE MONTH ENDING
November 2016

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	11/1/2016			\$ -	\$ -			211 0
2	11/2/2016			\$ -	\$ -			211 0
3	11/3/2016			\$ -	\$ -			211 0
4	11/4/2016			\$ -	\$ -			211 0
5	11/5/2016			\$ -	\$ -			211 0
6	11/6/2016	317155 ✓	317200 ✓	46 Δ	\$ 92.00	11/8/16	104331 Δ	211 02521 Δ
7	11/7/2016			\$ -	\$ -			211 0
8	11/8/2016			\$ -	\$ -			211 0
9	11/9/2016			\$ -	\$ -			211 0
10	11/10/2016			\$ -	\$ -			211 0
11	11/11/2016			\$ -	\$ -			211 0
12	11/12/2016			\$ -	\$ -			211 0
13	11/13/2016	317201 ✓	317213 ✓	13 Δ	\$ 26.00	11/13/16	204470	211 02522 Δ
14	11/14/2016			\$ -	\$ -			211 0
15	11/15/2016			\$ -	\$ -			211 0
16	11/16/2016			\$ -	\$ -			211 0
17	11/17/2016			\$ -	\$ -			211 0
18	11/18/2016			\$ -	\$ -			211 0
19	11/19/2016			\$ -	\$ -			211 0
20	11/20/2016	317214 ✓	317240 ✓	27 Δ	\$ 54.00	11/21/16	204728 Δ	211 02523 Δ
21	11/21/2016			\$ -	\$ -			211 0
22	11/22/2016			\$ -	\$ -			211 0
23	11/23/2016			\$ -	\$ -			211 0
24	11/24/2016			\$ -	\$ -			211 0
25	11/25/2016			\$ -	\$ -			211 0
26	11/26/2016			\$ -	\$ -			211 0
27	11/27/2016	317241 ✓	317285 ✓	45 Δ	\$ 90.00 Δ	11/29/16	204958 Δ	211 02524 Δ
28	11/28/2016			\$ -	\$ -			211 0
29	11/29/2016			\$ -	\$ -			211 0
30	11/30/2016			\$ -	\$ -			211 0
31	12/1/2016			\$ -	\$ -			211 0
				131	\$ 262.00	\$ 262.00		

TOTAL RECEIPTS AND FUNDS COLLECTED:

\$ 131.00 x \$2.00 = \$ 262.00 Δ

TOTAL AMOUNT DUE TO GENERAL FUND—1100-347-40-121-000-0-000—
LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND—
TOTAL FUNDS DUE TO THE COUNTY TREASURER—

\$ 262.00
\$ 262.00 Δ
\$ -

PREPARED BY: Delma Cadena

DATE: 12/1/16

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

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 12/15/16

12/2/16
DATE

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

11

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

December 22, 2016

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 months of October 2016 and November 2016

Dear Commissioner Cuellar:

We conducted a limited scope review of the Delta Lake *Monthly Fees Reports* and all supporting documentation for the months of October 2016 and November 2016 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 Reports* for the months of October 2016 and November 2016. 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 Reports* 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 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 Reports* by footing and cross-footing the reports.
- 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.
- 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERAY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 17TH D.C.

ROSÉ GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32ND D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

AIDA SALINAS FLORES
JUDGE, 39TH D.C.

ISRAEL RAMON, JR.
JUDGE, 43RD D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

- Verified that the collections per the *Monthly Reports* agreed to total tickets issued and the deposits made with the County Treasurer.
- Verified the *Close-Out Report Forms* and *Monthly Fees Reports* were properly completed.

Conclusion:

Total collections for the months of October 2016 and November 2016 were \$488.00 and \$262.00, 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:

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 January 13, 2017.

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, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE
 DATE: 12-15-16
J.C. Martinez
 Oct-16

COUNTY OF HIDALGO, TEXAS
 SCHEDULE OF RECEIPTS AND DEPOSITS FOR THE MONTH OF:
 PRECINCT 1, SANITATION PROGRAM

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	3-Oct	17595	17638	\$ 1,200.00	\$ -	\$ 1,200.00	10-3-2016	212	00449	10/6/2016	203199	-3	\$ -
2	4-Oct	17639	17674	\$ 1,125.00	\$ 175.00	\$ 950.00	10-4-2016	212	00450	10/6/2016	203200	-2	\$ -
3	5-Oct	17675	17702	\$ 850.00	\$ 100.00	\$ 750.00	10-5-2016	212	00451	10/6/2016	203202	-1	\$ -
4	6-Oct	17703	17724	\$ 700.00	\$ 25.00	\$ 675.00	10-6-2016	212	00452	10/17/2016	203444	-11	\$ -
5	7-Oct	17725	17759	\$ 1,075.00	\$ 125.00	\$ 950.00	10-7-2016	212	00453	10/17/2016	203445	-10	\$ -
6	8-Oct							212				0	\$ -
7	9-Oct							212				0	\$ -
8	10-Oct							212				0	\$ -
9	11-Oct	17760	17805	\$ 1,450.00	\$ 475.00	\$ 975.00	10-11-2016	212	00454	10/17/2016	203447	-6	\$ -
10	12-Oct	17806	17832	\$ 900.00	\$ 425.00	\$ 475.00	10-12-2016	212	00455	10/18/2016	203493	-6	\$ -
11	13-Oct	17833	17851	\$ 625.00	\$ 50.00	\$ 575.00	10-13-2016	212	00456	10/21/2016	203691	-8	\$ -
12	14-Oct	17852	17888	\$ 1,125.00	\$ 200.00	\$ 925.00	10-14-2016	212	00457	10/21/2016	203692	-7	\$ -
13	15-Oct							212				0	\$ -
14	16-Oct							212				0	\$ -
15	17-Oct	17889	17920	\$ 825.00	\$ 25.00	\$ 800.00	10-17-2016	212	00458	10/21/2016	203693	-4	\$ -
16	18-Oct	17921	17946	\$ 900.00	\$ 325.00	\$ 575.00	10-18-2016	212	00459	10/21/2016	203694	-3	\$ -
17	19-Oct	17947	17962	\$ 475.00	\$ -	\$ 475.00	10-19-2016	212	00460	10/21/2016	203695	-2	\$ -
18	20-Oct	17963	17986	\$ 725.00	\$ 225.00	\$ 500.00	10-20-2016	212	00461	10/21/2016	203696	-1	\$ -
19	21-Oct	17987	18022	\$ 1,075.00	\$ 25.00	\$ 1,050.00	10-21-2016	212	00462	10/27/2016	203944	-6	\$ -
20	22-Oct							212				0	\$ -
21	23-Oct							212				0	\$ -
22	24-Oct	18023	18052	\$ 775.00	\$ 75.00	\$ 700.00	10-24-2016	212	00463	10/27/2016	203945	-3	\$ -
23	25-Oct	18053	18072	\$ 700.00	\$ 50.00	\$ 650.00	10-25-2016	212	00464	10/27/2016	203946	-2	\$ -
24	26-Oct	18073	18091	\$ 600.00	\$ 50.00	\$ 550.00	10-26-2016	212	00465	10/28/2016	203976	-2	\$ -
25	27-Oct	18092	18109	\$ 475.00	\$ 100.00	\$ 375.00	10-27-2016	212	00466	11/3/2016	204154	-7	\$ -
26	28-Oct	18110	18131	\$ 675.00	\$ 75.00	\$ 600.00	10-28-2016	212	00467	11/3/2016	204155	-6	\$ -
26	29-Oct							212				0	\$ -
27	30-Oct							212				0	\$ -
29	31-Oct	18132	18159	\$ 1,025.00	\$ 125.00	\$ 900.00	11-1-2016	212	00468	11/3/2016	204156	-2	\$ -
30	1-Nov							212				0	\$ -
31	2-Nov							212				0	\$ -

TOTALS \$ 17,300.00 \$ 2,650.00 \$ 14,650.00 \$ -

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-121-000-0-000-----	\$	17,300.00
LESS: TOTAL AMOUNT REMITTED TO GENERAL FUND (DIRECT DEPOSIT)-----	\$	2,650.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER-----	\$	14,650.00

PREPARED BY: [Signature]

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: [Signature]

RECEIVED

11-15-16
DATE

NOV 17 2016

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.1-005 REVISED:

Hidalgo County
AUDITORS OFFICE

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

December 14, 2016

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

Re: Review of the Precinct 1 Sanitation Program *Monthly Fees Report* and Supporting Documentation
For the month of October 2016

Dear Commissioner Cuellar:

We conducted a limited scope review of the Precinct 1 Sanitation Program *Monthly Fees Report* and all supporting documentation for the month of October 2016 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 October 2016. 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* 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 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 that receipts and permits issued followed a sequential order.
- Verified that procedures for voided receipts and permits were properly followed.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SNGLETERRY
JUDGE, 52ND D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

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

ROSE GUEPRA REYNA
JUDGE, 204TH D.C.

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

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

NOE GONZALEZ
JUDGE, 375TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

IDA SALINAS FLORES
JUDGE, 394TH 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 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.
- Verified the *Close-Out Report Forms* and *Monthly Fees Report* were properly completed.

Conclusion:

Total collections for the month of October 2016 were \$17,300.00. 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 observations.

Observation No. 1:

Permit number 33288 was unissued and unaccounted for. Pursuant to the official permit log, the permit was provided to user 9 for issuance purposes; however, staff was not able to provide an explanation for the missing permit.

The County Auditor's Office requires that permits be issued in sequential order. In addition, an employee must be designated the responsibility of maintaining custody of unissued permits 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 permits issued, date issued, and to whom issued. The log should be reviewed periodically to account for all official permits.

Failure to ensure that permits are issued in sequential order may result in the loss of County funds.

Recommendation:

Management should ensure that permits are issued in sequential order. In addition, \$25.00 for the missing permit 33288 should be deposited with the County Treasurer's Office.

In addition, we noted that during January 2016, February 2016, May 2016, and July 2016 there were five missing permits. The County Auditor's Office requested that \$125.00 for the five missing permits be replenished and deposited with the County Treasurer. As of today, the funds have not been deposited. The \$125.00 should be immediately deposited with the County Treasurer.

Observation No. 2:

The *Monthly Fees Report* and applicable supporting documentation were not filed with the County Auditor's Office within five days after the last day of the month pursuant to Local Government Code §114.001 (b). The report was submitted 12 days late.

Local Government Code §114.001 (b) requires monthly reports to be filed with the County Auditor's Office within five days after the last day of each month.

Failure to ensure that the monthly report is filed with the County Auditor's Office within five days after the last day of the month will result in non-compliance with Local Government Code §114.001 (b).

Recommendation:

Management should ensure that the *Monthly Fees Report* and supporting documentation are filed with the County Auditor's Office within five days after the last day of the month.

Observation No. 3:

We noted during our review that the *Cashiers Daily Close out Reports* were missing the signature of the County Official or his designee on *Part III Acknowledgement and Approval* documenting the verification that the bank validated deposit slip agreed to the total amount to be deposited on the Close-Out Report. Staff, did not provide an explanation for the missing signatures.

The County Auditor's Office requires that after the deposit has been made, the County Official or his/her designee must verify that the total amount on the bank validated deposit slip 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 Acknowledgement and Approval* to document responsibility for this verification.

HIDALGO COUNTY DISTRICT JUDGES

Failure to ensure that the bank validated deposit slip agrees to the total amount to be deposited on the Close-Out Report may result in the loss of County funds.

Recommendation:

Management should ensure that the County Official or his/her designee verifies the total amount on the bank validated deposit slip agrees to the total amount to be deposited on the Close-Out Report and that the County Official or his/her designee signs *Part III Acknowledgement and Approval* to document responsibility for this verification.

Observation No: 4

We noted that receipts were not properly voided. The receipts did not contain the supervisor's signature of approval and the explanation for void. Staff has previously been provided with copies of the approved Cash Handling Guidelines and Procedures and trained on the procedures for voiding receipts. Staff was not able to provide an explanation for the receipts that were not properly voided.

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. In addition, the properly authorized voided receipt must be submitted to the Auditor's Office along with the monthly reports.

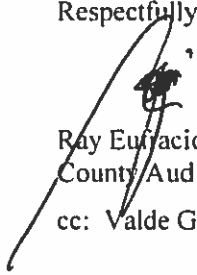
Failure to ensure that receipts are properly voided may result in the loss of County funds.

Recommendation:

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

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, Linda Fong, First Assistant Auditor, at ext. 4668, or me at 4604.

Respectfully,



Ray Eufacio, CPA
County Auditor

cc: Valde Guerra, 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, 384TH D.C.

AIDA SALINAS FLORES
JUDGE, 386TH D.C.

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

JESSE CONTRERAS
JUDGE, 441TH D.C.

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

PBC

Oct-16

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 Amount	Receipt Date	Receipt Number	Diff on Dates		
1	1-Oct	CLOSED					222					0	\$ -
2	2-Oct	CLOSED					222					0	\$ -
3	3-Oct	222-03766	222-03776	\$ 400.00	\$ 25.00	\$ 375.00	10/4/2016	222 00426	\$ 400.00	10/6/2016	203219	-2	\$ -
4	4-Oct	222-03777	222-03782	\$ 150.00		\$ 150.00	10/5/2016	222 00427	\$ 150.00	10/6/2016	203224	-1	\$ -
5	5-Oct	222-03783	222-03787	\$ 125.00		\$ 125.00	10/6/2016	222 00428	\$ 125.00	11/7/2016	204239	-32	\$ -
6	6-Oct	222-03788	222-03790	\$ 150.00	\$ 100.00	\$ 50.00	10/7/2016	222 00429	\$ 150.00	10/12/2016	203380	-5	\$ -
7	7-Oct	222-03791	222-03800	\$ 250.00		\$ 250.00	10/7/2016	222 00430	\$ 250.00	10/12/2016	203381	-5	\$ -
8	8-Oct	CLOSED						222				0	\$ -
9	9-Oct	CLOSED						222				0	\$ -
10	10-Oct	CLOSED						222				0	\$ -
11	11-Oct	222-03801	222-03810	\$ 375.00	\$ 125.00	\$ 250.00	10/11/2016	222 00431	\$ 375.00	10/18/2016	203495	-7	\$ -
12	12-Oct	222-03811	222-03817	\$ 200.00		\$ 200.00	10/14/2016	222 00432	\$ 200.00	10/19/2016	203558	-5	\$ -
13	13-Oct	222-03818	222-03824	\$ 225.00		\$ 225.00	10/14/2016	222 00433	\$ 225.00	10/19/2016	203559	-5	\$ -
14	14-Oct	222-03825	222-03834	\$ 250.00	\$ 25.00	\$ 225.00	10/14/2016	222 00434	\$ 250.00	10/19/2016	203561	-5	\$ -
15	15-Oct	CLOSED						222				0	\$ -
16	16-Oct	CLOSED						222				0	\$ -
17	17-Oct	222-03835	222-03844	\$ 450.00		\$ 450.00	10/18/2016	222 00435	\$ 450.00	10/31/2016	203999	-13	\$ -
18	18-Oct	222-03845	222-03850	\$ 150.00	\$ 25.00	\$ 125.00	10/20/2016	222 00436	\$ 150.00	10/24/2016	203770	-4	\$ -
19	19-Oct	222-03851	222-03853	\$ 100.00		\$ 100.00	10/20/2016	222 00437	\$ 100.00	10/24/2016	203772	-4	\$ -
20	20-Oct	222-03854	222-03859	\$ 300.00	\$ 125.00	\$ 175.00	10/21/2016	222 00438	\$ 300.00	10/28/2016	203954	-7	\$ -
21	21-Oct	222-03860	222-03867	\$ 300.00	\$ 75.00	\$ 225.00	10/21/2016	222 00439	\$ 300.00	10/28/2016	203958	-7	\$ -
22	22-Oct	CLOSED						222				0	\$ -
23	23-Oct	CLOSED						222				0	\$ -
24	24-Oct	222-03868	222-03882	\$ 450.00	\$ 25.00	\$ 425.00	10/25/2016	222 00440	\$ 450.00	10/28/2016	203959	-3	\$ -
25	25-Oct	222-03883	222-03895	\$ 350.00	\$ 25.00	\$ 325.00	10/26/2016	222 00441	\$ 350.00	10/28/2016	203960	-2	\$ -
26	26-Oct	222-03896	222-03904	\$ 300.00	\$ 100.00	\$ 200.00	10/27/2016	222 00442	\$ 300.00	11/3/2016	204157	-7	\$ -
27	27-Oct	222-03905	222-03915	\$ 375.00	\$ 25.00	\$ 350.00	10/28/2016	222 00443	\$ 375.00	11/3/2016	204158	-6	\$ -
28	28-Oct	222-03916	222-03926	\$ 275.00	\$ 25.00	\$ 250.00	10/28/2016	222 00444	\$ 275.00	11/3/2016	204159	-6	\$ -
29	29-Oct	CLOSED						222				0	\$ -
30	30-Oct	CLOSED						222				0	\$ -
31	31-Oct	222-03927	222-03929	\$ 75.00		\$ 75.00	11/01/2016	222 00445	\$ 75.00	11/3/2016	204160	-2	\$ -

TOTALS \$ 5,250.00 \$ 700.00 \$ 4,550.00 \$ 5,250.00

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-122-000-0-000-----	\$	5,250.00
LESS: TOTAL AMOUNT REMITTED TO GENERAL FUND (COUNTY TREASURER)-----	\$	5,250.00
OVER/(SHORT)-----	\$	-

PREPARED BY: 

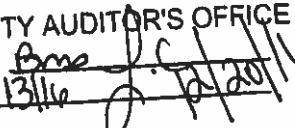
THIS REPORT HAS BEEN PERSONALLY REVIEWED BY ME AND I CERTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

APPROVED BY

u/12/16
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: 
 DATE: *12/13/16*

XI

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

PBC

Nov-16

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 Amount	Receipt Date	Receipt Number	Diff on Dates		
1	1-Nov	222-03930	222-03935	\$ 150.00	\$ -	\$ 150.00	11/2/2016	222 00446	\$ 150.00	c	204240	#VALUE!	\$ -
2	2-Nov	222-03936	222-03948	\$ 325.00	\$ -	\$ 325.00	11/2/2016	222 00447	\$ 325.00	11/7/2016	204241	-5	\$ -
3	3-Nov	222-03949	222-03952	\$ 125.00	\$ -	\$ 125.00	11/4/2016	222 00448	\$ 125.00	11/9/2016	204338	-5	\$ -
4	4-Nov	222-03953	222-03960	\$ 225.00	\$ -	\$ 225.00	11/4/2016	222 00449	\$ 225.00	11/14/2016	204427	-10	\$ -
5	5-Nov	CLOSED						222				0	\$ -
6	6-Nov	CLOSED						222				0	\$ -
7	7-Nov	222-03961	222-03967	\$ 200.00	\$ -	\$ 200.00	11/8/2016	222 00450	\$ 200.00	11/14/2016	204428	-6	\$ -
8	8-Nov	222-03968	222-03973	\$ 150.00	\$ -	\$ 150.00	11/9/2016	222 00451	\$ 150.00	11/14/2016	204429	-5	\$ -
9	9-Nov	222-03974	222-03977	\$ 100.00	\$ -	\$ 100.00	11/10/2016	222 00452	\$ 100.00	11/17/2016	204563	-7	\$ -
10	10-Nov	222-03978	222-03980	\$ 125.00	\$ -	\$ 125.00	11/10/2016	222 00453	\$ 125.00	11/17/2016	204564	-7	\$ -
11	11-Nov	HOLIDAY						222				0	\$ -
12	12-Nov	CLOSED						222				0	\$ -
13	13-Nov	CLOSED						222				0	\$ -
14	14-Nov	222-03981	222-03992	\$ 325.00	\$ -	\$ 325.00	11/14/2016	222 00454	\$ 325.00	11/17/2016	204565	-3	\$ -
15	15-Nov	222-03993	222-04000	\$ 225.00	\$ -	\$ 225.00	11/15/2016	222 00455	\$ 225.00	11/17/2016	204566	-2	\$ -
16	16-Nov	222-04001	222-04003	\$ 75.00	\$ -	\$ 75.00	11/17/2016	222 00456	\$ 75.00	11/23/2016	204807	-6	\$ -
17	17-Nov	222-04004	222-04009	\$ 150.00	\$ -	\$ 150.00	11/18/2016	222 00457	\$ 150.00	11/23/2016	204808	-5	\$ -
18	18-Nov	222-04010	222-04021	\$ 375.00	\$ -	\$ 375.00	11/18/2016	222 00458	\$ 375.00	11/23/2016	204809	-5	\$ -
19	19-Nov	CLOSED						222				0	\$ -
20	20-Nov	CLOSED						222				0	\$ -
21	21-Nov	222-04022	222-04036	\$ 475.00	\$ -	\$ 475.00	11/21/2016	222 00459	\$ 475.00	11/23/2016	204810	-2	\$ -
22	22-Nov	222-04037	222-04046	\$ 300.00	\$ -	\$ 300.00	11/23/2016	222 00460	\$ 300.00	11/30/2016	204971	-7	\$ -
23	23-Nov	222-04047	222-04056	\$ 250.00	\$ -	\$ 250.00	11/23/2016	222 00461	\$ 250.00	11/30/2016	204973	-7	\$ -
24	24-Nov	HOLIDAY						222				0	\$ -
25	25-Nov	HOLIDAY						222				0	\$ -
26	Nov	CLOSED						222				0	\$ -
27	28-Nov	222-04057	222-04068	\$ 325.00	\$ -	\$ 325.00	11/28/2016	222 00462	\$ 325.00	11/30/2016	204974	-2	\$ -
29	29-Nov	222-04069	222-04078	\$ 275.00	\$ -	\$ 275.00	11/29/2016	222 00463	\$ 275.00	12/6/2016	205136	-7	\$ -
30	30-Nov	222-04079	222-04088	\$ 250.00	\$ -	\$ 250.00	11/30/2016	222 00464	\$ 250.00	12/6/2016	205138	-6	\$ -
31	1-Dec							222				0	\$ -
TOTALS				\$ 4,425.00	\$ -	\$ 4,425.00				\$ 4,425.00			\$ -

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-122-000-0-000-----	\$ 4,425.00
LESS: TOTAL AMOUNT REMITTED TO GENERAL FUND (COUNTY TREASURER)-----	\$ 4,425.00
OVER/(SHORT)-----	\$ -

PREPARED BY: *Belinda Martinez*

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

[Signature]
 APPROVED BY

12/12/16
 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: *[Signature]*
 DATE: 12/19/16 *[Signature]*

XI

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

December 22, 2016

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

Re: Review of the Precinct 2 Sanitation Program *Monthly Fees Reports* and Supporting Documentation
For the Months of October and November 2016

Dear Commissioner Cantu:

We conducted a limited scope review of the Precinct 2 Sanitation Program *Monthly Fees Reports* and all supporting documentation for the months of October and November 2016 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 Reports* for the months of October and November 2016. 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* 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 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 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, 208TH 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, 400TH 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 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 months of October and November 2016 were \$5,250.00 and \$4,425.00, 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 call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, or Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, ext 4668, 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, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 21st D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th D.C.

DATE: 12-1-16
J. C. [Signature] Oct. 2016

COUNTY OF HIDALGO, TEXAS
 SCHEDULE OF RECEIPTS AND DEPOSITS FOR THE MONTH OF:
 PRECINCT 3, SANITATION PROGRAM

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 Amount	Receipt Date	Receipt Number	Diff on Dates	
1-1-Oct	Saturday						232					0 \$ -
2-1-Oct	Sunday						232					0 \$ -
3-3-Oct	232-27587	232-27690	\$ 2,800.00	\$ 425.00	\$ 2,375.00	10-3-16	232	00469	\$ 2,800.00	10/5/2016	203170	-2 \$ -
4-4-Oct	232-27691	232-27749	\$ 1,800.00	\$ 225.00	\$ 1,600.00	10-4-16	232	00470	\$ 1,825.00	10/5/2016	203171	-1 \$ 25.00
5-5-Oct	232-27750	232-27819	\$ 1,975.00	\$ 375.00	\$ 1,575.00	10-5-16	232	00471	\$ 1,950.00	10/6/2016	203225	-1 \$ (25.00)
6-6-Oct	232-27820	232-27862	\$ 1,150.00	\$ 125.00	\$ 1,025.00	10-6-16	232	00472	\$ 1,150.00	10/7/2016	203288	-1 \$ -
7-7-Oct	232-27863	232-27933	\$ 1,800.00	\$ 175.00	\$ 1,625.00	10-7-16	232	00473	\$ 1,800.00	10/12/2016	203378	-5 \$ -
8-8-Oct	Saturday						232					0 \$ -
9-9-Oct	Sunday						232					0 \$ -
10-10-Oct	Holiday						232					0 \$ -
11-11-Oct	232-27934	232-28026	\$ 2,575.00	\$ 375.00	\$ 2,200.00	10-11-16	232	00474	\$ 2,575.00	10/11/2016	203379	0 \$ -
12-12-Oct	232-28027	232-28086	\$ 1,575.00	\$ 375.00	\$ 1,200.00	10-12-16	232	00475	\$ 1,575.00	10/17/2016	203448	-5 \$ -
13-13-Oct	232-28087	232-28134	\$ 1,575.00	\$ 275.00	\$ 1,300.00	10-13-16	232	00476	\$ 1,575.00	10/19/2016	203534	-6 \$ -
14-14-Oct	232-28135	232-28204	\$ 1,925.00	\$ 475.00	\$ 1,450.00	10-14-16	232	00477	\$ 1,925.00	10/20/2016	203649	-6 \$ -
15-15-Oct	Saturday						232					0 \$ -
16-16-Oct	Sunday						232					0 \$ -
17-17-Oct	232-28205	232-28268	\$ 1,750.00	\$ 300.00	\$ 1,450.00	10-17-16	232	00478	\$ 1,750.00	10/20/2016	203651	-3 \$ -
18-18-Oct	232-28269	232-28319	\$ 1,550.00	\$ 250.00	\$ 1,300.00	10-18-16	232	00479	\$ 1,550.00	10/20/2016	203652	-2 \$ -
19-19-Oct	232-28320	232-28359	\$ 1,025.00	\$ 50.00	\$ 975.00	10-19-16	232	00480	\$ 1,025.00	10/27/2016	203898	-8 \$ -
20-20-Oct	232-28360	232-28405	\$ 1,225.00	\$ 125.00	\$ 1,100.00	10-20-16	232	00481	\$ 1,225.00	10/27/2016	203899	-7 \$ -
21-21-Oct	232-28406	232-28456	\$ 1,425.00	\$ 325.00	\$ 1,100.00	10-21-16	232	00482	\$ 1,425.00	10/27/2016	203900	-6 \$ -
22-22-Oct	Saturday						232					0 \$ -
23-23-Oct	Sunday						232					0 \$ -
24-24-Oct	232-28457	232-28515	\$ 1,850.00	\$ 300.00	\$ 1,550.00	10-24-16	232	00483	\$ 1,850.00	10/27/2016	203902	-3 \$ -
25-25-Oct	232-28516	232-28557	\$ 1,200.00	\$ 125.00	\$ 1,075.00	10-25-16	232	00484	\$ 1,200.00	10/27/2016	203904	-2 \$ -
26-26-Oct	232-28558	232-28593	\$ 975.00	\$ 75.00	\$ 900.00	10-26-16	232	00485	\$ 975.00	10/27/2016	203906	-1 \$ -
27-27-Oct	232-28594	232-28635	\$ 1,375.00	\$ 300.00	\$ 1,075.00	10-27-16	232	00486	\$ 1,375.00	11/2/2016	204061	-6 \$ -
28-28-Oct	232-28636	232-28694	\$ 1,850.00	\$ 475.00	\$ 1,375.00	10-28-16	232	00487	\$ 1,850.00	11/2/2016	204062	-5 \$ -
29-29-Oct	Saturday						232					0 \$ -
30-30-Oct	Sunday						232					0 \$ -
31-31-Oct	232-28695	232-28765	\$ 1,900.00	\$ 300.00	\$ 1,600.00	10-31-16	232	00488	\$ 1,900.00	11/2/2016	204064	-2 \$ -
TOTALS			\$ 33,300.00	\$ 5,450.00	\$ 27,850.00				\$ 33,300.00			\$ -

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-123-000-0-000-----	\$	33,300.00
LESS: TOTAL FUNDS DUE TO THE COUNTY TREASURER-----	\$	33,300.00
OVER/(SHORT)-----	\$	-

PREPARED BY: [Signature]

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

[Signature]
 APPROVED BY

Nov 7 2016
 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.3-005 REVISED: 12/2014

RECEIVED

NOV 07 2016

Hidalgo County
 AUDITORS OFFICE

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

December 14, 2016

The Honorable Joe M. Flores, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle
P.O. Box 607
Mission, TX 78574

Re: Review of Sanitation Program *Monthly Fees Report* and Supporting Documentation
For the month of October 2016

Dear Commissioner Flores:

We conducted a limited scope review of the Precinct 3 Sanitation Program *Monthly Fees Report* and all supporting documentation for the month of October 2016 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 October 2016. 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* 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 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 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, 52ND 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.

ADA SALINAS FLORES
JUDGE, 391TH 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 and 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 October 2016 were \$33,300.00. Based on the results of our review, we have concluded that fees collected were generally properly accounted and reported.

However, we noted that shortages and missing permits totaling \$440.00 (shortages of \$25.00, \$10.00, and \$5.00 on January 8, 2016, January 11, 2016 and February 24, 2016, respectively, and 13 missing permits between January and August totaling \$400.00) have not been replenished and deposited with the County Treasurer, as previously requested by the County Auditor's Office. The \$440.00 should be immediately deposited with the County Treasurer.

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, Linda Fong, First Assistant Auditor, at ext. 4668, 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, 119TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

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

NOÉ GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

ADA SALINAS FLORES
JUDGE, 398TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

RECEIVED BY
COUNTY AUDITOR

HIDALGO COUNTY, TEXAS
ANZALDUAS PARK, PRECINCT 3
MONTHLY REPORT FOR THE MONTH ENDING
October 1 2016

2016 NOV 14 PM 4 05
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	10/1/2016	382619 ✓	382642 ✓	24 △	\$ 96.00	\$ 96.00	10/1/2016	203101	231 01054
2	10/2/2016	382643 ✓	382672 ✓	30 △	\$ 120.00	\$ 120.00	10/2/2016	203102	231 01055
3	10/3/2016								231
4	10/4/2016								231
5	10/5/2016								231
6	10/6/2016								231
7	10/7/2016								231
8	10/8/2016	382673 ✓	382690 ✓	18 △	\$ 72.00	\$ 72.00	10/8/2016	203348	231 01056
9	10/9/2016	382691 ✓	382734 ✓	44 △	\$ 176.00	\$ 176.00	10/9/2016	203349	231 01057
10	10/10/2016								231
11	10/11/2016								231
12	10/12/2016								231
13	10/13/2016								231
14	10/14/2016								231
15	10/15/2016	382735 ✓	383048 ✓	314 △	\$ 1,256.00	\$ 1,256.00	10/15/2016	203496	231 01058
16	10/16/2016	383049 ✓	383092 ✓	44 △	\$ 176.00	\$ 176.00	10/16/2016	203497	231 01059
17	10/17/2016								231
18	10/18/2016								231
19	10/19/2016								231
20	10/20/2016								231
21	10/21/2016								231
22	10/22/2016	383093 ✓	383140 ✓	48 △	\$ 192.00	\$ 196.00	10/22/2016	203844	231 01060
23	10/23/2016	383141 ✓	383181 ✓	41 △	\$ 164.00	\$ 164.00	10/23/2016	203845	231 01061
24	10/24/2016								231
25	10/25/2016								231
26	10/26/2016								231
27	10/27/2016								231
28	10/28/2016								231
29	10/29/2016	383182 ✓	383206 ✓	25 △	\$ 100.00	\$ 100.00	10/29/2016	204024	231 01062
30	10/30/2016	383207 ✓	383238 ✓	32 △	\$ 128.00	\$ 128.00	10/30/2016	204026	231 01063
31	10/31/2016								231
					2,480.00	\$2,484.00			

620 x \$4.00 = \$2,480.00

LESS:	TOTAL AMOUNTS REMITTED TO GENERAL FUND	\$2,484.00
	TOTAL FUNDS DUE TO THE COUNTY TREASURER	\$2,484.00

PREPARED BY: Gerardo Flores

STATE IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

Gerardo Flores

11/2/2016
DATE

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: *Bono*
DATE: 11/16/16

Revised

XI

HIDALGO COUNTY, TEXAS
 ANZALDUAS PARK, PRECINCT 3
 MONTHLY REPORT FOR THE MONTH ENDING
 November 2016

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 11/1/2016								231
2 11/2/2016								231
3 11/3/2016								231
4 11/4/2016								231
5 11/5/2016	383239	383268	30	\$ 120.00	\$ 120.00	11/5/2016	204297	231 01064
6 11/6/2016	383269	383321	53	\$ 212.00	\$ 212.00	11/6/2016	204298	231 01065
7 11/7/2016								231
8 11/8/2016								231
9 11/9/2016								231
10 11/10/2016								231
11 11/11/2016								231
12 11/12/2016	383322	383332	11	\$ 44.00	\$ 44.00	11/12/2016	204716	231 01066
13 11/13/2016	383333	383345	13	\$ 52.00	\$ 52.00	11/13/2016	204717	231 01067
14 11/14/2016								231
15 11/15/2016								231
16 11/16/2016								231
17 11/17/2016								231
18 11/18/2016								231
19 11/19/2016	383346	383360	15	\$ 60.00	\$ 60.00	11/19/2016	204718	231 01068
20 11/20/2016	383361	383385	25	\$ 100.00	\$ 100.00	11/20/2016	204719	231 01069
21 11/21/2016								231
22 11/22/2016								231
23 11/23/2016								231
24 11/24/2016								231
25 11/25/2016								231
26 11/26/2016	383386	383412	27	\$ 108.00	\$ 108.00	11/26/2016	204845	231 01070
27 11/27/2016	383413	383432	20	\$ 80.00	\$ 80.00	11/27/2016	204846	231 01071
28 11/28/2016								231
29 11/29/2016								231
30 11/30/2016								231
31								231
				776.00	\$776.00			

194 x \$4.00 = \$776.00

X10

LESS: TOTAL AMOUNTS REMITTED TO GENERAL FUND	\$776.00
TOTAL FUNDS DUE TO THE COUNTY TREASURER	\$ 776.00

PREPARED BY: Gerardo Flores

RTIFY IT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Gerardo Flores

12/1/2016
DATE

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: *Bono*
 DATE: 12/15/16

X11

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

December 21, 2016

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

Re: Review of *Monthly Fees Reports* and Supporting Documentation
For the months of October 2016 & November 2016

Dear Commissioner Flores:

We conducted a review of the Anzalduas Park *Monthly Fees Reports* and supporting documentation for the months of October 2016 and November 2016 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 October 2016 and November 2016. 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 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 signatures 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 tickets issued to determine if proper fee amounts were collected and reported.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32ND D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

ADA SALINAS FLORES
JUDGE, 38TH D.C.

ISRAEL RAMON, JR.
JUDGE, 43RD D.C.

JESSE CONTRERAS
JUDGE, 44TH 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 Report* to verify proper completion.

Conclusion:

Total collections for the months of October 2016 and November 2016 were \$2,480.00 and \$776.00, 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


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 January 13, 2017.

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, Linda Fong, First Assistant Auditor, at ext. 4668, or me at 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, 133TH D.C.

ROSE GUERRA REYNA
JUDGE, 201ST 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, 441TH D.C.

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

Oct-16

pbc

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 Amount	Receipt Date	Receipt Number		Diff on Dates
1-Oct	242-23316	242-23315	\$ 75.00	\$ -	\$ 75.00	10/3/2016	242 477	\$ 75.00	10/7/2016	203289	#REF!	#REF!
2-Oct	SUNDAY						242				0	\$ -
3-Oct	242-23316	242-23362	\$ 1,450.00	\$ 500.00	\$ 950.00	10/4/2016	242 478	\$ 1,450.00	10/7/2016	203291	-3	\$ -
4-Oct	242-23363	242-23395	\$ 1,025.00	\$ 100.00	\$ 925.00	10/5/2016	242 479	\$ 1,025.00	10/7/2016	203293	-2	\$ -
5-Oct	242-23396	242-23424	\$ 875.00	\$ 175.00	\$ 700.00	10/6/2016	242 480	\$ 875.00	10/7/2016	203294	-1	\$ -
6-Oct	242-23425	242-23460	\$ 1,050.00	\$ 100.00	\$ 950.00	10/7/2016	242 481	\$ 1,050.00	10/19/2016	203539	-12	\$ -
7-Oct	242-23461	242-23505	\$ 1,275.00	\$ 250.00	\$ 1,025.00	10/12/2016	242 482	\$ 1,275.00	10/19/2016	203540	-7	\$ -
8-Oct	242-23506	242-23507	\$ 75.00	\$ 50.00	\$ 25.00	10/12/2016	242 483	\$ 75.00	10/19/2016	203541	-7	\$ -
9-Oct	SUNDAY						242				0	\$ -
10-Oct	242-23508	242-23539	\$ 950.00	\$ 150.00	\$ 800.00	10/12/2016	242 484	\$ 950.00	10/19/2016	203542	-7	\$ -
11-Oct	242-23540	242-23580	\$ 1,300.00	\$ 250.00	\$ 1,050.00	10/12/2016	242 485	\$ 1,300.00	10/11/2016	203518	1	\$ -
12-Oct	242-23581	242-23616	\$ 1,050.00	\$ 200.00	\$ 850.00	10/13/2016	242 486	\$ 1,050.00	10/27/2016	203911	-14	\$ -
13-Oct	242-23617	242-23653	\$ 1,025.00	\$ 125.00	\$ 900.00	10/14/2016	242 487	\$ 1,025.00	10/27/2016	203913	-13	\$ -
14-Oct	242-23654	242-23709	\$ 1,600.00	\$ 250.00	\$ 1,350.00	10/17/2016	242 488	\$ 1,600.00	10/27/2016	203915	-10	\$ -
15-Oct	242-23710	242-23717	\$ 225.00	\$ 50.00	\$ 175.00	10/17/2016	242 489	\$ 225.00	10/27/2016	203918	-10	\$ -
16-Oct	SUNDAY						242				0	\$ -
17-Oct	242-23718	242-23763	\$ 1,375.00	\$ 200.00	\$ 1,175.00	10/19/2016	242 490	\$ 1,375.00	11/14/2016	204421	-26	\$ -
18-Oct	242-23764	242-23813	\$ 1,325.00	\$ 175.00	\$ 1,150.00	10/19/2016	242 491	\$ 1,325.00	10/27/2016	203919	-8	\$ -
19-Oct	242-23814	242-23847	\$ 850.00	\$ -	\$ 850.00	10/20/2016	242 492	\$ 850.00	10/27/2016	203928	-7	\$ -
20-Oct	242-23848	242-23886	\$ 1,025.00	\$ 100.00	\$ 925.00	10/21/2016	242 493	\$ 1,025.00	10/27/2016	203929	-6	\$ -
21-Oct	242-23887	242-23944	\$ 1,525.00	\$ 175.00	\$ 1,350.00	10/24/2016	242 494	\$ 1,525.00	11/7/2016	204266	-14	\$ -
22-Oct	242-23945	242-23950	\$ 175.00	\$ 75.00	\$ 100.00	10/24/2016	242 495	\$ 175.00	11/7/2016	204268	-14	\$ -
23-Oct	SUNDAY						242				0	\$ -
24-Oct	242-23951	242-24001	\$ 1,425.00	\$ 175.00	\$ 1,250.00	10/25/2016	242 496	\$ 1,425.00	11/7/2016	204269	-13	\$ -
25-Oct	242-24002	242-24057	\$ 1,600.00	\$ 300.00	\$ 1,300.00	10/26/2016	242 497	\$ 1,600.00	11/7/2016	204271	-12	\$ -
26-Oct	242-24058	242-24084	\$ 700.00	\$ 200.00	\$ 500.00	10/27/2016	242 498	\$ 700.00	11/7/2016	204272	-11	\$ -
27-Oct	242-24085	242-24112	\$ 825.00	\$ 132.00	\$ 725.00	10/28/2016	242 499	\$ 825.00	11/10/2016	204383	-13	\$ 32.00
28-Oct	242-24113	242-24156	\$ 1,525.00	\$ 368.00	\$ 1,125.00	10/31/2016	242 500	\$ 1,493.00	11/10/2016	204384	-10	\$ (32.00)
29-Oct	242-24157	242-24164	\$ 225.00	\$ 125.00	\$ 100.00	10/31/2016	242 501	\$ 225.00	11/10/2016	204386	-10	\$ -
30-Oct	SUNDAY						242				0	\$ -
31-Oct	242-24165	242-24207	\$ 1,275.00	\$ 100.00	\$ 1,175.00	11/1/2016	242 502	\$ 1,275.00	11/10/2016	204387	-9	\$ -

TOTALS \$ 25,825.00 \$ 4,325.00 \$ 21,500.00 \$ 25,825.00

X X X X

TOTAL AMOUNT DUE TO GENERAL FUND-----1100-322-70-124-000-0-000-----	\$ 25,825.00
LESS: TOTAL AMOUNT REMITTED TO GENERAL FUND (COUNTY TREASURER)-----	\$ 25,825.00
OVER/(SHORT)-----	\$ -

128

PREPARED BY: *[Signature]*

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: *Maria O. Lucio*

11-10-15
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 4-002 REVISED: 5/2016

HIDALGO COUNTY AUDITOR'S OFFICE
 APPROVED BY: *[Signature]*
 DATE: *11/14/16*

XI

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

December 20, 2016

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

Re: Review of the Precinct 4 Sanitation Program *Monthly Fee Report* and Supporting Documentation
For the month of October 2016

Dear Commissioner Palacios:

We conducted a limited scope review of the Precinct 4 Sanitation Program *Monthly Fee Report* and all supporting documentation for the month of October 2016 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 Fee Report* for the month of October 2016. 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 Fee Report*, and fee schedules. The following procedures were performed:

- Reviewed the submittal date of the *Monthly Fee 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 signatures on the *Monthly Fee 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 Fee 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, 273TH D.C.

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 349TH D.C.

AIDA BALINAS FLORES
JUDGE, 3MTH D.C.

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

JESSE CONTRERAS
JUDGE, 441TH D.C.


- 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 Fee Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Reviewed receipts issued, *Close-Out Reports* and *Monthly Fee Report* to verify proper completion.

Conclusion:

Total collections for the month of October 2016 were \$25,825.00. 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, Linda Fong, First Assistant Auditor, at ext. 4668, 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, 92 ND D.C.	RODOLFO DELGADO JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 208 TH D.C.	JUAN R. PARTIDA JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	AIDA SALINAS FLORES JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	JESSE CONTRERAS JUDGE, 449 TH 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

December 22, 2016

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 October 2016

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 October 2016 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 October 2016. 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

LUIE M. SMOLETERY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 208TH 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, 387TH D.C.

AIDA SALINAS FLORES
JUDGE, 388TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

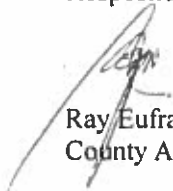
- Verified that procedures for voided receipts were properly followed.
- Reviewed the *Cashier's Daily Close-Out Report/Daily Remittance Form* to determine whether fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds 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 October 2016 were \$3,575.00. 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, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, Fist Assistant Auditor, at ext. 4668, 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, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

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

ROSE GUERRA REYNA
JUDGE, 208th 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, 383rd D.C.

AIDA SALINAS FLORES
JUDGE, 398th 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 October 2016

CA

Date	Plaintiff	Defendant	Receipt #	Cause #	Type of Service	In/Out County	Court	Treasurer #	Amount Due
10/20/2016	The State of Texas	Joselito Cantu 2/13/71	011241-1	I/1 M0042072	Warrant	Out County	Justice Clerk	203941	\$50.00
10/20/2016	The State of Texas	Joselito Cantu 2/13/71	011241-1	I/1 M0042650	Warrant	Out County	Justice Clerk	203941	\$50.00
10/3/2016	Melissa Avalo's	Jose A. Guerrero	CI-2016-130	LT16-0340-J12	FED	In County	Justice Clerk	203169	\$75.00
10/4/2016	Gerardo A. Pedraza	Victor Hugo Valdez	CI-2016-131	SC16-0241-J12	Small Claims	In County	Justice Clerk	203205	\$75.00
10/4/2016	Gerardo A. Pedraza	Jose De Jesus Ochoa	CI-2016-132	SC16-0241-J12	Small Claims	In County	Justice Clerk	203205	\$75.00
10/4/2016	Sevilla	Angelita Gonzalez	CI-2016-133	LT16-0296-J12	Writ of Possession	In County	Justice Clerk	203205	\$200.00
10/4/2016	Robert L. Peacock	Lisa Hernandez Garza	CI-2016-134	SC16-0242-J12	Small Claims	In County	Justice Clerk	203205	\$75.00
10/6/2016	Everything Energy, LLC	Julio Cesar Marines	CI-2016-135	SC16-0027-J11	Writ of Execution	In County	Justice Clerk	203354	\$200.00
10/6/2016	Max Fine Furniture	Dora Zapata	CI-2016-136	SC16-0244-J12	Small Claims	in county	Justice Clerk	203354	\$75.00
10/6/2016	Max Fine Furniture	Maria Elena Romero	CI-2016-137	SC16-0245-J12	Small Claims	In County	Justice Clerk	203354	\$75.00
10/7/2016	Alejandro Rodriguez	Kristopher R. Moore	CI-2016-138	LT16-0343-J12	FED	In County	Justice Clerk	203355	\$75.00

This report has been personally reviewed by me and which I certify to be true and correct to the
 Approved by: [Signature] Prepared by: [Signature]
 Constable, Precinct 1 Administrative Assistant

Friday, November 04, 2016



IX

Date	Plaintiff	Defendant	Receipt #	Cause #	Type of Service	In/Out County	Court	Treasurer #	Amount Due
10/7/2016	Weese Investm Properties, Inc	Juan Vidaurri	C1-2016-1394	LTI16-0344-J12	FED	In County	Justice Clerk	203355	\$75.00
10/7/2016	Max Fine Furniture	Romulo Torres	C1-2016-140	SCI16-0166-J12	Writ of Execution In County	In County	Justice Clerk	203355	\$200.00
10/11/2016	Housing Authority of the County of Hidalgo Northside	Andy Gamez	C1-2016-141	LTI16-0346-J12	FED	In County	Justice Clerk	203557	\$75.00
10/11/2016	Hidalgo County Housing Authority Northside	Isai Ibarra	C1-2016-142	LTI16-0347-J12	FED	In County	Justice Clerk	203557	\$75.00
10/11/2016	Carlos Gonzalez	Mari Lucero	C1-2016-143	LTI16-0348-J12	FED	In County	Justice Clerk	203557	\$75.00
10/11/2016	AP Gas & Electric (TX) LLC	Leonel Rodriguez D/B/A The Perfect Place	C1-2016-144	CV12C0137085	Writ of Execution In County	In County	Justice Clerk	203557	\$200.00
10/11/2016	Weese Investin Properties	Noel Cantu	C1-2016-145	LTI16-0345-J12	FED	In County	Justice Clerk	203557	\$75.00
10/11/2016	New Millenium Investments	Cynthia Zamarripa	C1-2016-146	LTI16-0350-J12	FED	In County	Justice Clerk	203557	\$75.00
10/11/2016	New Millenium Investments	Eliberto Leal	C1-2016-147	LTI16-0351-J12	FED	In County	Justice Clerk	203557	\$75.00
10/11/2016	New Millenium	Dora Rodriguez	C1-2016-148	LTI16-0352-J12	FED	In County	Justice Clerk	203557	\$75.00
10/12/2016	Luis Alvarez	Corina Perales	C1-2016-149	LTI16-0356-J12	FED	In County	Justice Clerk	203653	\$75.00



This report has been personally reviewed by me and which I certify to be true and correct to the Approved by: [Signature] Prepared by: [Signature]
 Constable, Precinct 1 Administrative Assistant

Friday, November 04, 2016



16a

Date	Plaintiff	Defendant	Receipt #	Cause #	Type of Service	In/Out County	Court	Treasurer #	Amount Due
10/14/2016	Max Fine Furniture	Mark A. Moreno	CI-2016-150A	SC16-0249-J12	Small Claims	In County	Justice Clerk	203654	\$75.00
10/14/2016	Max Fine Furniture	Maricela B. Rivera	CI-2016-151	SC16-0248-J12	Small Claims	In County	Justice Clerk	203654	\$75.00
10/14/2016	Max Fine Furniture	Aida Gomez	CI-2016-152	SC16-0250-J12	Small Claims	In County	Justice Clerk	203654	\$75.00
10/14/2016	Max Fine Furniture	Mary L. Sosa	CI-2016-153	SC16-0179-J12	Writ of Execution	In County	Justice Clerk	203654	\$200.00
10/14/2016	New Millennium L. Onvestments	Liliana Ortiz	CI-2016-154	LT16-0361-J12	FED	In County	Justice Clerk	203654	\$75.00
10/17/2016	Maricela Pena Cantu	Fernando Salazar	CI-2016-155	LT16-0362-J12	FED	In County	Justice Clerk	203655	\$75.00
10/17/2016	Maria E. Ruiz	Dora Gutierrez	CI-2016-156	LT16-0363-J12	FED	In County	Justice Clerk	203655	\$75.00
10/17/2016	Housing Authority of the County of Hidalgo	Nelly Casarez and all occupants	CI-2016-157	LT16-0364-J12	FED	In County	Justice Clerk	203655	\$75.00
10/18/2016	New Millennium	Juan Cepeda	CI-2016-158	LT16-0365-J12	FED	In County	Justice Clerk	203767	\$75.00
10/18/2016	Gregorio Castellanos	Delma Zapata	CI-2016-159	SC16-0251-J12	Small Claims	In County	Justice Clerk	203767	\$75.00
10/21/2016	Delma M. Segura	Debbie Segura	CI-2016-160	SC16-0252-J12	Small Claims	In County	Justice Clerk	203942	\$75.00
10/21/2016	Christian Jade Castro	Jonah Marcel Echavarría	CI-2016-161	SC16-0253-J12	Small Claims	In County	Justice Clerk	203942	\$75.00



This report has been personally reviewed by me and which I certify to be true and correct to the
 Approved by: [Signature] Prepared by: [Signature]
 Constable, Precinct 1 Administrative Assistant



X16

Date	Plaintiff	Defendant	Receipt #	Cause #	Type of Service	In/Out County	Court	Treasurer #	Amount Due
10/21/2016	Davi Nails Salon & Spa LLC	Phu Viet Tran	C1-2016-162	SC16-0254-J12	Small Claims	In County	Justice Clerk	203942	\$75.00
10/21/2016	Pamela Salinas	Damian Ventura	C1-2016-163	164902112	Divorce Decree	In County	District Clerk	203942	\$75.00
10/24/2016	Stephanie Mancha	Jesus Aaron Macha Hinostroza	C1-2016-164	D-1-FM-16-00616	Petition for Divorce	Out County	District Clerk	203943	\$75.00
10/24/2016	Rio Grande Financial LP	Alicia Martinez	C1-2016-165	LT16-0380-J12	FED	In County	Justice Clerk	203943	\$75.00
10/24/2016	Rio Grande Financial, L.P	Leovigilado Martinez	C1-2016-166	LT16-0380-J12	FED	In County	Justice Clerk	203943	\$75.00
10/26/2016	Irma Lopez Pena	Alejandro Garcia	C1-2016-167	SC16-0257-J12	Small Claims	In County	Justice Clerk	204150	\$75.00
Grand Total									\$3,575.00

123

HIDALGO COUNTY AUDITOR'S OFFICE
 APPROVED BY: Bmo [Signature]
 DATE: 12/20/16

2016 NOV 8 PM 11 32

This report has been personally reviewed by me and which I certify to be true and correct to the
 Approved by: [Signature] Prepared by: [Signature]
 Constable, Precinct 1 Administrative Assistant



X/C

MARTIN CANTU MONTHLY REPORT For the Month Ending

October 2016

pbc

DATE	PLAINTIFF'S NAME	DEFENDANT'S NAME	RECEIPT NUMBER	CAUSE NUMBER	TYPE OF SERVICE		Justice Clerk	County Clerk	District Clerk	Other	REASUR. RECEIPT	AMOUNTS PAID TO COUNTY
					OUT OF COUNTY (OCY)	IN-COUNTY (IC)						
10/3/2016	Jorge Paz	Luis Guerra Lozano	9907-2	201662784	Small Claims Citation		X				203148	\$75.00
10/5/2016	Texas Comptroller Office Of	In the interest of 127 cases	9908-2	In the interest of 127 cases	Attorney General		X		X		203374	\$6,289.80
10/5/2016	Texas Comptroller Office Of	In the interest of 69 cases	9909-2	In the interest of 69 cases	Attorney General		X		X		203374	\$3,415.50
10/6/2016	Cesar Aguilar	Felipe Lozano Manzo	9910-2	8577	Small Claims Citation		X				203375	\$75.00
10/11/2016	Montalvo State Farm Insurance	Daniel Rodriguez	9911-2	CL-13-2984	Civil Claims			X			203376	\$75.00
10/12/2016	Edinburg Consolidated ISD	HLS Home Medical Equipment	9914-2	T-1368-16-B	Warrant Fee-Tax		X		X		203499	\$200.00
10/12/2016	Weslaco ISD	Top Gear PC	9915-2	T-1328-16-H	Warrant Fee-Tax		X		X		203499	\$200.00
10/12/2016	Weslaco ISD	Pins & Cuacs LLC	9916-2	T-1367-16-J	Warrant Fee-Tax		X		X		203499	\$200.00
10/12/2016	Juan Roberto Barrera	Tflow Com. Measurement	9917-2	T-1370-16-I	Warrant Fee-Tax		X		X		203499	\$200.00
10/12/2016	Luis Espinoza	Diana Espinoza	9918-2	CL-16-0031-H	Writ of Execution		X				203499	\$200.00
10/18/2016	Texas Comptroller Office Of	In the interest of 147 cases	9919-2	In the interest of 147 cases	Attorney General		X		X		203656	\$7,276.50
10/21/2016	Midland Funding	Edna Sepulveda	9912-2	CL-16-1088-B	Small Claims Citation					X	203848	\$75.00
10/24/2016	Texas Comptroller Office Of	In the interest 230 cases	9913-2	In the interest 230 cases	Attorney General		X		X		203853	\$11,385.00
10/26/2016	Rio Bank	Martin Baustista/Juan A. Mtz	9920-2	C-737-11-C	Writ of Execution				X		203940	\$200.00
10/27/2016	Gilbert Perez	Oziel Trevino/Sylvia Arjona	9921-2	C-3025-16-G	Subpoena				X		203996	\$75.00
<p>Grand Total: \$29,941.80</p>												



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]*
Chief Deputy Armando Ramos
Constable, Precinct 7

Prepared by: *[Signature]*
Norhaila Cabrellon

MARTIN CANTU MONTHLY REPORT
For the Month Ending

October 2016

DATE	PLAINTIFF'S NAME	DEFENDANT'S NAME	RECEIPT NUMBER	CAUSE NUMBER	TYPE OF SERVICE		Justice Clerk	County Clerk	District Clerk	Other Sale	Const. Sale	REASUR. RECEIPT	AMOUNTS DUE TO COUNTY
					OUT OF COUNTY (OC)	IN-COUNTY (IC)							
10/27/2016	Gilbert Perez	Oziel Trevino/Teresa Samana	9922-2	C-3025-16-G	Subpoena				X			203996	\$75.00
10/27/2016	Gilbert Perez	Oziel Trevino/Sara Ornelas	9923-2	C-3025-16-G	Subpoena				X			203996	\$75.00
10/27/2016	Gilbert Perez	Oziel Trevino/Marcela Gutierrez	9924-2	C-3025-16-G	Subpoena				X			203996	\$75.00
10/27/2016	Gilbert Perez	Oziel Trevino/Rudy	9925-2	C-3025-16-G	Subpoena				X			203996	\$75.00
10/28/2016	Texas Comptroller-Office Of	In the interest 29 cases	9926-2	In the interest of 29 cases	Attorney General				X			204004	\$1,435.50

Chp. 171.001
\$1,735.50
\$3,677.30



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

Approved by: [Signature]
Chief Deputy Arhadio Jimpos
Constable, Precinct 2

Prepared by: [Signature]
Norma [unclear]

HIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: [Signature]
DATE: 11/30/16

Revised

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

December 22, 2016

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 October 2016

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 October 2016 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 October 2016. 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. SMOLETTERRY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

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

NOE GONZALEZ
JUDGE, 379TH 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, 449TH 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 October 2016 were \$31,677.30. 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, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Enfracio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELOADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

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

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

NOE GONZALEZ
JUDGE, 379TH D.C.

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.

Amended for
 doc

CONSTABLE, PCT. 3 LARRY GALLARDO MONTHLY REPORT FOR
 THE MONTH OF OCTOBER

DATE	PLAINTIFF'S NAME	DEFENDANT'S NAME	RECEIPT NUMBER	CAUSE NUMBER	TYPE OF SERVICE		Justice Clerk	County Clerk	District Clerk	Other Sale	Const. Sale	TREASURER RECEIPT	AMOUNTS DUE TO COUNTY
					OUT OF COUNTY (OCY)	IN-COUNTY (IC)							
10/3/2016	LA JOYA ISD, ET AL	FE FAMILY CLINIC	C3-2016-212	T-0583-14-E	TAX WARRANT	X			X			203773	\$ 200.00
10/3/2016	CITY OF HIDALGO	RICARDEZ EXPORT LLC	C3-2016-213	T-0882-16-1	TAX WARRANT	X			X			203773	\$ 200.00
10/3/2016	CITY OF MCALLEN	PRINT DEPOT	C3-2016-214	T-0161-16-C	TAX WARRANT	X			X			203773	\$ 200.00
10/3/2016	JORGE PAEZ	LUIZ GUERRA LOZANO	C3-2016-215	201662784	CITATION (HARRIS CO.)	X			X			203773	\$ 75.00
10/3/2016	JORGE PAEZ	LUIZ GUERRA LOZANO	C3-2016-216	201662784	CITATION (HARRIS CO.)	X			X			203773	\$ 75.00
10/4/2016	LA VILLA ISD	OMAR REYES	C3-2016-217	T-0473-12-F	LEVY, DEED, & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	SHARYLAND ISD	MARIA SUSANA BAUTISTA	C3-2016-218	T-0789-12-J	LEVY, DEED, & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	PSJA ISD	PLEDFED PROPERTY	C3-2016-219	T-2636-12-B	LEVY, DEED, & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	CITY OF MCALLEN	FRANCISCO FLORES	C3-2016-220	T-2876-2-A	LEVY, DEED, & NOTICE PKG & ORDER OF SALE X 2	X			X			203774	\$ 550.00
10/4/2016	PSJA ISD	ARCELLIA R. OCHOA	C3-2016-221	T-3209-12-H	LEVY, DEED & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	SHARYLAND ISD	DONAL LUCZAK	C3-2016-222	T-0550-13-J	LEVY, DEED & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	HIDALGO COUNTY	CONRADO MARTINEZ, JR.	C3-2016-223	T-2035-13-F	LEVY, DEED & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	VALLEY VIEW ISD	MARTHA ESTHER HUERTA, ET AL	C3-2016-224	T-0845-14-G	LEVY, DEED & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	HIDALGO COUNTY	TRIPLE A DUMP TRUCK SERVICE	C3-2016-225	T-1550-14-1	LEVY, DEED & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
10/4/2016	PSJA ISD	ROMAULDO SALAZAR	C3-2016-226	T-1930-14-A	LEVY, DEED & NOTICE PKG & ORDER OF SALE	X			X			203774	\$ 275.00
												Page Total	\$ 3,775.00
												Grand Total	\$ 3,775.00



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: *[Signature]*
 Constable, Precinct 3

Prepared by: *[Signature]*

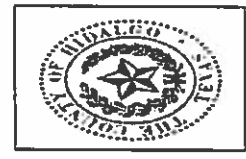
2016 DEC 7 PM 3 45

COUNTY AUDITOR

X

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 (OCY)	IN-COUNTY (IC)							
10/4/2016	SIARYLAND ISD	NORTH POINTE DEVELOPMENT	C3-2016-227	T-0574-15-C	LEVY, DEED & NOTICE PKG & ORDER OF SALE X 2	X						203774	\$ 550.00
10/4/2016	MISSION CISD	ETTA M. HERNANDEZ LERMA	C3-2016-228	T-0627-15-D	LEVY, DEED & NOTICE PKG & ORDER OF SALE	X						203774	\$ 275.00
10/4/2016	PSJA ISD	MARIBEL VILL-ARREAL	C3-2016-229	T-1135-15-H	LEVY, DEED & NOTICE PKG & ORDER OF SALE	N						203774	\$ 275.00
10/4/2016	LA JOYA ISD	MARISELA SALINAS	C3-2016-230	T-2042-15-D	LEVY, DEED & NOTICE PKG & ORDER OF SALE	N						203774	\$ 275.00
10/17/2016	CITY OF MCALLEN	SEPHORA USA STORE 92	C3-2016-231	T-1246-16-H	TAX WARRANT	X						203775	\$ 200.00
10/17/2016	HIISD & SOUTH TEXAS COLLEGE	VELCOR INC. TRUSTEE	C3-2016-232	T-2397-12-D	TAX CITATION	X						203775	\$ 75.00
10/17/2016	CITY OF MCALLEN, ET AL.	FRIDA'S GRILL & CANTINA	C3-2016-233	T-1465-16-J	TAX WARRANT	N						203775	\$ 200.00
10/19/2016	STATE OF TEXAS	43 CASES	1099-3	SEE MONTHLY DECEMBER	OAG CITATIONS / PRECEPTS X 43 63	X						203776	\$ 3,118.50
10/19/2016	STATE OF TEXAS	43 CASES	1100-3	SEE MONTHLY JANUARY	OAG CITATIONS / PRECEPTS X 43 63	N						203776	\$ 3,118.50
10/19/2016	STATE OF TEXAS	97 CASES	1101-3	SEE MONTHLY FEBRUARY	OAG CITATIONS / PRECEPTS X 97	X						203776	\$ 4,801.50
10/19/2016	STATE OF TEXAS	178 CASES	1102-3	SEE MONTHLY APRIL	OAG CITATIONS / PRECEPTS X 178	X						203776	\$ 8,811.00
10/19/2016	STATE OF TEXAS	185 CASES	1103-3	SEE MONTHLY JUNE	OAG CITATIONS / PRECEPTS X 185	X						203776	\$ 9,157.50
10/19/2016	STATE OF TEXAS	175 CASES	1104-3	SEE MONTHLY JULY	OAG CITATIONS / PRECEPTS X 175	N						203776	\$ 8,662.50
10/19/2016	STATE OF TEXAS	178 CASES	1105-3	SEE MONTHLY MARCH	OAG CITATIONS / PRECEPTS X 178	X						203776	\$ 8,811.00
10/19/2016	STATE OF TEXAS	221 CASES	1106-3	SEE MONTHLY MAY	OAG CITATIONS / PRECEPTS X 221	N						203776	\$ 10,939.50
												\$ 59,270.00	
												\$ 63,045.00	

123



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

[Signature]
Consulitic,
Precinct 3

Approved by:

Prepared by: *[Signature]*

HIDALGO COUNTY AUDITOR

Xla

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

December 22, 2016

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 October 2016

Dear Constable Gallardo:

We have conducted a limited scope review of the Constable Precinct 3 *Monthly Fees Report* and supporting documentation for the month of October 2016 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 October 2016. 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.
- Verified that procedures for voided receipts were properly followed.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 1ST D.C.

RODOLFO DELGADO
JUDGE, 2ND D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32ND D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

IDA SALINAS FLORES
JUDGE, 39TH D.C.

ISRAEL RAMON, JR.
JUDGE, 40TH D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

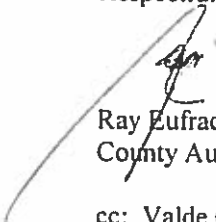
- Reviewed *Cashier's Daily Close-Out Reports/Daily Remittance Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer in a timely manner.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits 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 October 2016 were \$63,045.00. 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, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, 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, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 33RD D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

AIDA SALINAS FLORES
JUDGE, 38TH D.C.

ISRAEL RAMON, JR.
JUDGE, 43RD D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

CONSTABLE PRECINCT 4 MONTHLY REPORT
 For the Month Ending October 2016

PBC

DATE	PLAINTIFFS NAME	DEFENDANTS NAME	RECEIPT NUMBER	CAUSE NUMBER	TYPE OF SERVICE										AMOUNTS DUE TO COUNTY		
					Justice Clerk	County Clerk	District Clerk	Other	Const	Sale	Treasurer Receipt	Out of County (OC)	In-County (IC)	OC/IC			
10/3/2016	TD Bank USA et al	Janie M. Gonzalez	10127-4	CL-16-3498-A	X											203192	75.00
10/3/2016	Farm Credit Services of America, PCA et al	Kelly Blazek, LLC et al	10128-4	2016-CV-000014	X			X								203192	75.00
10/5/2016	State of Florida Dept of Revenue Child Support Program & Mayra G. Hinajosa	Rudy Castillo	10129-4	2016-DR-4150	X				X							203188	75.00
10/11/2016	In The Interest	of C.P., A Child	10130-4	C2016-1610D	X				X							203387	75.00
10/18/2016	State of Texas	Various Defendants	10131-4	Various Cases	X				X							203631	841.50
10/18/2016	State of Texas	Various Defendants	10132-4	Various Cases	X				X							203631	1,138.50
10/18/2016	State of Texas	Various Defendants	10133-4	Various Cases	X				X							203631	7,227.00
10/18/2016	State of Texas	Various Defendants	10134-4	Various Cases	X				X							203631	1,237.50
10/18/2016	State of Texas	Various Defendants	10135-4	Various Cases	X				X							203631	8,068.50
10/25/2016	Pallida, LLC et al	Teodulfo Rivera	10136-4	1548	X					X						203988	80.00
AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE DATE: <i>Nov 11 2016</i>												RECEIVED BY COUNTY AUDITOR					
												16 NOV 9 AM 11 25					
												\$18,893.00 \$18,893.00					



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

Approved by: *[Signature]*

Prepared by: *[Signature]* Nayla Muñoz

Revised: 3/01

County Auditor's Form AS-C-002

123

[Handwritten mark]

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

December 22, 2016

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 month of October 2016

Dear Constable Gaitan:

We have conducted a limited scope review of the Constable Precinct 4 *Monthly Fees Report* and supporting documentation for the month of October 2016 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 Report* for the month of October 2016. 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 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.
- 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, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

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

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

NOE DOMZALEZ
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, 449TH 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 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 October 2016 were \$18,893.00. 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, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, 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.

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.

HIDALGO COUNTY SHERIFF'S OFFICE
 "FEE" MONTHLY REPORT
 FOR THE MONTH ENDED September 30, 2016

AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE
 DATE: 10/23/16

J. C. 11/9/16

Part I: AMOUNT BILLED FOR HOUSING OF PRISONERS & TDCJ			
US Government	Amount	Other Agency	Amount
A. Bureau of Prisons (BOP)	\$ 13,052.00	U.S. Army	
B. U.S. Marshal (USM)	\$ 1,484.00	U.S.M.C.	
C. Immigration & Customs Enforcement (ICE)			
D. Customs & Border Protection (CBP)-Pharr	\$ 208.00		\$ -
E. Customs & Border Protection (CBP)			\$ -
F. Texas Department of Criminal Justice (TDCJ)			\$ -
Part II: SUMMARY OF RECEIPT COLLECTION			
A. RECEIPTS ISSUED FROM NO.	80-2018-03100	TO	80-2018-03454 \$ 61,077.85
B. RECEIPTS ISSUED FROM NO. (East Substation)	85E-2018-00373	TO	85E-2018-00422 \$ 168.00
C. DIRECT DEPOSIT-GENERAL FUND (BB Fees)	F-2018-07695	TO	F-2018-008573 \$ 11,670.00
D. DIRECT DEPOSIT HOUSING OF PRISONERS			\$ 2,080.00
E. DIRECT DEPOSITS FOR LEGAL PROCESS TAX SALES			\$ 1,925.00
TOTAL CASH COLLECTIONS Rec. Issue Dates	9/1/2016	TO	9/30/2016 \$ 76,920.85
Less: Bail Bond Fee Refunds Check No.'s			\$ -
Less: Tuition Fee Refunds			\$ -
Less: Other Refunds			\$ (66.00)
TOTAL DUE TO THE COUNTY TREASURER			\$ 76,854.85
Part III: SUMMARY OF FEE ALLOCATION			
FEES RECEIVED FOR HOUSING OF PRISONERS	MONTH	GL NUMBER	AMOUNT
US Marshal (USM)		1100-342-30-280-000-0-000	
US Marshal (USM)	Aug-16	1100-342-30-280-000-0-000	\$ 2,080.00
Bureau of Prisons (BOP)		1100-342-30-280-000-0-000	
Bureau of Prisons (BOP)	Aug-16	1100-342-30-280-000-0-000	\$ 9,984.00
Customs & Border Protection-Pharr	Aug-16	1100-342-30-280-000-0-000	\$ 260.00
Customs & Border Protection-Pharr		1100-342-30-280-000-0-000	
Homeland Security-Immigration and Customs Enforcement (ICE)		1100-342-30-280-000-0-000	\$ -
U.S. Navy		1100-342-30-280-000-0-000	\$ -
TELEPHONE COMMISSIONS	MONTH		
A. Value Added Communications, Inc.	Jul-16	1100-360-00-000-001-0-000	\$ 38,530.01
B. Value Added Communications, Inc.		1100-360-00-000-001-0-000	
FEES RECD' FOR OFFENDER TRANSPORTATION	MONTH		
A. Texas Department of Criminal Justice		1100-334-40-280-001-0-000	\$ -
B. Texas Department of Criminal Justice		1100-334-40-280-001-0-000	\$ -
Garagekeeper Abandoned MV Fee	AMOUNT		
A. Garagekeeper Abandoned MV Fee		1100-342-10-280-002-0-000	\$ 110.00
Equitable Sharing Recvd. On Forfeited Property			
A. US MARSHAL		1229-352-30-280-000-0-000	\$ -
B. US MARSHAL		1229-352-30-280-000-0-000	\$ -
C. US MARSHAL		1229-352-30-280-000-0-000	\$ -
D. ICE		1228-352-30-280-000-0-000	\$ -
OVERTIME GRANT REIMBURSEMENT			
A. US MARSHAL		1284-126-10-000-013-0-000	\$ -
B. DEA		1284-126-10-000-012-0-000	\$ -
C. FBI		1284-126-10-000-009-0-000	\$ -
D. FBI		1284-126-10-000-009-0-000	\$ -
E. Stop-Click-it-or-Ticket		1284-126-10-000-018-0-000	\$ -
REIMBURSEMENT FOR MEDICAL SERVICES			
A. US MARSHAL		1100-423-21-280-002-0-331	\$ -
TUITION FEES	AMOUNT		
TUITION FEES	\$ -	1100-342-11-280-000-0-000	\$ -
LESS: REFUNDS	\$ -		\$ -
RAIL BOND FEES	AMOUNT		
RAIL BOND FEES	\$ 11,670.00		\$ 11,670.00
LESS: REFUNDS	\$ -	1100-207-20-000-036-0-000	\$ -
COPIES OF INMATE MEDICAL RECORDS			
A. Texas Comptroller of Public Accounts		1100-342-10-280-001-0-000	\$ -
OTHER SHERIFF'S FEES AND COSTS	AMOUNT		
A. Serving Legal Process	\$ 6,823.61		\$ 6,823.61
B. Serving Legal Process Tax Sales	\$ 1,925.00	Transferred via Regular Trust Acct	\$ 1,925.00
C. Sale of Stray Animals	\$ 215.73		\$ 215.73
D. Offense Reports Insurance Reports	\$ 544.00		\$ 544.00
E. Fingerprints	\$ 610.00		\$ 610.00
F. Clearance Letters/Record checks	\$ 490.00		\$ 490.00
G. Photo & Video Fees	\$ -		\$ -
H. Other "Order of Sale"	\$ 3,600.00		\$ 3,600.00
I. Miscellaneous	\$ 78.50		\$ 78.50
J. Misc (Bank Stop Payment Fee)	\$ -		\$ -
Total Sheriff Fees (A through I)	\$ 14,286.84	1100-342-10-280-001-0-000	\$ 14,286.84
LESS: REFUNDS	\$ 66.00		\$ 66.00
TOTAL FEES EARNED AND PAYABLE TO THE COUNTY TREASURER			\$ 76,854.85
Part IV: SUMMARY OF REMITTANCES MADE TO THE COUNTY TREASURER			
Ck No. Check Date	Amount	CHECK FIGURE:	
6558 10/06/16	\$ 50,935.85	TOTAL PART II	\$ 76,854.85
6558 10/06/16	\$ 10,244.00	TOTAL PART III:	\$ 76,854.85
Direct Deposit/Legal Process	\$ 1,925.00	DIFFERENCE (IF "-") OK	\$ -
Direct Deposit-General Fund B/B	\$ 11,670.00	SUMMARY of Amount Due to Co. Treasurer	\$ -
Direct Deposit-General Fund HOP	\$ 2,080.00	TOTAL EARNED FEES	\$ 76,854.85
		LESS: TOTAL REMITTANCES	\$ 76,854.85
		Total Remaining Funds Due To County Treasurer	\$ -
Total Amount of Remittances to the County Treasurer	\$ 76,854.85		

76,245.85 X4, X14
 X5, X6, X9

X9-a3, X4

Direct Deposit-General Fund X6 X6
 Direct Deposit X6 = 10,244.00 X4
 Direct Deposit X6 X9

XB, X4

X7, X4

RECEIVED BY
 COUNTY AUDITOR
 2016 OCT 19 PM 2:11

Emilia M...
 Hidalgo County Sheriff (or Designee)

Ana Madera

X

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

November 9, 2016

Honorable Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the Month of September 2016

Dear Sheriff Guerra:

We have conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the month of September 2016 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 by your office on the *Monthly Fees Report* for the month of September 2016. 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.

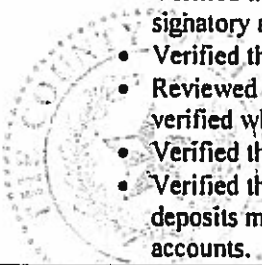
The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that 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 fee schedules and the *Monthly Fees Reports*. The following procedures were also 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 fees were allocated and reported in the proper amounts and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Fees Report* agreed to: 1.) total receipts issued, 2.) total deposits made with the County Treasurer, and 3.) total deposits posted to *alio's* various general ledger accounts.



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. ENRIQUETA JUDGE, 1 ST D.C.	RODOLFO DELGADO JUDGE, 1 ST D.C.	J. R. "BOBBY" FLORES JUDGE, 1 ST D.C.	ROSE GUERRA REYNA JUDGE, 2 ND D.C.	JUAN R. PARTIDA JUDGE, 2 ND D.C.	BARO E. RAMIREZ, JR. JUDGE, 3 RD D.C.	NOE GONZALEZ JUDGE, 3 RD D.C. OVERSEER	LETICIA LOPEZ JUDGE, 3 RD D.C.	ADA SALINAS FLORES JUDGE, 3 RD D.C.	ISRAEL RAMON, JR. JUDGE, 4 TH D.C.	JESSE CONTRERAS JUDGE, 4 TH D.C.
--	--	---	--	--	---	---	--	---	--	--

- Reviewed direct deposits noted on the bank statements to ensure the direct deposits were timely remitted to the County Treasurer's Office.
- Verified that receipts issued followed a sequential order.
- Reviewed the *Monthly Fees Report* and County Treasurer receipts to determine whether fees collected were properly accounted and deposited with the County Treasurer's Office on a weekly basis.
- Reviewed receipts issued and the *Monthly Fees Report*, among other supporting documentation, to verify proper completion.

Conclusion:

Total collections for the month of September 2016 were \$76,854.85. Based on the results of our review, we have concluded that fees were generally properly accounted and reported. 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:

We noted during our review that *Odyssey* has been programmed to allow cashiers to backdate receipts.

The County Auditor's Office requires that all cash received be promptly recorded and controlled using a pre-numbered official County receipt. In order to create an audit trail, the official County receipt must be noted with the actual date of issuance, payer's name, form of payment (e.g., cash, check, or credit card), amount, account name to be credited, description (e.g., case number, style of case number), and the initials or signature of the cashier. In addition, prior to issuing a receipt; the cashier must verify that all the information on the receipt is correct.

Allowing cashiers to backdate receipts increases the risk of loss of County funds.

Recommendation:

We recommend that management contact the Information Technology Department and request that *Odyssey* be programmed to prevent receipts from being backdated.

Please provide a management response to the observations noted above by November 23, 2016.

If you should have any questions or concerns, please do not hesitate to Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,


Ray E. Iracio, CPA
County Auditor

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



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. BINGLETERRY
JUDGE, 127th D.C.

RODOLFO DELGADO
JUDGE, 127th D.C.

J. R. "BOBBY" FLORES
JUDGE, 128th D.C.

ROSE GUERRA PEYNA
JUDGE, 206th D.C.

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

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

NOE GONZALEZ
JUDGE, 378th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388th D.C.

AIDA SALINAS FLORES
JUDGE, 388th D.C.

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

JESSE CONTRERAS
JUDGE, 448th D.C.

**HIDALGO COUNTY SHERIFF'S OFFICE
"FEE" MONTHLY REPORT
FOR THE MONTH ENDED OCTOBER 2016**

AUDITED BY: THE HIDALGO COUNTY AUDITOR'S OFFICE
DATE: *11/12/16*

Part I: AMOUNT BILLED FOR HOUSING OF PRISONERS	
AGENCY NAME	AMOUNT
A. Bureau of Prisons (BOP)	\$ 13,780.00
B. U.S. Marshals (USM)	\$ 1,352.00
C. Customs and Border Protection	\$ 260.00
D.	\$ -
E.	\$ -
F.	\$ -
G.	\$ -
H.	\$ -

*x1, x12
x2, x14
x3, x15*

Part II: AMOUNT RECEIVED FOR HOUSING OF PRISONERS	
AGENCY NAME	AMOUNT
A.	
B.	
C.	
D.	
E.	
F.	
G.	
H.	
	\$ -

x5, x1

Part III: SUMMARY OF RECEIPT COLLECTION				
A. RECEIPTS ISSUED	SO-2016-03455	TO	SO-2016-03851	\$ 53,325.73
B. RECEIPTS ISSUED (Sub-Station)	SSE-2016-00423	TO	SSE-2016-00465	\$ 126.00
C. BAIL BOND FEES (JAIL)	F-2016-08574	TO	F-2016-09553	\$ 13,200.00
TOTAL DUE TO THE COUNTY TREASURER				\$ 66,651.73

*x-a
y-a1, x10
x1*

Part IV: SUMMARY OF FEE ALLOCATION			
TELEPHONE COMMISSIONS	MONTH		AMOUNT
A. VAC. Inc.	Aug-16	1100-360-00-000-001-0-000	\$ 33,314.29
B.		1100-360-00-000-001-0-000	\$ -
TUITION FEES		1100-342-11-280-000-0-000	\$ 1,200.00
GARAGEKEEPER FEES <i>1100-342-10-280-000-0-000</i>		1100-342-10-280-000-0-000	\$ 370.00
REIMBURSEMENT-JAIL-PHYSICIAN SRV		1100-423-21-280-002-0-331	\$ -
BAIL BOND FEES		1100-207-20-000-036-0-000	\$ 3,200.00
OTHER SHERIFF'S FEES AND COSTS			
A. Serving Legal Process	\$ 13,920.54		
B. Sale of Stray Animals	\$ 1.00		
C. Offense Reports/Insurance Reports	\$ 570.00		
D. Fingerprints	\$ 330.00		
E. Clearance Letters/Record checks	\$ 465.00		
F. Photo & Video Fees	\$ -		
G. Other "Order of Sale"	\$ 200.00		
H. Miscellaneous	\$ 3,080.90		
I. Overpayments	\$ -		
Total Sheriff Fees (A through I)		1100-342-10-280-001-0-000	\$ 18,567.44
TOTAL FEES PAYABLE TO THE COUNTY TREASURER			\$ 66,651.73

*x5, x6
x5, x7
x5, x8
x9
x10*

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

Emilia Mijes
Hidalgo County Sheriff (or Designee)

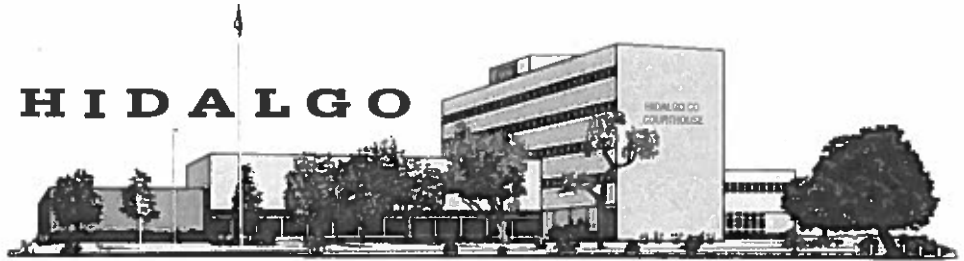
Rosa Suedende
Prepared by:

This report is due at the County Auditor's Office by the 5th workday following the end of the month.
County Auditor's Form: RE-S0-002 Revised 9/2016

X

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

December 14, 2016

Honorable Eddie Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Review of *Monthly Fees Report* and Supporting Documentation
For the Month of October 2016

Dear Sheriff Guerra:

We have conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the month of October 2016 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 by your office on the *Monthly Fees Report* for the month of October 2016. 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 fee schedules and the *Monthly Fees Reports*. The following procedures were also 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 fees were allocated and reported in the proper amounts and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Fees Report* agreed to: 1.) total receipts issued, 2.) total deposits made with the County Treasurer, and 3.) total deposits posted to *alio*'s various general ledger accounts.

HIDALGO COUNTY DISTRICT JUDGES

LUIS H. 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, 448TH D.C.

- Reviewed direct deposits noted on the bank statements to ensure the direct deposits were timely remitted to the County Treasurer's Office.
- Verified that receipts issued followed a sequential order.
- Reviewed the *Monthly Fees Report* and County Treasurer receipts to determine whether fees collected were properly accounted and deposited with the County Treasurer's Office on a weekly basis.
- Reviewed receipts issued and the *Monthly Fees Report*, among other supporting documentation, to verify proper completion.

Conclusion:

Total collections for the month of October 2016 were \$66,651.73. Based on the results of our review, we have concluded that fees were generally properly accounted and reported.

If you should have any questions or concerns, please do not hesitate to Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Enfracio, 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, 208TH 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.

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

November 9, 2016

Honorable Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Review of "D" Monthly Fines and Fees Report and Supporting Documentation
For the month ended September 30, 2016

Dear Sheriff Guerra:

We have conducted a limited scope review of the "D" Monthly Fines and Fees Report and supporting documentation for the month ended September 30, 2016 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fines and fees collected were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the "D" Monthly Fines and Fees Report for the month of September 30, 2016. 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.

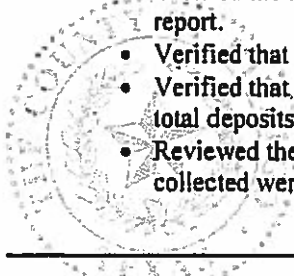
The responsibility for establishing and maintaining a sound internal control system rests with management. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that 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 the "D" Monthly Fines and Fee Report and supporting documentation. The following procedures were also performed:

- Reviewed the submittal date of the "D" Monthly Fines and 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 "D" Monthly Fines and 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 "D" Monthly Fines and Fees Report by footing and cross-footing the report.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the "D" Monthly Fines and Fees Report agreed to: 1.) total receipts issued; and 2.) total deposits;
- Reviewed the "D" Monthly Fines and Fees Report and County Treasurer receipts to determine whether fees collected were properly accounted and deposited with the County Treasurer's Office on a weekly basis.



HIDALGO COUNTY DISTRICT JUDGES

LUIS B. SMOLETERY
JUDGE, 1ST D.C.

RODOLFO DELGADO
JUDGE, 1ST D.C.

J. R. "BOBBY" FLORES
JUDGE, 1ST D.C.

ROSE GUERRA RETHA
JUDGE, 2ND D.C.

JUAN R. PARTIDA
JUDGE, 2ND D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 3RD D.C.

MOE GONZALEZ
JUDGE, 3RD D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 3RD D.C.

AIDA SALINAS FLORES
JUDGE, 3RD D.C.

ISRAEL RAMON, JR.
JUDGE, 4TH D.C.

JESSE CONTRERAS
JUDGE, 4TH D.C.

- Reviewed receipts issued and the "D" *Monthly Fines and Fees Report*, among other supporting documentation, to verify proper completion.

Conclusion:

Total collections for the month of September 2016 were \$2,832.10. Based on the results of our review, we have concluded that fees were generally properly accounted and reported. 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:

Procedures for voiding receipts were not consistently followed. At times, void receipts did not contain the employee signature, reason for void, date the receipt was void, or the signature of the supervisor approving the void.

The County Auditor's Office requires that approval to void a 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. In addition, the supervisor should ensure that the original and all the other copies of the voided receipt are securely attached together.

Formal procedures have not been developed and implemented to ensure receipts are properly voided. This may result in the loss or misuse of County funds.

Recommendation:

Management should develop and implement formal procedures to ensure that void receipts contain the employee signature, reason for void, date the receipt was void, and the signature of the supervisor approving the void.

Observation No. 2:

We noted during our review that fines, fees, and court costs collected from inmates upon discharge from jail are being deposited into the Bond "B" (cash bail bonds) bank account. According to staff, the new deposit procedure was implemented during the transition to *Odyssey*, as recommended by Tyler Technologies; however, the Sheriff's Office is currently working with the Auditor's Office to implement procedures for depositing the funds with the County Treasurer.

Local Government Code §113.021(a) states "fees, commissions, funds, and other money belonging to a county shall be deposited with the county treasurer by the person who collects the money. The person must deposit the money in accordance with any applicable procedures prescribed by or under Section 112.001 or 112.002."

Pursuant to Local Government Code §85.001 (A)-(B), the Sheriff is required to execute a surety bond, "conditioned that the sheriff will: (A) faithfully perform the duties of office established by law; (B) account for and pay to the person authorized by law to receive them the fines, forfeitures, and penalties the sheriff collects for the use of the state or a county."

Failure to remit fines, fees, and court costs to the County Treasurer may violate the terms of the Sheriff's official bond.

Recommendation:

In order to ensure compliance with state statutes and ensure that funds are more effectively and efficiently accounted, management should ensure that the Sheriff's "D" collections are deposited with the County Treasurer.

Please provide a management response to the observations noted above by November 23, 2016.

If you should have any questions or concerns, please do not hesitate to contact Letty Chavez, Compliance Audit Supervisor, ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,

Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETERSKY
JUDGE, 87th D.C.

RODOLFO DELGADO
JUDGE, 87th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 26th D.C.

JUAN R. PARTIDA
JUDGE, 37th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 38th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th 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

November 9, 2016

The Honorable Sheriff Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Review of Sheriff's Regular Trust Fund Financial Statements
For the Month Ended September 30, 2016

Dear Sheriff Guerra:

We conducted a limited scope review of the Regular Trust Fund financial statements for the month ended September 30, 2016 pursuant to Local Government Code §115.001. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

Management is responsible for the preparation of the financial statements including the design, implementation, and maintenance of internal controls relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that there are no material modifications that need to be made to the financial statements.

Based on our review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements. However, we noted that the system of internal controls relevant to the preparation of the financial statements requires improvements as noted in the following observation:

Observation No. 1

Pursuant to Tax Code §34.01 (a), "real property seized under a tax warrant issued under subchapter E, Chapter 33, or ordered sold pursuant to foreclosure of a tax lien shall be sold by the officer charged with selling the property..."

Pursuant to Tax Code §34.02 (d), "the officer conducting a sale under section 33.94 or 34.01 shall pay any excess proceeds after payment of all amounts due all participants in the sale as specified by subsection (b) to the clerk of the court issuing the warrant or order of sale."

During the month of September 2016, the Sheriff's Office conducted a tax sale of foreclosed properties. The Sheriff's Office distributed the proceeds from the tax sale to the delinquent tax attorney firm. The delinquent tax attorney firm distributed the tax sale proceeds to all the tax sale participants instead of the distribution being made by the Sheriff as required by Tax Code § 34.02.

According to the Sheriff's Office, they were instructed to issue the proceeds, after deduction of the Sheriff's fees, to the delinquent tax attorney firm. The delinquent tax attorney firm would then be responsible for distributing the proceeds to the proper entities. In addition, if the proceeds were

HIDALGO COUNTY DISTRICT JUDGES

LISA W ENGLISH
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 19th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA PEYNA
JUDGE, 26th D.C.

AJAH R. PARTIDA
JUDGE, 27th D.C.

SABO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVINEA

LETICIA LOPEZ
JUDGE, 38th D.C.

ADA BALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.


JESSE CONTRERAS
JUDGE, 48th D.C.

generated from a tax re-sale, Odyssey was programmed to automatically issue the check for all proceeds, including the Sheriff's fees, to the delinquent tax attorney firm.

We recommend that the Sheriff's Office distribute the tax sale proceeds to all participating entities pursuant to Tax Code §34.02. In addition, management should contact Tyler Technology and request that *Odyssey* be programmed to allow the Sheriff's Office to distribute the tax re-sale proceeds to all participating entities.

If you have any questions, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511, ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Zufracio, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer



HIDALGO COUNTY DISTRICT JUDGES

LUREN DWIGERTY
JUDGE, 12th D.C.

RODOLFO DELBADO
JUDGE, 19th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 21st D.C.

JOE GONZALEZ
JUDGE, 27th D.C.
OVERSEER

LÉTICIA LOPEZ
JUDGE, 30th D.C.

ARBA SALINAS FLORES
JUDGE, 34th D.C.

TERIAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th 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



November 16, 2016

The Honorable Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Review of Sheriff's Fee Financial Statements
For the Months Ended August 31, 2016 and September 30, 2016

Dear Sheriff Guerra:

We conducted a limited scope review of the Fee Trust Account financial statements for the months ended August 31, 2016 and September 30, 2016 pursuant to Local Government Code §112.006 (a), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatement.

Management is responsible for the preparation of the financial statements including the design, implementation, and maintenance of internal controls relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that the financial statements are free from material misstatement.

Based on our review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements. However, we noted that the system of internal controls relevant to the preparation of the financial statements requires improvement as noted in the following observations.

Observation No. 1:

The Due from Federal Government – Boarding of Prisoners balance as of September 30, 2016 was \$21,770.34 and consisted of the following:

- "Due from Army" totaling \$2,548.00 and consisting of billings for the months of April 2011 (\$468.00); September 2011 (\$260.00); November 2011 (\$520.00); May 2013 (\$156.00); August 2013 (\$260.00); May 2016 (\$52.00); and June 2016 (\$832.00).
- "Due from Border Patrol" totaling \$286.81 and consisting of billings for the months of June 2002 (\$64.00); August 2003 (\$159.15); and January 2004 (\$63.66).
- "Due from Bureau of Prisons" totaling \$16,108.63 and consisting of billings for the months of September 2004 (\$3,056.63) and September 2016 (\$13,052.00).
- "Due from DHS/ICE" totaling \$732.09 and consisting of billings for the months of August 2007 (\$381.96), May 2008 (\$31.83), and September 2008 (\$318.30).
- "Due from ICE" totaling \$127.32 and consisting of the billing for the month of February 2005.
- "Due from INS" totaling \$95.49 and consisting of the billing for the month of May 2003.
- "Due from CBP (Pharr)" totaling \$208.00 and consisting of the billing for the month of September 2016.

HIDALGO COUNTY DISTRICT JUDGES

LUIS H 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. RAMPEZ, JR.
JUDGE, 332ND D.C.

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 348TH D.C.

AIDA SALINAS FLORES
JUDGE, 391TH D.C.

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

ESSE CONTRERAS
JUDGE, 449TH D.C.

- “Due from US Marshalls” totaling \$1,404.00 and consisting of billing for the month of September 2016.
- “Due from ATF Pensacola, Florida” totaling \$52.00 and consisting of billing for the month of May 2016.
- “Due from U.S.M.C.” totaling \$208.00 and consisting of billing for the month of June 2016.

According to staff, payment is being sought from the Federal Government.

We recommend that management seek the assistance of the District Attorney’s Office for collection of the amounts due from the Federal Government. In addition, in an effort to close the “Fee” bank account, we recommend that the Federal Government agencies be made aware that funds owed to the Hidalgo County Sheriff’s Office should now be deposited directly to the General Fund. Please contact the County Treasurer’s Office if assistance is needed with this transition.

Observation No. 2:

The Due to Others – Voided Checks balance as of September 30, 2016 was \$190.00. The balance included 8 voided checks with original issue date of December 12, 2013 through June 17, 2016.

Pursuant to Texas Property Code Chapter 76, a check may be presumed abandoned on the latest of the third anniversary of the date (1) the check was payable; (2) the issuer or payor of the check last received documented communication from the payee of the check; or (3) the check was issued if, according to the knowledge and records of the issuer or payor of the check, during that period, a claim to the check has not been asserted or an act of ownership by the payee has not been exercised.

We recommend that a notice be mailed to the last known address of the payee for the 8 voided checks stating that: (1) the Sheriff’s Office is holding the funds; and (2) the Sheriff’s Office may be required to deliver the funds to the County Treasurer on or before July 1 if the funds are not claimed. Any applicable funds not claimed should be escheated to the County Treasurer prior to closing the “Fee” bank account.

If you should have any questions, feel free to call Letty Chavez, Compliance Auditor Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668 or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M S NOLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 91st 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, 349th D.C.

AIDA SALINAS FLORES
JUDGE, 391st D.C.

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

JESSE CONTRERAS
JUDGE, 448th D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (958) 318-2511
FAX: (958) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

November 8, 2016

The Honorable Sheriff Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Review of Sheriff's Regular Trust Fund Financial Statements
For the Months Ended June 30, 2016 through August 31, 2016

Dear Sheriff Guerra:

We conducted a limited scope review of the Regular Trust Fund financial statements for the months ended June 30, 2016 through August 31, 2016 pursuant to Local Government Code §115.001. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

Management is responsible for the preparation of the financial statements including the design, implementation, and maintenance of internal controls relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that there are no material modifications that need to be made to the financial statements.

Based on our review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements. However, we noted that the system of internal controls relevant to the preparation of the financial statements requires improvements as noted in the following observation:

Observation No. 1

Pursuant to Tax Code §34.01 (a), "real property seized under a tax warrant issued under subchapter E, Chapter 33, or ordered sold pursuant to foreclosure of a tax lien shall be sold by the officer charged with selling the property..."

Pursuant to Tax Code §34.02 (d), "the officer conducting a sale under section 33.94 or 34.01 shall pay any excess proceeds after payment of all amounts due all participants in the sale as specified by subsection (b) to the clerk of the court issuing the warrant or order of sale."

During the month of July 2016 and August 2016, the Sheriff's Office conducted a tax sale of foreclosed properties. The Sheriff's Office distributed the proceeds from the tax sale to the delinquent tax attorney firm. The delinquent tax attorney firm distributed the tax sale proceeds to all the tax sale participants instead of the distribution being made by the Sheriff as required by Tax Code § 34.02.

According to the Sheriff's Office, they were instructed to issue the proceeds, after deduction of the Sheriff's fees, to the delinquent tax attorney firm. The delinquent tax attorney firm would then be

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. BARRUTY
JUDGE, 12th D.C.

RODOLFO DELBADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 15th D.C.

ROSE GUERRA NEYMA
JUDGE, 16th D.C.

ALAN R. PARTIDA
JUDGE, 17th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 18th D.C.

NOE GONZALEZ
JUDGE, 19th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 20th D.C.

ADA EALINAS FLORES
JUDGE, 21st D.C.

ISRAEL RAMON, JR.
JUDGE, 22nd D.C.

JESSE CONTRERAS
JUDGE, 23rd D.C.

responsible for distributing the proceeds to the proper entities. In addition, if the proceeds were generated from a tax re-sale, Odyssey was programmed to automatically issue the check for all proceeds, including the Sheriff's fees, to the delinquent tax attorney firm.

We recommend that the Sheriff's Office distribute the tax sale proceeds to all participating entities pursuant to Tax Code §34.02. In addition, management should contact Tyler Technology and request that *Odyssey* be programmed to allow the Sheriff's Office to distribute the tax re-sale proceeds to all participating entities.

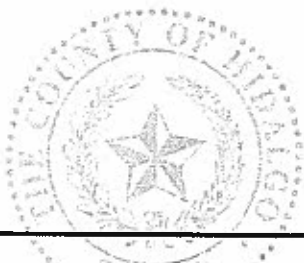
If you have any questions, please contact Letty Chavez, Compliance Audit Supervisor, at 318-2511, ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOCTERY
JUDGE, 12th D.C.

RODOLFO DELBADO
JUDGE, 19th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 30th D.C.

JUAN R. PARTIDA
JUDGE, 17th D.C.

MARIO E. RAMPEZ, JR.
JUDGE, 11th D.C.

HOE GONZALEZ
JUDGE, 17th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 26th D.C.

ADA SALINAS FLORES
JUDGE, 30th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th 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

November 16, 2016

The Honorable Sheriff Eddie Guerra
Hidalgo County Sheriff
711 El Cibolo Rd.
Edinburg, Texas 78540

Re: Review of Sheriff's Inmate Trust Financial Statements
For the Months of June 2016 through August 2016

Dear Sheriff Guerra:

We conducted a limited scope review of the financial statements and applicable supporting documentation of the Inmate Trust Fund Account for the months of June 2016 through August 2016 pursuant to Local Government Code §115.001. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

Management is responsible for the preparation of the financial statements and for designing, implementing, and maintaining internal control relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that there are no material modifications that need to be made to the financial statements.

Based on our review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements. However, we noted that the system of internal controls for the accounting of inmate trust funds requires improvement as noted below:

Observation No. 1:

As of August 31, 2016, the "Held in Trust" account had a cash balance of \$49,585.96 and consisted of funds received from inmates and/or the inmates' family members. However, the balance on the "Inmate Accounts with Balances Report," a report generated from *Odyssey* (the County's law enforcement system) that lists the names of the inmates and the amount of funds held in trust for each inmate, was only \$45,570.48 resulting in an unidentified variance of \$4,015.48. The Sheriff's Office conducted research to identify the owners of the unidentified variance and several checks were issued; however, a variance continues to exist.

Recommendation:

We recommend that the Sheriff's Office continue to conduct additional research to identify the owners of the unidentified variance.

Observation No. 2:

Voided check numbers 284821, 285333, 285976, 287448, 287453, 287455, and 288009 were not properly voided. The voids did not contain an explanation for the void, the date the check was void, and the supervisor's signature of approval.

The County Auditor's Office requires that approval of a void receipt/check be obtained prior to voiding a receipt/check. Approval of void receipts/checks should be limited to supervisors. The supervisors should ensure the original and all copies of the void receipt/check contain on the face of the receipt/check the word "void", an explanation for the void, the date receipt/check was voided, and the supervisor's signature of approval. In addition, the supervisor should ensure that the original and all the other copies of the voided receipt are securely attached together and submitted to the County Auditor's Office.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERARY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH 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 proper procedures for voiding receipts/checks are followed may result in the loss or misuse of County funds.

Recommendation:

Management should re-train staff regarding the proper procedures for voiding receipts/checks. At a minimum, the procedures listed above should be implemented.

Observation No. 3:

The amount on the "Inmate Account Journal" generated from Odyssey for the months of June 2016 through August 2016 totaled \$139,275.49; \$126,279.27; and \$137,360.29, respectively. However; the amount on the "Commissary Sales" generated from Odyssey for the months of June 2016 through August 2016 totaled \$139,268.25; \$126,226.24; and \$137,351.38, respectively.

The amounts on the "Inmate Account Journal" and the "Commissary Sales" reports should agree; however, for the months of June 2016 through August 2016 there was a variance of \$7.24, \$53.03, and 8.91, respectively. According to the Sheriff's Office, the variance may be due to rounding. Tyler Technologies has been made aware of the issue and is in the process of determining the reason for the differences.

Recommendation:

We recommend that the Sheriff's Office continue to communicate with Tyler Technologies to ensure that the issue is resolved and the "Inmate Account Journal" and the "Commissary Sales" report agree.

Observation No. 4:

We noted that the "Inmate Accounts with Balances" report generated from Odyssey for the month ended August 31, 2016 included the names of 26 inmates with negative balances. A review of the 26 inmate accounts in Odyssey revealed the following:

- 25 inmate account balances were negative since the conversion to Odyssey; however, the inmates with negative balances were not appearing on the "Inmate Accounts with Balances" report until August 2016. We reviewed the 25 inmate accounts in Ableterm to determine the reason for the negative balance. The inmate's account balances in Ableterm were "0". It appears that the inmates were released with an amount in excess of the balance as a result of a calculation glitch in Ableterm. The Sheriff's Office was not aware of the calculation glitch until the "Inmate Accounts with Balances" report for the month ended August 31, 2016 was generated from Odyssey.
- 1 inmate account was negative due to an error in the Commissary sale. The inmate's account was corrected by the Commissary Supervisor.

Recommendation:

We recommend that the Sheriff's Office conduct research to determine if the 25 inmates owe the Sheriff's Office the negative balance amount. If the Sheriff's Office determines that the inmates in fact owe the balance, a letter should be sent to the inmate to request the funds. In addition, the accounts receivable amount should be recorded on the Jail Commissary balance sheet.

Please provide a management response to the observations noted above by November 23, 2016.

If you have any questions, 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
Hidalgo 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.

POSE 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.

ANCA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 439TH 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

December 6, 2016

Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Closner, 3rd Floor
Edinburg, Texas 78539

Re: Review of the Hot Checks Balance Sheet
For the month of August 2016

Dear Mr. Rodriguez:

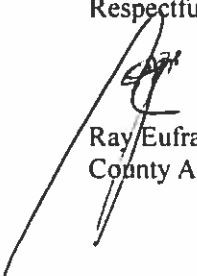
We have conducted a limited scope review of the statements of net assets (balance sheets) and applicable supporting documentation of the Hot Checks Account for the month of August 2016 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

Management is responsible for the preparation of the financial statements and for designing, implementing, and maintaining internal control relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that there are no material modifications that need to be made to the financial statements.

Based on our review, we are not aware of any material modifications that should be made to the statements of net assets (balance sheet) and applicable supporting documentation.

If you should have any questions, do not hesitate to contact Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at 4604.

Respectfully,


Ray Eufrazio, CPA
County Auditor

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 83RD D.C.

J R "BOBBY" FLORES
JUDGE, 119TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

RIAN 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, 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

December 22, 2016

Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Clossner, 3rd Floor
Edinburg, Texas 78539

Re: Review of the H.B. 65 Financial Statements
For the month of September 2016

Dear Mr. Rodriguez:


We conducted a limited scope review of the H.B. 65 financial statements for the month of September 2016 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b), and §115.901. The objective of the review was to obtain limited assurance whether any material modifications needed to be made to the financial statements.

Management is responsible for the preparation of the financial statements and for designing, implementing, and maintaining internal control relevant to the preparation of the financial statements. Our responsibility is to perform procedures to obtain limited assurance that there are no material modifications that need to be made to the financial statements.

Based on our review, nothing came to our attention that caused us to believe that the financial statements contained any material misstatements.

If you should have any questions, do not hesitate to contact Reynaldo Cantu III, 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.

Respectfully,


Ray Eufrazio, CPA
County Auditor

Cc: Rosalinda Cantu, Human Resources Coordinator, District Attorney's Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 82ND D.C.

RODOLFO DELGADO
JUDGE, 91ST D.C.

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

ROSE GUERRA REYNA
JUDGE, 208TH 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.

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

December 6, 2016

The Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Clossner, 3rd Floor
Edinburg, Texas 78539

Re: Review of *Hot Checks Processing Fees Reports* and Supporting Documentation
For the Months of September 2016 and October 2016

Dear Mr. Rodriguez:

We have conducted a limited scope review of the *Hot Checks Processing Fees Report (Processing Fees Report)* and all supporting documentation for the months of September 2016 and October 2016 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the *Processing Fees Report* for the months of September 2016 and October 2016. 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 *Processing Fees Report*, and fee schedules. The following procedures were performed:

- Reviewed the submittal date of the *Processing 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 *Processing 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 *Processing Fees Report* by footing and cross-footing the report.

HIDALGO COUNTY DISTRICT JUDGES

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

RICOLFO DELGADO
JUDGE, 93rd D.C.

J. R. "BOBBY" FLORES
JUDGE, 130th D.C.

ROSE GUERRA REYNA
JUDGE, 206th D.C.

JUAN R. PARTIDA
JUDGE, 375th D.C.

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

NOE GONZALEZ
JUDGE, 370th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388th D.C.

ADA SALINAS FLORES
JUDGE, 398th D.C.

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

JESSE CONTRERAS
JUDGE, 449th D.C.

- Verified that the sequence of receipts and checks issued per the *Processing Fees Report* agreed to *Odyssey's DA Receipt Journal Report* and *Check Transaction Register Report*. In addition, verified that receipts and checks issued followed a sequential order.
- Verified collections and disbursements per the *Processing Fees Report* agreed to *Odyssey's Hot Checks Receipt Journal Report*.
- Verified that collections received from the Community Supervision and Corrections Department were receipted and included on the *Processing Fees Report*.
- Verified that the collections per the *Processing Fees Report* agreed to total receipts issued and the deposits made to the Hot Check bank account.
- Verified that the processing fees per the *Processing Fees Report* were remitted to the County Treasurer's Office in a timely manner.
- Verified that procedures for voided receipts and checks were properly followed.
- Reviewed a random sample of receipts to ensure processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code §3.506 (b).
- Reviewed a random sample of receipts to determine if court costs collected were remitted to the applicable Justice of the Peace courts and receipted.

Conclusion:

Total collections for the months of September 2016 and October 2016 were \$123,299.08 and \$111,862.22, respectively. Based on the results of the review, we have concluded that collections were generally properly accounted and reported. However, improvements could be made to the system of internal controls as noted in the following observation.

Observation No. 1:

We randomly selected 28 of 282 (10%) receipts issued during the period of review to determine if processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code § 3.506 (b).

The results of our review revealed the following:

- For 27 of 28 receipts, the processing and merchant fees were properly collected and reported.
- For 1 of 28 receipts, the processing fee was properly collected; however, the merchant fee was not properly collected. A merchant fee of \$10.00 was collected instead of the \$25.00 approved by the District Attorney's Office. According to staff, \$10.00 was collected instead of \$25.00 since the hot check was received by the District Attorney's Office on January 2, 2015 prior to the District Attorney notifying the staff about the \$25.00 merchant fee.

In addition, we noted that the District Attorney's Office does not have a formal policy that details the amount of merchant fee to be collected. According to the Check Fraud Division Supervisor, the District Attorney, on or around January 20, 2015, verbally requested that a \$25.00 merchant fee be collected for hot checks received by the District Attorney's Office on or after January 1, 2015.

Pursuant to Code of Criminal Procedures §102.007 (b), a District Attorney may collect a processing fee from any person who is a party to an offense described in Code of Criminal Procedures §102.007 (a). Pursuant to Code of Criminal Procedures 102.007 (c), the amount of the fee may not exceed:

- \$10 if the face amount of the check or sight order does not exceed \$10;
- \$15 if the face amount of the check or sight order is greater than \$10 but does not exceed \$100;
- \$30 if the face amount of the check or sight order is greater than \$100 but does not exceed \$300;
- \$50 if the face amount of the check or sight order is greater than \$300 but does not exceed \$500; and
- \$75 if the face amount of the check or sight order is greater than \$500.

HIDALGO COUNTY DISTRICT JUDGES

Pursuant to Business and Commerce Code § 3.506 (b), on return of a payment device to the holder following dishonor of the payment device by a payor, the holder, the holder's assignee, agent, or representative, or any other person retained by the holder to seek collection of the face value of the dishonored payment device may charge the drawer or endorser a maximum (merchant) fee of \$30.


Recommendation:

Management should implement formal policies and procedures detailing the merchant fee to be collected pursuant to Business Commerce Code 3.506 (b).

Please provide a written management response to the observation noted above by December 22, 2016.

If you should have any questions or would like to schedule a meeting to discuss this report, please do not hesitate to call Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Office

HIDALGO COUNTY DISTRICT JUDGES

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

January 4, 2017

The Honorable Ricardo Rodriguez, Jr.
Hidalgo County Criminal District Attorney
100 N. Clossner, 3rd Floor
Edinburg, Texas 78539

Re: Review of *Hot Checks Processing Fees Reports* and Supporting Documentation
For the Month of November 2016

Dear Mr. Rodriguez:

We have conducted a limited scope review of the *Hot Checks Processing Fees Report (Processing Fees Report)* and all supporting documentation for the month of November 2016 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted and reported.

Scope:

The scope of our review was limited to collections reported by your office on the *Processing Fees Report* for the month of November 2016. 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 *Processing Fees Report*, and fee schedules. The following procedures were performed:

- Reviewed the submittal date of the *Processing 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 *Processing 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 *Processing Fees Report* by footing and cross-footing the report.

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.

NOÉ GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 385TH D.C.

KENO VASQUEZ
JUDGE, 394TH D.C.

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

RENEE R. BETANCOURT
JUDGE, 449TH D.C.

- Verified that the sequence of receipts and checks issued per the *Processing Fees Report* agreed to *Odyssey's DA Receipt Journal Report* and *Check Transaction Register Report*. In addition, verified that receipts and checks issued followed a sequential order.
- Verified collections and disbursements per the *Processing Fees Report* agreed to *Odyssey's Hot Checks Receipt Journal Report*.
- Verified that collections received from the Community Supervision and Corrections Department were receipted and included on the *Processing Fees Report*.
- Verified that the collections per the *Processing Fees Report* agreed to total receipts issued and the deposits made to the Hot Check bank account.
- Verified that the processing fees per the *Processing Fees Report* were remitted to the County Treasurer's Office in a timely manner.
- Verified that procedures for voided receipts and checks were properly followed.
- Reviewed a random sample of receipts to ensure processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code §3.506 (b) .
- Reviewed a random sample of receipts to determine if court costs collected were remitted to the applicable Justice of the Peace courts and receipted.

Conclusion:

Total collections for the month of November 2016 were \$122,084.41. Based on the results of the review, we have concluded that collections were generally properly accounted and reported. However, improvements could be made to the system of internal controls as noted in the following observation.

Observation No. 1:

We randomly selected 15 of 156 (10%) receipts issued during the period of review to determine if processing and merchant fees were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code § 3.506 (b).

The results of our review revealed that the processing and merchant fees were properly collected and reported. However, we noted that the District Attorney's Office does not have a formal policy that details the amount of merchant fee to be collected. According to the District Attorney's Office Accountant, a formal policy has been provided to legal for final approval.

Pursuant to Code of Criminal Procedures §102.007 (b), a District Attorney may collect a processing fee from any person who is a party to an offense described in Code of Criminal Procedures §102.007 (a). Pursuant to Code of Criminal Procedures 102.007 (c), the amount of the fee may not exceed:

- \$10 if the face amount of the check or sight order does not exceed \$10;
- \$15 if the face amount of the check or sight order is greater than \$10 but does not exceed \$100;
- \$30 if the face amount of the check or sight order is greater than \$100 but does not exceed \$300;
- \$50 if the face amount of the check or sight order is greater than \$300 but does not exceed \$500; and
- \$75 if the face amount of the check or sight order is greater than \$500.

Pursuant to Business and Commerce Code § 3.506 (b), on return of a payment device to the holder following dishonor of the payment device by a payor, the holder, the holder's assignee, agent, or representative, or any other person retained by the holder to seek collection of the face value of the dishonored payment device may charge the drawer or endorser a maximum (merchant) fee of \$30.

Recommendation:

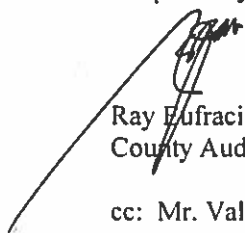
Management should implement formal policies and procedures detailing the merchant fee to be collected pursuant to Business Commerce Code 3.506 (b).

Please provide a written management response to the observation noted above by January 13, 2017.

HIDALGO COUNTY DISTRICT JUDGES

If you should have any questions or would like to schedule a meeting to discuss this report, please do not hesitate to call Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Mr. Valde Guerra, County Executive Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETTERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 33rd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

KENO VASQUEZ
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

RENEE R. BETANCOURT
JUDGE, 44th D.C.

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

December 5, 2016

The Honorable Pablo Villarreal, Jr., RTA
Hidalgo County Tax Assessor/Collector
2804 S. Business Hwy. 281
Edinburg, Texas 78539

Ref: Review of Delinquent Tax Attorney Payment Request - October 2016
Report No. 2016-75

Dear Mr. Villarreal:

We have completed a limited scope review of the October 2016 payment request prepared by your office for delinquent tax attorney (DTA) fees due to Linebarger, Goggan, Blair, and Sampson LLP ("LGBS") and related supporting documentation. The objective of our limited scope review was to determine if the payment request was accurate and properly authorized.

The scope of our review was limited to a review of the DTA fees collected by your office on behalf of the following entities: Hidalgo County (GHD), Road District 2 (RD2), Road District 5 (RD5), Road District 7 (RD7), Road District 11 (RD11), Road District 12 (RD12), Road District 14 (RD14), Road District 15, State of Texas (TEX); and the payment request prepared by your office for the month ended October 31, 2016. The County Auditor's Office did not review the tax accounts listed on the "Hidalgo County Tax Office Prior Collection Report" that reflected a refund since LGBS stated that they would not seek reimbursement for DTA fees previously paid to the prior DTA firm. Our review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. The responsibility for sound internal controls rests with management.

As part of our review, we reviewed the payment request, the delinquent tax attorney contract, and various collection reports prepared by your office. The following procedures were performed:

- Verified that the payment request was signed and included a certification by the Hidalgo County Tax Assessor/Collector that the "payment represents 15% of the delinquent taxes and penalty and interest collections for the month of October 2016."
- Reviewed the "Hidalgo County Tax Office Prior Collection Report" to determine if the DTA fees were collected at the 15% rate specified in the contract.
- Reviewed the "Hidalgo County Tax Office Prior Collection Report" to determine if the total amount of DTA fees collected agree to the amount transferred to the Hidalgo County Treasurer's Office.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 82ND D.C.

RODOLFO DELGADO
JUDGE, 83RD 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 DONAZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

AIDA SALINAS FLORES
JUDGE, 396TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.


The results of our review revealed that the payment request was generally accurate and properly authorized. More specifically, the following was noted:

- The payment request was signed and included a certification by the Hidalgo County Tax Assessor/Collector that the "payment represents 15% of the delinquent taxes and penalty and interest collections for the month of October 2016."
- Although DTA fees for 192 tax accounts were not collected at the 15% rate specified in the contract; we concluded that the differences in rates were attributed to tax deferrals (185 tax accounts) and small amounts collected (7 tax accounts) (see Exhibit A). The small amounts collected on the 7 tax accounts resulted in a net overage of \$.05.

We will proceed to process the October 2016 DTA payment request in the amount of \$144,998.81 to LGBS.

If you have any questions, please feel free to call Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufracio, CPA
Hidalgo County Auditor

Enclosures

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBI" FLORES
JUDGE, 139th D.C.

ROSE GUERRA REYNA
JUDGE, 208th D.C.

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

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

NOE GONZALEZ
JUDGE, 370th D.C.
OVERBEER

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.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2015	T73000000004000	0.74	0.16	0.9	0.13
2	1	2015	A300000013000100	0.52	0.11	0.63	0.1
3	1	2015	S764000000004900	0.19	0.04	0.23	0.04
4	1	2015	H425003000009101	-0.42	-0.09	-0.51	-0.07
5	1	2014	T840000318000000	1,910.80	547.76	2,458.56	343.94
6	1	2014	L375000003000701	232.57	68.99	301.56	42.91
7	1	2014	J273000000000500	64.02	19.2	83.22	11.91
8	1	2014	B444301000004100	62.83	19.26	82.09	11.87
9	1	2014	C260000001001400	44.64	13.54	58.18	8.37
10	1	2014	B157005000013300	17.27	5.12	22.39	3.19
11	1	2014	A267000000002500	12.26	3.55	15.81	2.22
12	1	2014	P200000019002400	8.42	2.53	10.95	1.57
13	1	2014	B255000000041400	0.47	0.16	0.63	0.1
14	1	2014	A280000000001200	0.42	0.14	0.56	0.09
15	1	2014	B216000004000700	0.17	0.06	0.23	0.04
16	1	2013	R177500000000300	165.63	59.63	225.26	29.32
17	1	2013	L375000003000701	114.59	47.74	162.33	23.2
18	1	2013	O300008001000000	118.91	38.84	157.75	22.83
19	1	2013	O300008001000000	77.17	26.75	103.92	15.05
20	1	2013	O050000000003300	68.01	26.52	94.53	12.95
21	1	2013	S2950000000037130	64.85	25.5	90.35	12.45
22	1	2013	L045098067000101	49.32	18.74	68.06	9.17
23	1	2013	C980000002000111	24.45	9.37	33.82	4.58
24	1	2013	C465000000000500	17.86	6.43	24.29	3.16
25	1	2013	B158504000001600	9.42	3.57	12.99	1.75
26	1	2013	P320002006001200	3.83	1.43	5.26	0.7
27	1	2012	C295001000000800	76.01	38.51	114.52	15.73
28	1	2012	R325300000000600	41.2	18.53	59.73	7.6
29	1	2012	L473500004004000	32.88	17.2	50.08	7.05
30	1	2012	E540000027003900	31.76	14.08	45.84	5.67
31	1	2012	A080000000102515	19.03	8.5	27.53	3.43
32	1	2012	S740000000000100	12.8	5.73	18.53	2.31
33	1	2012	T260000000000402	12.02	5.29	17.31	2.13
34	1	2012	S359302000005300	7.87	4.2	12.07	1.75
35	1	2012	L198000000000800	7.18	3.26	10.44	1.32
36	1	2011	M465900000000500	151.13	83.13	234.26	28.79
37	1	2011	B030000026002300	73.74	43.02	116.76	15.15
38	1	2011	K240000000022301	63.06	33.42	96.48	11.45
39	1	2011	S367500007000600	30.07	18.54	48.61	6.63
40	1	2011	E330000359001000	29.43	15.89	45.32	5.48
41	1	2011	N861301000000900	20.29	12.84	33.13	4.69
42	1	2011	E431000000006500	19.79	10.81	30.6	3.74
43	1	2011	M155000000005100	14.04	8.67	22.71	3.1
44	1	2011	L315000000004200	12.64	6.61	19.25	2.25
45	1	2011	H185000180001000	3.16	2.02	5.18	0.73

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
46	1	2010	M465900000000500	151.13	101.26	252.39	31.51
47	1	2010	L106902000005300	143.83	97.33	241.16	30.42
48	1	2010	S477000000040600	68.3	47.12	115.42	14.85
49	1	2010	K240000000029304	71.23	42.27	113.5	12.61
50	1	2010	A036003001001900	67.53	41.2	108.73	12.26
51	1	2010	V056000000012800	58.13	38.76	96.89	12.04
52	1	2010	N860000002005200	45.25	30.77	76.02	9.64
53	1	2010	C211000000002900	41.86	30	71.86	9.61
54	1	2010	G120001000002600	35.58	27.39	62.97	9.02
55	1	2010	W380000767000094	33.16	24.54	57.7	7.96
56	1	2010	N486000000002300	22.82	16.81	39.63	5.44
57	1	2010	W380000594000010	22.84	14.09	36.93	4.22
58	1	2010	G590098004000101	12.15	8.43	20.58	2.66
59	1	2010	M578500000007200	8.49	6.31	14.8	2.05
60	1	2010	L198000000000800	6.13	4.26	10.39	1.34
61	1	2010	M355000152101910	5.23	3.6	8.83	1.13
62	1	2010	G880000010001000	1.68	1.2	2.88	0.39
63	1	2010	A210000048001001	1.33	0.99	2.32	0.32
64	1	2009	M465900000000500	151.13	119.4	270.53	34.23
65	1	2009	H140000000001100	106.37	81.2	187.57	22.82
66	1	2009	R380000042000700	100.74	68.84	169.58	17.98
67	1	2009	C266700000001000	44.79	33	77.79	9.07
68	1	2009	A036003001001900	36.12	26.37	62.49	7.21
69	1	2009	B190036000000400	34.92	24.33	59.25	6.45
70	1	2009	L580602000014200	16.08	13.02	29.1	3.79
71	1	2009	N861301000009900	13.54	11.52	25.06	3.44
72	1	2009	H284000000013400	15.47	11.4	26.87	3.18
73	1	2009	B190040000004900	13.84	10.42	24.26	2.91
74	1	2009	G880000010001000	11.58	9.69	21.27	2.87
75	1	2009	B158504000009200	11.59	8.88	20.47	2.5
76	1	2009	A176502000000200	12.05	8.64	20.69	2.33
77	1	2009	B203500000002700	11.46	8.14	19.6	2.18
78	1	2009	W310000001001200	9.31	6.43	15.74	1.69
79	1	2008	S170001000001900	202.91	191.41	394.32	52.65
80	1	2008	M465900000000500	120.28	109.46	229.74	29.41
81	1	2008	R380000042000700	64.98	52.2	117.18	12.77
82	1	2008	S735000008001400	56.02	44.61	100.63	10.84
83	1	2008	L630601000007900	37.76	37.62	75.38	10.7
84	1	2008	L502500000005520	30.27	27.04	57.31	7.17
85	1	2008	N3400000000303513	24.94	23.44	48.38	6.43
86	1	2008	G840000000000100	18.89	18.07	36.96	5.01
87	1	2008	E583002000000100	13.94	13.65	27.59	3.85
88	1	2008	A555000000000300	12.88	11.69	24.57	3.13
89	1	2008	O200500000001300	11.73	9.11	20.84	2.16
90	1	2008	L630601000007900	7.55	7.52	15.07	2.14

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
91	1	2008	N861301000009900	3.76	3.65	7.41	1.02
92	1	2007	O210000005000035	97.38	105.48	202.86	27.9
93	1	2007	M4659000000000500	102.6	105.68	208.28	26.93
94	1	2007	R380000042000700	88.61	81.81	170.42	19.01
95	1	2007	S425500000002000	56.6	50.75	107.35	11.46
96	1	2007	H265000007005000	20.73	17.69	38.42	3.79
97	1	2007	N5800000040001500	9.93	9.73	19.66	2.38
98	1	2007	M355000131000900	7.44	7.28	14.72	1.78
99	1	2007	B505000015001100	7.21	6.67	13.88	1.55
100	1	2007	L5025000000005520	5.32	5.39	10.71	1.36
101	1	2007	E583002000000100	3.61	3.98	7.59	1.06
102	1	2006	A300000020001200	44.36	47.32	91.68	10.78
103	1	2006	M4659000000000500	35.61	40.95	76.56	9.99
104	1	2006	R380000042000700	23.55	24.57	48.12	5.48
105	1	2006	L672500000014000	9.57	11.42	20.99	2.87
106	1	2006	S2950980000051700	8.32	7.91	16.23	1.61
107	1	2006	D790001001000700	4.65	5.63	10.28	1.43
108	1	2005	M4659000000000500	102.38	130.03	232.41	30.56
109	1	2005	S367500002000800	37.26	37.88	75.14	6.87
110	1	2005	A555000000000115	19.69	23.62	43.31	5.25
111	1	2005	M475000002001600	9.43	10.97	20.4	2.36
112	1	2005	S245000000001200	7.79	9.47	17.26	2.14
113	1	2005	C100000004000900	3.79	5.01	8.8	1.22
114	1	2004	M4659000000000500	102.67	142.71	245.38	32.49
115	1	2004	R380000042000700	50.48	64.78	115.26	13.55
116	1	2004	S735000004000600	13.8	18.18	31.98	3.91
117	1	2004	S735000004000600	13.81	18.18	31.99	3.91
118	1	2004	M520000049001100	8.65	12.47	21.12	2.94
119	1	2004	F345000146000800	11.78	13.86	25.64	2.6
120	1	2004	S725002008000200	2.48	3.27	5.75	0.71
121	1	2003	R380000042000700	106.84	149.93	256.77	30.61
122	1	2003	M4659000000000500	70.59	106.6	177.19	23.61
123	1	2003	A180000044001205	97.12	122.03	219.15	21.41
124	1	2003	S244002000003500	39.24	47.74	86.98	7.95
125	1	2003	S397510000006800	37.91	44.61	82.52	6.99
126	1	2003	H365003000001100	18.19	25.46	43.65	5.18
127	1	2003	H345003000000500	3.96	5.28	9.24	1.02
128	1	2002	R380000042000700	105.1	160.1	265.2	32
129	1	2002	M4659000000000500	75.23	122.62	197.85	26.52
130	1	2002	H265000010000500	55.39	71.83	127.22	11.22
131	1	2002	M515000000004700	35.68	53.4	89.08	10.44
132	1	2002	L190000001001100	21.01	35.08	56.09	7.78
133	1	2002	M190001000003200	26.46	36.44	62.9	6.31
134	1	2002	H140000000001100	18.3	29.34	47.64	6.23
135	1	2002	W230000052000300	7.92	13.19	21.11	2.92

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
136	1	2002	E484000000001000	3.16	5.16	8.32	1.12
137	1	2002	S170002063000100	4.78	6.38	11.16	1.05
138	1	2002	B505000015000600	2.85	3.8	6.65	0.63
139	1	2001	M465900000000500	65.42	114.49	179.91	24.24
140	1	2001	L215500000000800	12.25	17.35	29.6	2.7
141	1	2001	W240000003000900	8.26	12.7	20.96	2.27
142	1	2001	B030000004001400	6.02	8.55	14.57	1.33
143	1	2001	S415002008001000	6.31	8.41	14.72	1.17
144	1	2001	S415002008001000	6.3	8.43	14.73	1.16
145	1	2000	M465900000000500	51.29	95.91	147.2	19.93
146	1	2000	M520000085000300	20.81	29.97	50.78	4.06
147	1	2000	S477000000009500	16.43	25.24	41.67	3.92
148	1	2000	W010000044001052	13.23	20.87	34.1	3.4
149	1	2000	V38200000000100	9.24	14.58	23.82	2.37
150	1	2000	M687000000002600	2.45	3.99	6.44	0.68
151	1	1999	M465900000000500	100.14	199.28	299.42	40.71
152	1	1999	S395000002000401	39.81	70.72	110.53	12.36
153	1	1999	H419500000006600	10.45	17.71	28.16	2.87
154	1	1999	T685000000005800	6.8	12.62	19.42	2.35
155	1	1999	G040000006000100	5.16	10.4	15.56	2.16
156	1	1998	M465900000000500	100.14	211.3	311.44	42.51
157	1	1998	G570000001002900	20.24	41.24	61.48	7.93
158	1	1998	R230002000003900	17.91	33.98	51.89	5.89
159	1	1998	R230002000003900	1.45	2.73	4.18	0.47
160	1	1998	C700000006000500	1	1.72	2.72	0.25
161	1	1997	M465900000000500	103.68	231.21	334.89	45.88
162	1	1997	L505000000013400	15.84	27.51	43.35	3.49
163	1	1996	T527000000004700	54.22	111.51	165.73	17.81
164	1	1996	M490000000009302	16.18	36.74	52.92	6.87
165	1	1996	E650000006000400	11.45	27.66	39.11	5.6
166	1	1996	M465900000000500	11.88	27.92	39.8	5.47
167	1	1995	W010000023000416	22.53	54.33	76.86	10.18
168	1	1995	L605000000014430	15.34	38.94	54.28	7.81
169	1	1995	R026300000001100	9.76	23.81	33.57	4.54
170	1	1994	T527000000004700	32.78	75.29	108.07	11.95
171	1	1994	A210000051001900	18.31	42.05	60.36	6.68
172	1	1994	R026300000001100	2.94	7.53	10.47	1.42
173	1	1993	E330000346000900	3.43	8.15	11.58	1.25
174	1	1990	L255001005001900	4.35	13.5	17.85	2.54
175	1	1989	P420002003001000	47.3	153.38	200.68	29.01
176	12	1999	M465900000000500	2.44	4.85	7.29	0.99
177	12	1998	M465900000000500	4.37	9.22	13.59	1.86
178	12	1997	M465900000000500	5.02	11.2	16.22	2.22
179	12	1996	M490000000009302	0.88	1.97	2.85	0.37
180	12	1996	M465900000000500	0.63	1.48	2.11	0.29

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
181	12	1995	W010000023000416	1.26	3.04	4.3	0.57
182	12	1989	P420002003001000	2.72	8.82	11.54	1.67
183	12	1988	P420002003001000	1.52	5.11	6.63	0.96
184	17	1993	E330000346000900	0.04	0.1	0.14	0.02
185	1	2000	T527002000004100	1.74	3.11	4.85	0.61
186	1	1986	S525001043003500	6.71	22.36	29.07	3.65
187	12	1986	S525001043003500	1.25	4.15	5.4	0.68
188	1	2014	L100301000000100	136.96	42.01	178.97	25.89
189	1	2013	F155501000007000	26.97	11.43	38.4	5.55
190	1	2011	L010000000001100	111.78	73.78	185.56	26.83
191	1	2008	S477000000006900	32.92	31.39	64.31	8.69
192	95	1976	S525001043003600	0.64	2.72	3.36	0.44

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

December 19, 2016

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

Re: Audit of the Commissioner Precinct 1 Office Asset Inventory Listing
Audit No. 2016-67

Dear Commissioner Cuellar:

It is the practice of the County Auditor's Office to conduct an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the Precinct No. 1 Office asset inventory listing pursuant to Local Government Code §115.001 and our annual audit plan. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of Precinct No. 1.

BACKGROUND:

Commissioner Precinct No. 1, as an elected official, is inherently responsible for ensuring that County assets in the custody of the Precinct No. 1 Office are properly accounted, safeguarded, and disposed. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the Precinct No. 1 Office.
- Ensuring assets are properly tagged.
- Updating the asset inventory listing, as necessary, to account for acquisitions and disposals.
- Conducting periodic physical inventories of assets.
- Ensuring assets are only used for County purposes.
- Safeguarding assets in the Department's possession until disposal.
- Filing police reports in the event an asset is lost or stolen.
- Requiring that a formal request and formal approval from the Department Head or Designee be obtained when equipment is taken off County premises, including when taken off-site for repairs.

Precinct No. 1 employees are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent loss, damage or theft of such assets.

As of October 31, 2016, the Precinct No. 1 asset inventory listing consisted of 721 assets with a total acquisition cost of \$10,029,290.69.

Generally Accepted Accounting Principles (GAAP)

Pursuant to generally accepted accounting principles (GAAP), adequate controls must be maintained over capital and minor assets. In addition, the GASB 34 Manual for Texas Cities and Counties states, "A government should maintain its capital asset records in its capital asset software module. This information should include asset identification numbers, equipment category codes, tag numbers, dates of acquisition, assigned departments, purchase costs and descriptions of each asset."

Capital Asset Guide

On October 23, 2001, Commissioners Court approved the Capital Asset Guide (the Guide) to be effective on January 1, 2002 in order to comply with the reporting requirements of Governmental Accounting Standards Board Statement No. 34. The Guide requires that assets (i.e., vehicles, land, buildings, machinery, equipment, computer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 42ND D.C.

RODOLFO DELGADO
JUDGE, 51ST 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 DONAZALEZ
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.

systems) with a useful life greater than one year and an acquisition cost of \$1,000 or more be capitalized. In addition, donations should be capitalized at fair market value. On November 10, 2009, Commissioners Court clarified that assets with an inventory cost of \$300.00 to \$999.99 were subject to inventory.

SCOPE AND METHODOLOGY:

The scope of the audit was limited to the asset inventory listing as of October 31, 2016. The audit 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.

In planning and performing the audit, the following procedures were performed:

- Selected all assets on the asset inventory listing for physical identification and to determine whether the assets were properly tagged; and
- Compared assets located at Precinct No. 1 premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of our review, we have concluded that Precinct No. 1's inventory listing per *alio* was not accurate and complete. More specifically, the following was noted:

We selected all 721 (100%) assets on the asset inventory listing for physical identification. Of the 721 assets:

- 600 (83%) were physically located. Of the 600 assets:
 - 545 assets contained an asset tag;
 - 2 of 545 assets (2 trucks) were located at HOLT Cat. The vehicles were trade-ins towards the acquisition of new units; however, the assets had not been removed from the asset inventory listing (see Exhibit A).
 - 3 assets (5,000 gallon oil storage tank, 1 chlorine system, and 1 flow meter) were located underground (see Exhibit B);
 - 9 assets (1 roller, 2 trucks, 5 roll-off containers, and 1 weed eater) did not contain an asset tag; however, the assets were traced to the asset inventory listing utilizing the serial number (see Exhibit C);
 - 42 assets (1 scanner, 1 shredder mower, 4 roll-off containers, 2 trailers, 6 chairs, 1 cabinet, 2 light bars, 1 ice maker, 2 storage tanks, 3 portable toilets, 1 welding kit, 1 30" Fan, 4 tool box, 4 tarp mechanisms, 2 baseball field equipment, 1 pressure washer, 1 diagnostic machine, 1 brush guard, 1 grill guard, 1 wing mower, 1 air wrench, and 1 cement mixer) did not contain an asset tag or serial number (see Exhibit D). The assets were traced to the asset inventory listing utilizing the assets description; and
 - 1 asset (water pump) was assigned two asset tags (asset tag number 45814 and 30747), in error (see Exhibit E).
- 121 (17%) were not physically located. Of the 121 assets:
 - 3 assets (1 oxygen meter, 1 lowboy trailer, and 1 vibratory plate) were declared surplus. A copy of the "Asset Transfer Form" was provided; however, the assets had not been removed from the asset inventory listing (see Exhibit F); and
 - 118 assets could not be accounted for. In addition, "Asset Transfer Forms" and police reports were not provided (see Exhibit G). Several attempts were made to physically identify the assets; however, Precinct No. 1 did not provide the location of the assets.

We physically located 271 assets that were not included on the asset inventory listing. Of the 271 assets:

- 86 (32%) assets contained an asset tag. Of the 86 assets:
 - 73 assets were on the asset inventory listing of other County departments (i.e., Budget and Management, Commissioner Precinct 2, Commissioner Precinct 4, Constable Precinct 1, Executive Office, Health Department, JP Pct 4, PI 2, JP Pct 4, PI 1, Information Technology Department, Juvenile Probation,

HIDALGO COUNTY DISTRICT JUDGES

Sheriff's Department, Surplus Warehouse, Veteran's Service, WIC, Location 9999, and Location 7777). Copies of "Asset Transfer Forms" were not kept on file (see Exhibit H).

- o 13 assets (truck, filing cabinet, scale, chair, ice machine, 3 desks, water pump, drill, pressure washer, air compressor, and a light bar) did not have an asset record in *alio* (see Exhibit I).
- 185 (68%) assets did not contain an asset tag; however, the assets appear to be capital or minor assets that should have been included in the asset inventory listing (see Exhibit J). In addition, these assets may be some of the assets that could not be accounted for.

RECOMMENDATION:


Management should coordinate with the Purchasing Department to take corrective action to address the deficiencies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. Purchasing Department should remove from Precinct No. 1 Office asset inventory listing the 2 assets that were traded in (see Exhibit A).
2. Purchasing Department should affix asset tags to the 51 assets that did not contain an asset tag (see Exhibits C and D).
3. Purchasing Department should remove asset tag 45814 (water pump) from the asset inventory listing since the asset was assigned two asset tag numbers, in error (see Exhibit E).
4. Purchasing Department should remove the 3 assets declared surplus from the asset inventory listing (see Exhibit F).
5. Further research on the 118 assets that were not located should be conducted. If the assets are no longer in Precinct No. 1 possession, supporting documentation should be provided to the Purchasing Department to remove the assets from the inventory listing (see Exhibit G).
6. Asset transfer forms should be prepared for the 73 assets that were listed on the asset inventory listing of other County departments and submitted to the Purchasing Department in order to update the asset inventory listing (see Exhibit H).
7. Purchasing Department should record in *alio* the 13 assets with asset tags that were not on the inventory listing (see Exhibit I).
8. Purchasing Department should conduct research on the 185 assets that did not contain an asset tag to determine if the assets are subject to inventory control (see Exhibit J).

Please ensure that corrective action is finalized and an updated asset inventory listing is submitted to the County Auditor's Office by Tuesday, December 27, 2016.

We would like to express our appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the audit. If you should have any questions, please call Reynaldo Cantu III, Internal Auditor I, at 318-2511 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, Hidalgo County Commissioners Court Executive Officer
Ms. Martha Salazar, Hidalgo County Purchasing Agent



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, 208TH 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.

ADA SALINAS FLORES
JUDGE, 398TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

Exhibit A

	Tag Number	Tag Description	VIN/Serial
1	38240	2002 GMC C8500 TRUCK	1GDP7H1CX2J509958
2	53645	2004 FRIEHTLINER FL70 GRAPPLE TRUCK	1FVABTAK54HM31395

Exhibit B

	Tag Number	Tag Description	VIN/Serial
1	31044	POCKET CHLORINE SYSTEM	46700-0
2	31590	MILLTRONICS HYDRORANGER, FLOWMETER	925971310X
3	45640	5,000 GALLON INSULATED OIL DURA TANK	50519

Exhibit C

	Tag Number	Tag Description	VIN/Serial
1	33811	30 YD ROLL-OFF COMPACTOR	SCP0858
2	36350	30 YD ROLL-OFF CONTAINER	245008
3	36358	30 YD ROLL-OFF CONTAINER	246538
4	36874	2001 HYPAC C530AH	109A2221900
5	37304	2001 FORD F150 P/U	1FTRF18L12KA80913
6	37748	30 YD ROLL-OFF CONTAINER	69331
7	41004	30 YD ROLL-OFF CONTAINER	271268
8	45275	2006 FORD F150 S-CAB V8 LWB	1FTVX14556NA90643
9	55311	STILH PRUNNER 12' EXT	287143595

Exhibit D

	Tag Number	Tag Description	VIN/Serial
1	15724	CHAIR -WOODEN W/ ARMS	
2	15762	CHAIRS - WOODEN W / ARMS	
3	19891	2,000 GAL. WATER TANK	
4	23140	LEATHER-BLACK CHAIR	
5	30301	13000 GALLON FUEL STORAGE	
6	30478	TOILETS	
7	32264	WELDING KIT	HC59439
8	33683	DAYTON 30" CIRCULAR FLOOR PEDESTAL	
9	33775	PRESSURE WASHER	
10	35234	MINDREADER DIAGNOSTIC MACHINE	DC06420528
11	36354	30 YARD CONTAINER	227921
12	37472	BRUSHGUARD	
13	37750	30 YD ROLL-OFF CONTAINER	69333
14	37753	WOODS SHREDDER MOWER	1473-818928
15	37957	RK TOOL BOX & HEAD RACK	
16	38049	30YD ROLL-OFF CONTAINER	104129
17	38514	T/K TOLL BOX W/HEAD RACK	
18	38803	R/K TOOL BOX - BLACK	
19	40787	VIDEO PRESENTATION CABINET MAHOGANY	
20	42558	EXECUTIVE CHAIR	
21	42621	PLASTIC PORTABLE TOILET	
22	42622	PLASTIC PORTABLE TOILET	
23	44445	ARMY CARGO HITCH TRAILER	06AX7368
24	45282	WOODS-ROTARY FLEX WING MOWER	1011217
25	47025	A.T. 16' ECONOMY TRAILER	17YBP16265B030659
26	47620	30 YD ROLL-OFF CONTAINER	245014
27	49423	IMPACT AIR WRNCH W/ 1/2 EXTN	2135TI2MAX
28	50030	CEMENT MIXER PORTABLE	3855

Exhibit D

	Tag Number	Tag Description	VIN/Serial
29	50094	LIBERTY 14 LED'S LIGHTBAR	
30	50230	CORNELIUS-ICE MAKER	87A0810GC215
31	52395	HON EXECUTIVE CHAIR	
32	53313	TOOL BOX	FS1011007543
33	53335	EXECUTIVE HI BACK CHAIR	C5LK3B
34	53464	54" TORRENT LIGHTBAR AMB/CLR	
35	54861	BASEBALL FIELD EQUIPMENT	
36	54862	BASEBALL FIELD EQUIPMENT	
37	60545	FUJITSU SWCANSNAP IX500	A0VB128033
38	61312	TARP MECHANISM	
39	61313	TARP MECHANISM	
40	61314	TARP MECHANISM	
41	61315	TARP MECHANISM	
42	61513	GRILL GUARD	GGF09HBL1

Exhibit E

Tag Number	Tag Description	VIN/Serial
1 45814	16 HP WHEEL MOUNTED WATER PUMP	

Exhibit F

	Tag Number	Tag Description	VIN/Serial
1	22665	YSI OXYGEN METER W/PROBE & CABLE	90K0206
2	30603	1975 GENE/LOWBOY BEAVERTAIL	18HA74193
3	33378	VIBRATORY PLATE WACKER	WP1550AW

Exhibit G

	Tag Number	Tag Description	VIN/Serial
1	23661	1991 GMC TRUCK	1GDM7H1P6MJ521842
2	26960	DESK-HON DOUBLE PEDESTAL (MED OAK)	
3	29261	Cabinet - Pendaflexer Black	
4	30886	TRUCK BOX-CHALLENGER	
5	32072	1998 BIG-TEX,FLAT BED	4K8NX1623WIC27523
6	32867	CREDENZA W/KNEE SPACE 7000 SERIES	
7	33772	COUNT CARD PVC CAST	10895
8	34645	XL400 DESKTOP-INTEL 3D 4.3 GB	
9	34649	461847-PW IND MAGAZINE TABLE	
10	34670	GLO DESK 36X72	
11	34706	GLO DESK DOUBLE PEDESTAL 30X60	
12	36381	18 VOLT CIRCULAR SAW	
13	37298	MOTOROLA 2 WAY RADIO 1225	869FBL8
14	37339	STACK ON STORAGE HUTCH	
15	37446	2002 ACCURATE ROLL-OFF HOIST	69329
16	37469	R/K TOOL BOX	
17	37815	IBM WHEELWRITER	11VBZ90
18	38427	GENERATOR 5000 10HP	06250IN
19	39234	MOWER DECK 72" MD472	3071
20	39237	PUSHBUMPER RHINO	
21	40138	5 TON A/C HEATER UNIT	M280218
22	41266	2003 FORD F150 TRUCK	2FTRX18WX3CB11718
23	42557	HON CHAIR, GUEST, BK	
24	42793	ACER AL1714CB 17IN LCD BLACK	44202617PQ12
25	43728	10500 SER SNGLE PED W/L RET BOURBON CHER	
26	44158	1994 GMC VOLVO TRACTOR TRUCK	4V1WDBRFXRN672649
27	44291	CANON DR 1210C SCANNER	DQ338435
28	44294	CANON DR 1210C SCANNER	DQ338439
29	44310	OPTIPLEX GX620 ULTRA SMALL FORM FACTOR,	C22YJ81
30	44415	HP LASER JET 1518NI PRINTER	CNB0601773
31	44446	SANDBAGGER MODEL II SANDBAG MACHINE	M-21260
32	44560	HP SB DC5000 H8/3.0 40GB 512MB XPP-PC	MXL503087N
33	45589	PC-OPTIPLEX GX620 USF- FACTOR, P-4	CZFH9B1
34	45607	AIR COMPRESSOR-11HP-KOHLER	20060126-0045/0046

Exhibit G

	Tag Number	Tag Description	VIN/Serial
35	45818	2001 FORD F150 SUPERCAB	1FTRX18L71NB01001
36	46521	GALBREATH U5-OR-174 ROLL OFF HOIST	13H28842
37	46891	ROBINAIR AC RECHARGING MACHINE	118380
38	47014	HP COMPAQ SB TC4400 NOTEBOOK PC	CND709085F
39	47139	GODWIN GTP-100 HX WATER PUMP	1105497
40	47624	BISON HP910 FOGGER GENERAT	4159-11101524
41	47924	VH 82" ROOT GRAPPLE	A2MW00103
42	48013	DELL OPTIPLEX 755 USFF-PC	GZ2R0G1
43	48865	LENOVO THINKPAD X200 LAPTOP	1S7449F9ULV0023D
44	49300	MINI-WORKSHOP SYSTEM CABINET	
45	49305	HON HUTCH W/DRAWERS	
46	49366	HP COMPAQ DC7900 SLIM DESKTOP	MXL9231089
47	49525	MODULE INTERGRAL INTELLI-M	
48	49746	LIGHTBAR FREEDOM W/INBOARD DIREC.	
49	49748	STIHL 25" CHAIN SAW MS 361	278962650
50	49823	PUMP REGENERATIVE BLOWER	0902J774813014
51	50241	SERVER HP PROLIANT DL380	USE913N6HC
52	50242	ORACLE (15) LIC-SOFT-APPLIC	PCT 1-SANITATION DPT
53	50905	TRIMMER STIHL FS250R	281294607
54	50906	TRIMMER STIHL FS250R	281294616
55	50947	CANON IMAGE DOC SCANNER	SP09400559TC
56	51231	KT 4000 ELECTRIC WINCH	
57	51308	STARTER BULK STORAGE LOCKER	
58	51593	FRIEDRICH AIR CONDITION HEAT & COOL	
59	51890	GRASSHOPPER DETHATCHER	6063208
60	51892	HOPPER ASSY W/O MOUNT MOD 15	6045074
61	52390	KIMBALL HIGH BACK CHAIR	66658
62	52669	DELL OPTIPLEX 780 USFF WIN 7	JV43QN1
63	52670	DELL OPTIPLEX 780 USFF WIN 7	JV3YPN1
64	52674	DELL OPTIPLEX 780 USFF WIN 7	JV368P1
65	52675	DELL OPTIPLEX 780 USFF WIN 7	JV448P1
66	52677	DELL OPTIPLEX 780 USFF WIN 7	JV348P1
67	52679	DELL OPTIPLEX 780 USFF WIN7	JV44QN1

Exhibit G

	Tag Number	Tag Description	VIN/Serial
68	52681	DELL OPTIPLEX 780 USFF WIN 7	JV3B8P1
69	52685	DELL OPTIPLEX 780 USFF WIN 7	JV438P1
70	52686	DELL OPTIPLEX 780 USFF WIN 7	JV35QN1
71	52687	DELL OPTIPLEX 780 USFF WIN 7	JV418P1
72	52688	DELL OPTIPLEX 780 USFF WIN 7	JV378P1
73	52699	HP LASERJET PRINTER 4015N	CNDY463791
74	52976	DELL PE R710 POWEREDGE SERVER	78VJCP1
75	53000	STIHL CHAINSAW NCS 600P	C03603009174
76	53043	TOOL BOX	FS1011008257
77	53075	ACER AT 3265- 32" LCD TV	4406719540
78	53105	AIR COOLER TEST FOR TURBO	MCR072530FA
79	53234	ZA 36410 TIRE VULCANIZER	
80	53235	PLATE KIT	
81	53329	HON PRESENTATION CABINET	
82	53451	DUO FAST CLIP	0939D0174
83	53457	HONDA CENTRIFUGAL WB30 5. 5HP	4236141
84	53465	54" TORRENT LIGHTBAR AMB/CLR	
85	53466	54" TORRENT LIGHTBAR AMB/CLR	
86	53554	HONDA CENTRIFUGAL WB30 5. 5HP	4236203
87	53569	36" BELT DRIVE WALL WXH FAN	1WMC36F2
88	53570	36" BELT DRIVE WALL EXH FAN	1WMC36F2
89	53622	5000 GLU TARP SYSTEM	
90	53792	APPLE I PAD 32GB	DLXT0G4DKRM
91	53996	CAMERA CANON EOS REBEL T-3	820621000000
92	54080	DELL OPTIPLEX 790 FLX-HD USFF	3CX51R1
93	54345	SOFA-3 SEAT	
94	54605	CATALYST 2960 24 SWITCH	
95	54612	WISE DT WIL-21500 F	
96	54868	CHAIN SAW STIHL HT 101	287848009
97	54881	HT 101 31.4CC POLE PRUNNER	287848614
98	55183	CANON 300P N-WORK SCANNER	21FK300695
99	55266	TRANSFER PUMP FIL 1210C	B7-877024
100	55353	JNY AIR COMPRESSOR	F080211023

Exhibit G

	Tag Number	Tag Description	VIN/Serial
101	55354	MS GSA OFFICE PRD PLUS 2010 LIC	
102	55439	5 TATEMS LIC FOR 5 COMPUTER	
103	56195	CANON IMAGE DR2020 DOCU SCANNER	SP1214A00138TC
104	60214	STEP SIDE ENTRY	B503140
105	60752	CORELDRAW GRAPHICS SUIT X6	OCDGSXMLAM02
106	60887	LINCOLN 18V POWERSLUBER	541348
107	61281	CHEMICAL FLO-JET WATER PUMP	14D26204
108	61625	GRAYLINE SLT 5.0 FLOW METER	57502
109	62121	F DIAPHRAGM PUMP	
110	62361	RAQTCHEMING TAP & DYE SET 114 PIECES	
111	62695	APC SMART-UPS X 3000VA	AS1422247298
112	62696	APC SMART C 1500VA	3S1439X05733
113	62782	ELF WI-FI 802-SCANNER	G14G31416
114	62785	ELF WI-FI 802-SCANNER	G14G31423
115	63169	FUJITSU SCANSNAP IX500 SCANNER	A13B080014
116	63494	FUJI BLOWER	
117	63495	FUJI BLOWER	
118	67681	8X40' STORAGE CONTAINER	TTNU4257588

Exhibit H

	Tag Number	Tag Description	VIN/Serial
1	11221	HON 31881	
2	14130	STEELCASE 5-DRAWER LATERAL - TAN	
3	15191	IDEAL - ARC WELDER	AC423422
4	17473	Cabinet - 4 Drawer	
5	18146	1986 SELF PROPELLED PAVER #900-LEE BOX	L900SR585
6	20007	5 DRW LATERAL FILE CABINET	
7	26830	HON 38055 GRAY 30X60	
8	27503	FILE CABINET 4 DRAWER	
9	28357	FILE CABINET HON 4 DRAWER	
10	30480	PJIII PORTABLE TOILETS	
11	30480	PJIII PORTABLE TOILETS	
12	31011	STROBE MINI LIGHT BAR	
13	34033	AIR COMPRESSOR QTSG-5-20C	5110331
14	34648	461824-PW IND END TABLE	
15	34651	HON DBL PED 72X36	
16	36279	PARTS WASHER	
17	36896	MAHOGANY LAURENT 20"X66"	
18	40708	DESK	
19	45587	PC-OPTIPLEX GX620 USF- FACTOR, P-4	2ZFH9B1
20	46382	DELL DIM E520, INTEL PENTIUM D PROCESSOR	45689662564
21	46457	E-FINGER TIP SCANNER READER	
22	46635	FOGGER	
23	47013	HP COMPAQ SB TC4400 NOTEBOOK PC	CND7090F00
24	47339	DELL-OPTIPLEX 745 USFF,PC CORE 2	29F9PD1
25	47454	E-FINGER TIP SCANNER READER	
26	48576	SHOREGEAR 50	S50F13292EA949
27	48782	2008 GODWIN DRI-PRIME PUMPSET	0852889/63
28	49304	DESK 72X36 RT PED	
29	49920	GBC BINCING MACHINE	C240E
30	50085	AUGER STIHL BT121W/17" EXT.	58L30
31	52030	BRUSH GUARD FRONT REPL SUMMIT	
32	52804	HP LASERJET PRINTER	JPBCBCSITD
33	58222	MOTOROLA APX 4000 PORTABLE	426CNX2802
34	58224	MOTOROLA APX 4000 PORTABLE	426CNX2804
35	58232	MOTOROLA APX 4000 PORTABLE	426CNX2812
36	58390	MOTOROLA APX 4500 MOBILE	471CNZ0052
37	58392	MOTOROLA APX 4500 MOBILE	471CNZ0054
38	58393	MOTOROLA APX 4500 MOBILE	471CNZ0055

Exhibit H

	Tag Number	Tag Description	VIN/Serial
39	58394	MOTOROLA APX 4500 MOBILE	471CNZ0056
40	58396	APX7000 DIGITAL PORTABLE RADIO	
41	58397	MOTOROLA APX 4500 MOBILE	471CNZ0059
42	58398	MOTOROLA APX 4500 MOBILE	471CNZ0060
43	58400	MOTOROLA APX 4500 MOBILE	471CNZ0062
44	58401	MOTOROLA APX 4500 MOBILE	471CNZ0063
45	58404	MOTOROLA APX 4500 MOBILE	4711CNZ0066
46	58405	MOTOROLA APX 4500 MOBILE	471CNZ0067
47	58406	MOTOROLA APX 4500 MOBILE	471CNZ0068
48	58407	MOTOROLA APX 4500 MOBILE	471CNZ0069
49	58408	MOTOROLA APX 4500 MOBILE	471CNZ0070
50	58409	MOTOROLA APX 4500 MOBILE	471CNZ0071
51	58504	MOTOROLA APX4500 MOBILE RADIO	471CNZ0172
52	58505	MOTOROLA APX4500 MOBILE RADIO	471CNZ0073
53	58507	MOTOROLA APX4500 MOBILE RADIO	471CNZ0075
54	58509	MOTOROLA APX4500 MOBILE RADIO	471CNZ0177
55	58510	MOTOROLA APX4500 MOBILE RADIO	471CNZ0178
56	58511	MOTOROLA APX4500 MOBILE RADIO	471TNX0534
57	58513	MOTOROLA APX4500 MOBILE	471CNZ0181
58	58514	MOTOROLA APX4500 MOBILE RADIO	471TNX0408
59	58516	MOTOROLA APX4500 MOBILE RADIO	471CNZ0184
60	58527	MOTOROLA APX 4500 CONTROL STATION	471TNX0311
61	61151	DELL OPTIPLEX 7010	36898812578
62	61152	DELL OPTIPLEX 7010	GY7KM02
63	61154	DELL OPTIPLEX 7010	36895453346
64	61155	DELL OPTIPLEX 7010	36918874658
65	61156	DELL OPTIPLEX 7010	36913929122
66	61158	DELL OPTIPLEX 7010	36886961954
67	61159	DELL OPTIPLEX 7010	GY7MM02
68	61160	DELL OPTIPLEX 7010	36903618146
69	61161	DELL OPTIPLEX 7010	36893587106
70	61162	DELL OPTIPLEX 7010	GYIDM02
71	61391	TRANSJACK	
72	61517	DELL COMPUTER	
73	65941	STEP SIDE	

Exhibit I

	Tag Number	Tag Description	VIN/Serial
1	18233	SCALE	
4	20108	DESK	
2	21545	DESK	
3	25746	4 DRAWER FILING CABINET	
9	26961	HON DESK	
6	26978	RED WOOD CHAIR	
5	29412	1996 FORD F-150	1FTEF14H4TLA78990
8	53454	HONDA CENTRIFUGAL WATER PUMP	
13	62171	QUINCY AIR COMPRESSOR	Q41108180016
10	65468	ECHO EA-400 DRILL	3003230
11	66044	GENERAC PRESSURE WASHER 2800PSI	T05814080003119
12	66681	LIGHT BAR	
13	69499	ICE MACHINE	1120185511

Exhibit J

	Tag Description	Location	VIN/Serial
1	Dell Computer	Administration Building	43238575839
2	Recording Machine	Administration Building	400335540
3	Dell Computer	Administration Building	D2HYC-9TP2XW8CKTGVX62KFM28
4	Dell Computer	Administration Building	FHH9QHCC9FDPR9DBTHHFWB2T
5	OKI Printer	Administration Building	N31193A
6	Dell Computer	Administration Building	WT7KJDHH8HJNB2FFW2J3Y3CF3
7	Cradenza (Brown)	Administration Building	
8	Cradenza	Administration Building	
9	Gas Tank	Administration Building	AOC1136
10	Gas Pump (Red)	Administration Building	J249898
11	Gas Pump (Red)	Administration Building	J249897
12	Desk (Brown)	Administration Building	
13	Dell Optiplex 780	Administration Building	43240162141
14	Ammco Brake Service Machinery	Administration Building	
15	Guardian ULV	Administration Building	415
16	Dell Optiplex 780	Administration Building	43240255453
17	HP Laserjet CP1025AW	Administration Building	CE310A
18	Storage Desk	Administration Building	
19	Dell Optiplex 780	Administration Building	43240208797
20	Desk Shelf	Administration Building	
21	Dell Optiplex 780	Administration Building	43240020977
22	Minifile Cabinet (2 Door)	Administration Building	
23	Conference Table	Administration Building	
24	Frigidaire Refrigerator	Administration Building	4A83616816
25	12 Ton Jack M# 34709	Administration Building	
26	Alemite Grease Lubrigrun M# A500	Administration Building	
27	Dell Computer	Administration Building	C2FH9B1
28	HP Desktop W/Monitor	CRC	MXL835QPD
29	HP Colorlaserjet CP1518ni	CRC	CNCC8BG068
30	Dell Optiplex GX620	CRC	JX7F981
31	Dell Optiplex GX620	CRC	1CBR591
32	Dell Optiplex GX620	CRC	B793B81
33	Dell Optiplex GX620	CRC	41F9M91
34	Dell Optiplex GX620	CRC	2MGPX91
35	Dell Optiplex GX620	CRC	60F9M91
36	Dell Optiplex GX620	CRC	GJ54FC1
37	Desk	CRC	
38	Desk (Metal)	CRC	

Exhibit J

	Tag Description	Location	VIN/Serial
39	Table w/Mirror	CRC	
40	Dell Optiplex GX620	CRC	DD7QK81
41	Dell Optiplex GX620	CRC	BX7J7B1
42	Dell Optiplex GX620	CRC	BHMH7B1
43	Dell Optiplex GX620	CRC	7MW5191
44	Dell Optiplex GX620	CRC	7W8MM91
45	Dell Optiplex GX620	CRC	9DQOL91
46	Dell Optiplex GX620	CRC	CXHOK91
47	Dell Optiplex GX620	CRC	5JGLW71
48	Dell Optiplex GX620	CRC	9CBM981
49	Dell Optiplex GX620	CRC	BG7Q6BQ
50	3COM Baseline Switch 2016	CRC	3C16470
51	L Wall Desk for PC's	CRC	
52	Netgear Pro Switch FS116	CRC	2EA12C3PO135B
53	Customer Premises System CPS-12	CRC	XI8572
54	Desk	CRC	
55	Dell Optiplex GX620	CRC	4TH7B1
56	L Desk	Delta Lake Building	
57	HON Desk (Grey)	Delta Lake Building	
58	Catalyst 3750 Series POE24	Delta Lake Building	0093-05-1086
59	Mag One Motorola Radio	Delta Lake Building	0278KE7082
60	Mag One Motorola Radio	Delta Lake Building	0278KE7086
61	Mag One Motorola Radio	Delta Lake Building	0278MB0975
62	Welder Trailer (7X10)	Delta Lake Mechanic Shop	
63	Eagle Pesticide Storage Cabinet	Delta Lake Mechanic Shop	
64	Crary Industries WT190 Echo Bearcat	Delta Lake Mechanic Shop	A07155
65	Justrite Storage Cabinet	Delta Lake Mechanic Shop	
66	Powlan Pro Tiller	Delta Lake Mechanic Shop	030810T005883
67	Desk	Delta Lake Mechanic Shop	
68	Desk	Delta Lake Mechanic Shop	
69	Desk	Delta Lake Mechanic Shop	
70	Jenny Air Compressor (100 Gallon)	Delta Lake Mechanic Shop	P080211023
71	Echo Weed Eater	Delta Lake Mechanic Shop	S74212057154
72	Echo Tree Cutter	Delta Lake Mechanic Shop	E0841T008032
73	Echo Weed Eater SRM260	Delta Lake Mechanic Shop	6044066
74	Echo Weed Eater	Delta Lake Mechanic Shop	5020109
75	Echo Weed Eater SRM260	Delta Lake Mechanic Shop	Not Visible
76	Echo Weed Eater SRM260	Delta Lake Mechanic Shop	S74212057577

Exhibit J

	Tag Description	Location	VIN/Serial
77	Dewalt Table Saw	Delta Lake Mechanic Shop	50167
78	Echo Tree Cutter HC152	Delta Lake Mechanic Shop	Not Visible
79	Echo Blower	Delta Lake Mechanic Shop	P3311217270
80	Echo Blower	Delta Lake Mechanic Shop	R6931203769
81	Playground Playset	Delta Lake Park	
82	Playground Playset	Delta Lake Park	
83	Swingset	Delta Lake Park	
84	Playground Playset	Delta Lake Park	
85	Swingset	Delta Lake Park	
86	Lincol Electric AC-225 Arc Welder	Delta lake Park	1420-001
87	Skill 4445	Delta lake Park	F012444500
88	Fill Rite Oil Hose M# FR152	Delta lake Park	5200F144
89	Poulan Pro 550 Lawnmower	Delta Lake Park	030519M020695
90	Cement Levelizer 36G741	Delta Lake Park	742767
91	Fill Rite Gas Tank w/Pump (P-054)	Delta Lake Park	017(Rest of SN Not Visible)
92	Compactor Motor	Donna Landfill	36H365W239G1
93	Porta Potty	Donna Patch Crew	
94	MOTOROLA APX 4500 MOBILE	Donna Patch Crew(R-121)	PMUF1597A
95	Godwin Backdump of Truck	Donna Patch Crew(R-121)	CM66097-BZ
96	Echo Blower Model 500T	Donna Patch Crew(R-121)	Not Visible
97	Standard-E Compactor Motor	Mercedes Collection Site	F0009233979
98	Domar Stroke Blower	Mercedes Patch Crew(R-111)	31980
99	Porta Potty	Monte Alto Collection Site	P000375
100	Air Bumer Ash Removal Accessory	Monte Alto Collection Site	5001-1906-BHV
101	Loader DL-2503	Monte Alto Collection Site	61676-C035-403
102	Desk (Brown)	Sunset Park	
103	Desk (Brown)	Sunset Park	
104	Cradenza Desk w/Hutch	Sunset Park	
105	Desk w/Cradenza	Sunset Park	
106	Desk (Brown)	Sunset Park	
107	Desk (Brown)	Sunset Park	
108	Dell Computer	Sunset Park	3CX5IR1
109	Motorola Radio	Sunset Park	
110	Trailer	Sunset Park	Not Visible
111	Riding Lawn Mower	Sunset Park	
112	Trailer (Yellow)	Sunset Park	
113	Ford Truck	Sunset Park	
114	Trailer (Blue)	Sunset Park	

Exhibit J

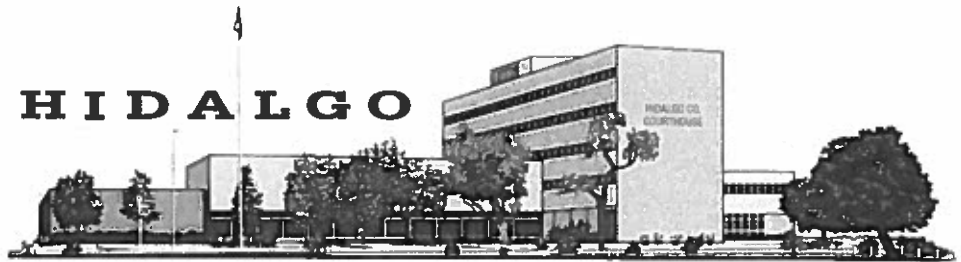
	Tag Description	Location	VIN/Serial
115	Sandbagger (Yellow)	Sunset Park	1260
116	Schutz 330 Gallon Water Container	Sunset Park	MX330/0812
117	Thomson Pump (Blue)	Sunset Park	1T9P1428BP634104
118	MQ Multiquip Water Pump	Sunset Park	3DZXL061010
119	Earth Quake Viper Drill	Sunset Park	010519013411026150861
120	20 Gallon Air Compressor	Sunset Park	A210709
121	Desk (Brown)	Sunset Park	
122	Fogger Machine (Green)	Sunset Park	
123	Pallet Jack Model # 5901 (Red)	Sunset Park	
124	Guardian Fogger Machine Guardian (Blue)	Sunset Park	415
125	Thompson Pump (Blue)	Sunset Park	
126	Big Tex Trailer	Sunset Park	907-489
127	Trailer	Sunset Park	900-3521
128	30 Yard Container	Sunset Park	271269
129	Trailer	Sunset Park	
130	Trailer	Sunset Park	
131	Forklift 6000 Lb Capacity	Sunset Park	
132	Echo Chainsaw CS670	Sunset Park	
133	Echo Chainsaw	Sunset Park	270331375
134	Samsung 55" TV	Sunset Park	
135	Hydraulic Compressor M#82365 (Blue)	Sunset Park	F1297
136	Motorola Radio	Sunset Park	
137	Motorola Radio	Sunset Park	
138	Spider Belly Dump Trailer	Sunset Park	
139	Spider Belly Dump Trailer	Sunset Park	
140	Motorola Radio	Sunset Park	
141	Iron Horse Pump	Sunset Park	CDFDG20D54010002
142	Diesel Pump	Sunset Park	
143	HP Compaq	Sunset Park	MXL9110792
144	Conference Table	Sunset Park	
145	Cisco System Catalyst 3550	Sunset Park	
146	Frigidaire Refrigerator	Sunset Park	
147	Massey Ferguson Tractor	Sunset Park	8028BN25073
148	Steiner Turf Equipment (Red Tractor)	Sunset Park	3072
149	Woods 2120 Series 3	Sunset Park	Not Visible
150	Tractor Cutting Equipment	Sunset Park	
151	Chicago Preaumatic Wrench	Sunset Park	CP797
152	Ingersoll Rand Tire Remover	Sunset Park	SR15D

Exhibit J

	Tag Description	Location	VIN/Serial
153	Motorola Radio	Sunset Park	019TEE
154	Fill-Rite Gast Tank FR711V	Sunset Park	16908
155	Fill-Rite Gast Tank FR311V	Sunset Park	
156	8 ft Trailer	Sunset Park	
157	Trailer (5 ft)	Sunset Park	
158	Cam High Pressure Washer w/Cage	Sunset Park	W81DN7-3078-7500
159	Thompson Water Pump	Sunset Park	18
160	30 Yard Container (BFI)	Sunset Park	
161	30 Yard Container (Allied Waste)	Sunset Park	
162	30 Yard Container	Sunset Park	
163	30 Yard Container	Sunset Park	
164	30 Yard Container	Sunset Park	98036
165	5000 Gallon Water Tanks	Sunset Park	
166	5000 Gallon Water Tanks	Sunset Park	
167	5000 Gallon Water Tanks	Sunset Park	
168	5000 Gallon Water Tanks	Sunset Park	
169	Honda Water Pump	Sunset Park	5678
170	Briggs & Stratton Water Pump	Sunset Park	Not Visible
171	Frigidaire Refrigerator	Sunset Park	BA73711318
172	Echo Weed Eater	Sunset Park	Not Visible
173	Echo Weed Eater SRM2655	Sunset Park	Not Visible
174	Echo Blower Model PB500T	Sunset Park	Not Visible
175	Poulan Pro 625E Lawnmower	Sunset Park	122N02-1619
176	Justrite Storage Cabinet	Sunset Park	
177	Cast Iron Compressor	Sunset Park	1151506-W
178	Hypac Roller	Sunset Park	109A22201915
179	Big Tex Trailer	Sunset Park	
180	Versaliff R-118	Sunset Park	R9222
181	Stihl 101 Saw	Sunset Park	Not Visible
182	Frigidaire Refrigerator	Sunset Park	Not Visible
183	Stihl Chainsaw	Sunset Park	270331975
184	Stihl Chainsaw	Sunset Park	Not Visible
185	Echo Chainsaw CS670	Sunset Park	

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

December 12, 2016

The Honorable Aida Salinas Flores, Judge
398th State District Court
100 N. Closner, 2nd Floor
Edinburg, Texas 78539

Re: Audit of the 398th District Court Asset Inventory Listing
Audit No. 2016-71

Dear Judge Aida Salinas Flores:

It is the practice of the County Auditor's Office to conduct an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the 398th District Court asset inventory listing pursuant to Local Government Code §115.001 and our annual audit plan. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of the 398th District Court.

BACKGROUND:

The Judge of the District Court, as an elected official, is inherently responsible for ensuring that County assets in the custody of the District Court are properly accounted, safeguarded, and disposed. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the District Court.
- Ensuring assets are properly tagged.
- Conducting periodic physical inventories of assets.
- Ensuring assets are only used for County purposes.
- Safeguarding assets in the Department's possession until disposal.
- Filing police reports in the event an asset is lost or stolen.
- Requiring that a formal request and formal approval from the Department Head or Designee be obtained when equipment is taken off County premises, including when taken off-site for repairs.

Employees of the District Court are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent loss, damage, or theft of such assets.

As of November 16, 2016, the 398th District Court asset inventory listing consisted of 51 assets with a total acquisition cost of \$52,054.05.

Generally Accepted Accounting Principles (GAAP)

Pursuant to generally accepted accounting principles (GAAP), adequate controls must be maintained over capital and minor assets. In addition, the GASB 34 Manual for Texas Cities and Counties states, "A government should maintain its capital asset records in its capital asset software module. This information should include asset identification numbers, equipment category codes, asset tag numbers, and dates of acquisition, assigned departments, purchase costs and descriptions of each asset."

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 83rd 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, 448th D.C.

Capital Asset Guide

On October 23, 2001, Commissioners Court approved the Capital Asset Guide (the Guide) to be effective on January 1, 2002 in order to comply with the reporting requirements of Governmental Accounting Standards Board Statement No. 34. The Guide requires that assets (i.e., vehicles, land, buildings, machinery, equipment, computer systems) with a useful life greater than one year and an acquisition cost of \$1,000 or more be capitalized. In addition, donations should be capitalized at fair market value. On November 10, 2009, Commissioners Court clarified that assets with an inventory cost of \$300.00 to \$999.99 were subject to inventory.

SCOPE AND METHODOLOGY:

The scope of our audit was limited to the asset inventory listing as of November 16, 2016. Our audit 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.

In planning and performing our audit, the following procedures were performed:

- Selected all assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the 398th District Court premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of our review, we have concluded that the inventory listing maintained by the Purchasing Department on behalf of the 398th District Court was not accurate and complete. More specifically, the following was noted:

We selected all 51 (100%) of the capital assets listed on the asset inventory listing and the results of our review revealed the following:

- 49 (96%) assets were physically located. All 49 assets contained assets tags.
- 2 (4%) assets were not physically located. The assets were declared surplus by the 398th District Court. Copies of the "Asset Transfer" forms were provided by the 398th District Court; however, the Purchasing Department has not removed the assets from the asset inventory listing (see Exhibit A).

We physically located 11 assets that were not on the 398th District Court asset inventory listing. Of the 11 assets:

- 8 assets (2 Credenzas, 1 Radio, 3 Chairs, 1 DVD player, and 1 Night stand table) contained an asset tag. All 8 assets were listed by the Purchasing Department under location 7777, in error. According to the Purchasing Department, the asset will be added to the 398th District Court's asset inventory listing (see Exhibit B).
- 3 assets (1 television, 1 receiver, and 1 laptop) located did not contain an asset tag. In addition, the assets did not have a record in *alio* (see Exhibit C). The Purchasing Department was not able to explain the reason why the assets were not listed.

RECOMMENDATION:

Management should coordinate with the Purchasing Department to take corrective action to address the deficiencies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. Purchasing Department should remove the 2 assets that have been declared surplus from 398th District Court's inventory listing.

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, 208th D.C.

JUAN R. PARTIDA
JUDGE, 273rd 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.

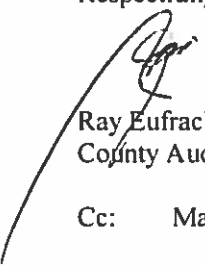
JESSE CONTRERAS
JUDGE, 448th D.C.

2. Purchasing Department should add the 8 assets (2 Credenzas, 1 Radio, 3 Chairs, 1 DVD player, and 1 Night stand table) that contained an asset tag and were listed on the asset inventory listing under location 7777 to the District Court's asset inventory listing.
3. Purchasing Department should add the 3 assets (1 television, 1 receiver, and 1 laptop) to the 398th District Court's inventory listing, if the assets are subject to inventory as approved by Commissioners Court on November 10, 2009.

Please provide management responses to the recommendations by December 22, 2016. Your prompt response will be greatly appreciated.

We would like to express our appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the audit. If you should have any questions, please call Vivian Garza, Internal Auditor I, at 318-2511 ext. 4654, 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 Eufracio, CPA
County Auditor

Cc: Martha Salazar, Hidalgo County Purchasing Agent

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. BINGLETERRY
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.

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

December 14, 2016

The Honorable Judge Jesse Contreras
449th State District Court
1001 N. Doolittle
Edinburg, Texas 78540

Re: Audit of the 449th District Court Asset Inventory Listing
Audit No. 2016-72

Dear Judge Contreras:

It is the practice of the County Auditor's Office to conduct an asset inventory audit when a change in administration occurs; therefore, we conducted an audit of the 449th District Court asset inventory listing pursuant to Local Government Code §115.001 and our annual audit plan. The objective of the audit was to evaluate the accuracy and completeness of the asset inventory listing maintained by the Purchasing Department on behalf of the 449th District Court.

BACKGROUND:

The Judge of the District Court, as an elected official, is inherently responsible for ensuring that County assets in the custody of the District Court are properly accounted, safeguarded, and disposed. Some of these responsibilities include:

- Verifying the receipt of all assets purchased and/or assigned to the District Court.
- Ensuring assets are properly tagged.
- Conducting periodic physical inventories of assets.
- Ensuring assets are only used for County purposes.
- Safeguarding assets in the Department's possession until disposal.
- Filing police reports in the event an asset is lost or stolen.
- Requiring that a formal request and formal approval from the Department Head or Designee be obtained when equipment is taken off County premises, including when taken off-site for repairs.

Employees of the District Court are also inherently responsible for protecting County property entrusted to them. This includes the proper care, maintenance, control, and reasonable safeguards to prevent loss, damage, or theft of such assets.

As of November 21, 2016, the 449th District Court asset inventory listing consisted of 35 assets with a total acquisition cost of \$34,373.78.

Generally Accepted Accounting Principles (GAAP)

Pursuant to generally accepted accounting principles (GAAP), adequate controls must be maintained over capital and minor assets. In addition, the GASB 34 Manual for Texas Cities and Counties states, "A government should maintain its capital asset records in its capital asset software module. This information should include asset identification numbers, equipment category codes, asset tag numbers, and dates of acquisition, assigned departments, purchase costs and descriptions of each asset."

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 93rd D.C.

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

ROSE GUERRA REYNA
JUDGE, 208th D.C.

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

MARIO E. RAMIREZ, JR.
JUDGE, 312th 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.

Capital Asset Guide

On October 23, 2001, Commissioners Court approved the Capital Asset Guide (the Guide) to be effective on January 1, 2002 in order to comply with the reporting requirements of Governmental Accounting Standards Board Statement No. 34. The Guide requires that assets (i.e., vehicles, land, buildings, machinery, equipment, computer systems) with a useful life greater than one year and an acquisition cost of \$1,000 or more be capitalized. In addition, donations should be capitalized at fair market value. On November 10, 2009, Commissioners Court clarified that assets with an inventory cost of \$300.00 to \$999.99 were subject to inventory.

SCOPE AND METHODOLOGY:

The scope of our audit was limited to the asset inventory listing as of November 16, 2016. Our audit 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.

In planning and performing our audit, the following procedures were performed:

- Selected all assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the 449th District Court premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of our review, we have concluded that the 449th District Court's inventory listing per *alio* was not accurate and complete. More specifically, the following was noted:

We selected all 35 (100%) of the capital assets listed on the asset inventory listing and the results of our review revealed the following:

- 35 (100%) assets were physically located. Of the 35 assets:
 - 34 contained an asset tag.
 - 1 (Dell 4320 Projector) did not contain an asset tag. The asset was traced to the asset inventory listing utilizing the serial number (see Exhibit A).

We physically located 21 assets that were not on the 449th District Court asset inventory listing. Of the 21 assets:

- 14 assets (3 credenzas, 4 conference tables, 1 New Yorker lift, 1 file cabinet, 2 chairs, 2 loveseats, and 1 HP printer) contained an asset tag. All 14 assets were listed under location 7777, in error. According to the Purchasing Department, the assets will be added to the 449th District Court's asset inventory listing (see Exhibit B).
- 5 assets (2 tables, 1 HP printer, 1 credenza, and 1 filing cabinet) did not contain an asset tag. In addition, the assets did not have a record in *alio* (see Exhibit C).
- 2 assets (1 ceiling mount and 1 recording camera) contained an asset tag; however, the assets were not recorded in *alio*. According to the Purchasing Department, the assets were not recorded in *alio* since evidence was not received that the assets were purchased (see Exhibit D).

RECOMMENDATION:

Management should coordinate with the Purchasing Department to take corrective action to address the deficiencies identified in the audit and ensure the asset inventory listing is updated, as follows:

1. Purchasing Department should affix an asset tag on the asset (Dell 4320 Projector) that did not contain an asset tag.

HIDALGO COUNTY DISTRICT JUDGES

2. Purchasing Department should add the 14 assets (3 credenzas, 4 conference tables, 1 New Yorker lift, 1 file cabinet, 2 chairs, 2 loveseats, and 1 HP printer) that contained an asset tag and were listed on the asset inventory listing under location 7777 to the 449th District Court's asset inventory listing.
3. Purchasing Department should add the 5 assets (2 tables, 1 HP printer, 1 credenza, and 1 filing cabinet) to the 449th District Court's asset inventory listing, if the assets are subject to inventory as approved by Commissioners Court on November 10, 2009.
4. Purchasing Department should record in *alio* the 2 assets (1 ceiling mount and 1 recording camera) that were not on the inventory listing.

Please provide management responses to the recommendations by December 22, 2016. Your prompt response will be greatly appreciated.

We would like to express our appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the audit. If you should have any questions, please call Ricardo Nunez, Internal Auditor I, at 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 Eufacio, CPA
County Auditor

Cc: Martha Salazar, Hidalgo County Purchasing Agent

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 93rd D.C.

J. R. "BOBBY" FLORES
JUDGE, 119th D.C.

ROSE GUERRA REYNA
JUDGE, 204th D.C.

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

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

NOE GONZALEZ
JUDGE, 370th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388th D.C.

ADA SALINAS FLORES
JUDGE, 388th 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

November 30, 2016

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney
Hidalgo County District Attorney's Office
Hidalgo County Courthouse
100 N. Closner, 3rd Floor
Edinburg, Texas 78539

Re: Audit of the Chapter 59 Asset Forfeiture Audit Report by Attorney Representing the State
For the Fiscal Year Ended August 31, 2016
Audit No. 2016-54

Dear Mr. Rodriguez:

We have completed an audit of the "Chapter 59 Asset Forfeiture Audit Report by Attorney Representing the State" (Asset Forfeiture Report) for the fiscal year ended August 31, 2016 pursuant to Code of Criminal Procedure § 59.06 (g)(1), Local Government Code § 115.001 and § 115.0035, and our annual audit plan. The objective of the audit was to determine if Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported.

Background:

Code of Criminal Procedure (CCP) Chapter 59 "Forfeiture of Contraband" provides for the forfeiture of contraband seized by peace officers employed by law enforcement agencies of the state and its political subdivisions. Chapter 59 defines "contraband" as property of any nature (including real, personal, tangible, or intangible property) that is used or intended for use in the commission of certain enumerated felonies, Class A and Class B misdemeanors, or property that is gained, acquired, and/or used to facilitate the commission of certain enumerated felonies and misdemeanors.

For the fiscal year ended August 31, 2016, the District Attorney's Office had Chapter 59 seizures as follows: cash totaling \$625,690.82, 2 motor vehicles, 13 real properties, 53 monetary instruments (silver coins), 246 gaming machines, 34 pieces of jewelry, 7 electronic items, 3 equipment items (safe, battery pack, and a money counting machine), and 3 supplies related items (tote and documents). In addition, the District Attorney's Office was awarded (forfeited) cash totaling \$ 820,100.83.

Pursuant to CCP § 59.03 (c), a peace officer having custody of property must provide to the District Attorney a sworn statement that contains a schedule of the property seized, an acknowledgment that the officer has seized the property, and a list of the officer's reasons for the seizure. In addition, "not later than 72 hours after the seizure, the peace officer shall: (1) place the property under seal; (2) remove the property to a place ordered by the court; or (3) require a law enforcement agency of the state or a political subdivision to take custody of the property and move it to a proper location."

Pursuant to CCP § 59.04 (a) & (b), the District Attorney must commence forfeiture proceedings by filing a notice of the seizure and intended forfeiture (petition) with the District Clerk's Office not later than the 30th day after the date of the seizure.

Pursuant to CCP § 59.05 (b) & (e), forfeiture proceedings are conducted in accordance with rules and principles governing civil cases. If the court finds that the state has proven by a preponderance of the evidence that all or part of the seized property is subject to forfeiture, the judge shall forfeit the property to the state. Pursuant to CCP § 59.06 (f), a final judgment of forfeiture perfects the state's title to the forfeited property.

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNOLDS
JUDGE, 204TH D.C.

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

MARIO E. RAMIREZ, JR.
JUDGE, 337TH D.C.

NOE DONAZALEZ
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.

Pursuant to CCP § 59.05 (f), the District Clerk is entitled to court costs in forfeitures to the state of an amount greater than \$2,500 as in other civil proceedings.

Pursuant to CCP § 59.06 (a), all forfeited property is administered by the District Attorney, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the District Attorney and law enforcement agencies (LEAs). If a local agreement has not been executed, the property shall be sold on the 75th day after the date of the final judgment of forfeiture at public auction under the direction of the county sheriff. Proceeds of the sale must be distributed in accordance with CCP § 59.06.

Pursuant to CCP § 59.06 (b), if a local agreement exists between the District Attorney and the LEA, the District Attorney may transfer the property to the LEA. Furthermore, CCP § 59.06 (c) states, if a local agreement exists between the District Attorney and LEAs, all money, securities, negotiable instruments, stocks or bonds, or things of value, or proceeds from the sale of those items shall be deposited, after the deduction of court costs which the District Clerk is entitled, into one or more of the following funds: (1) a special fund in the county treasury for the benefit of the District Attorney's Office, to be used by the District Attorney solely for the official purposes of his office; or (2) a special fund in the county treasury if distributed to a county LEA, to be used solely for law enforcement purposes, such as salaries and overtime pay for officers, officer training, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties.

Pursuant to CCP § 59.06 (b), the District Attorney's Office entered into local agreements with the following LEAs effective January 1, 2015: Cities of Alamo, Alton, Donna, Edcouch, Edinburg, Elsa, La Villa, La Joya, McAllen, Mercedes, Mission, Palmview, Palmhurst, Peñitas, Pharr, Progreso, Hidalgo, Weslaco, San Juan, and Sullivan City; Constable Precinct 1, Constable Precinct 2, Constable Precinct 3, Constable Precinct 4, Hidalgo County Sheriff's Office, Cameron County Sheriff's Office, Texas Alcohol and Beverage Commission, University of Texas Rio Grande Valley (UTRGV) Police Department, Hidalgo County HIDTA Task Force, and Texas Department of Public Safety (DPS).

Pursuant to the local agreements, auction proceeds for property forfeited to the State Attorney and the LEA, with the exception of DPS, shall be paid 25% to the District Attorney's Office and 75% to the LEA if the property was put to use by the LEA and State Attorney. If the property was not put to use by the LEA and State Attorney, the auction proceeds shall be paid 40% to the District Attorney and 60% to the LEA.

Pursuant to the local agreement between the District Attorney and DPS, auction proceeds for property seized in connection with a violation of Chapter 481, Health and Safety Code and forfeited to the State Attorney and DPS shall be paid 40% to DPS, 30% to the District Attorney, and 30% to the State of Texas general revenue fund. With respect to all other forfeited property, if no answer was filed (default judgment), 70% is paid to DPS and 30% to the District Attorney. If answer was filed (agreed judgment), 60% is paid to DPS and 40% to the District Attorney. If trial commenced, 50% is paid to DPS and 50% to the District Attorney.

In addition, pursuant to the local agreements, the LEAs are responsible for paying all court costs, attorney ad-litem fees, depositions, title searches, title policies, confidential informants, and all costs related to forfeitures of real estate and personal property. Furthermore, money and property shall be considered forfeited to the State once a forfeiture judgment has become final and no motion for new trial or notice of appeal has been taken. Texas Rule of Appellate Procedure No. 26.1 states that a notice of appeal must be filed within 30 days after the judgment is signed, with a few enumerated exceptions.

Property that was forfeited in 2015 or 2016, and seized in 2014 or prior, was distributed pursuant to the local agreement in place at the time of the seizure. Pursuant to the local agreements in place prior to 2015, personal property not used for law enforcement purposes is to be sold and proceeds from the sale shall be paid 50% to the LEA and 50% to the District Attorney's Office, with the exception of HIDTA, which is paid 100% of the proceeds; and DPS, which is paid 70% of the proceeds and 30% is paid to the District Attorney.

Pursuant to CCP § 59.06 (c-3) notwithstanding subsection (a), with respect to forfeited property seized in connection with a violation of Chapter 481, Health and Safety Code (Texas Controlled Substances Act), by the Department of Public Safety, in a proceeding under Article 59.05 in which a default judgment is rendered in favor of the state, the District Attorney shall enter into a local agreement with the department that allows the District Attorney either to: (1) transfer forfeited property to the department to maintain, repair, use, and operate

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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

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

NOE DONAZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 381ST D.C.

AIDA SALINAS FLORES
JUDGE, 396TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

for official purposes in the manner provided by subsection (b); or (2) allocate proceeds from the sale of forfeited property described by subsection (c), after the deduction of court costs as described by that subsection, in the following proportions: (A) 40 percent to a special fund in the department to be used solely for law enforcement purposes; (B) 30 percent to a special fund in the county treasury for the benefit of the District Attorney's Office, to be used solely for the official purposes of the District Attorney's Office; and (C) 30 percent to the general revenue fund.

Pursuant to CCP § 59.06 (d) proceeds awarded to a law enforcement agency or District Attorney's Office may be spent after a detailed budget has been submitted to Commissioners Court. The budget may not list details that would endanger the security of an investigation or prosecution. Commissioners Court may not use the existence of an award to offset or decrease total salaries, expenses, and allowances that the District Attorney receives from the Commissioners Court at or after the time the proceeds are awarded.

Pursuant to CCP § 59.06 (d-1) the District Attorney may not use proceeds or property received under this chapter to: (1) contribute to a political campaign; (2) make a donation to any entity, except as provided by Subsection (d-2); (3) pay expenses related to the training or education of any member of the judiciary; (4) pay any travel expenses related to attendance at training or education seminars if the expenses violate generally applicable restrictions established by the commissioners court; (5) purchase alcoholic beverages; (6) make any expenditure not approved by the commissioners court, if the District Attorney holds an elective office and: (A) the deadline for filing an application for a place on the ballot as a candidate for reelection to that office in the general primary election has passed and the person did not file an application for a place on that ballot; or (B) during the person's current term of office, the person was a candidate in a primary, general, or runoff election for reelection to that office and was not the prevailing candidate in that election; or (7) increase a salary, expense, or allowance for an employee of the District Attorney's Office who is budgeted by the commissioners court unless the commissioners court first approves the increase.

District Attorney's Procedures

The District Attorney's Office requires LEAs to deposit seized currency into a certificate of deposit (CD) at the county depository under the name of the District Attorney's Office pending final disposition of the case. Seized personal property is maintained under the LEAs custody pending final disposition of the case. The LEA must provide the District Attorney's Office with a copy of the CD and receipt, if applicable, a sworn statement containing a schedule of the property seized, an acknowledgment that the officer seized the property, and a list of the officer's reasons for the seizure.

The District Attorney commences proceedings no later than the 30th day after the date of the seizure. The petitions are filed with the District Clerk pursuant to CCP § 59.04 (a) & (b). Once a judgment is rendered, the currency and/or personal property are distributed pursuant to the local agreement.

The District Attorney's Office determines whether forfeited personal property will be retained for official purpose of the District Attorney's Office or auctioned. If a vehicle is retained, the District Attorney submits an application for certificate of title, along with a copy of the final judgment, to the Texas Department of Motor Vehicles. Upon receipt, the original certificate of title is retained by the District Attorney's Office and insurance coverage is requested from the Executive Office Safety Division. The District Attorney's Office subsequently sends a copy of the certificate of title, final judgment, proof of insurance coverage, and an asset tag request to the Purchasing Department's Fixed Assets Division. If the vehicle is not placed in use, a transfer form is prepared and the vehicle is declared surplus. The vehicle is safeguarded by the County's contracted auctioneer until the vehicle is auctioned.

The Purchasing Department is responsible for disposing of county assets. The Purchasing Department receives the auction proceeds and prepares a "Purchasing Department/ Fixed Asset Division Auction Report" that details the amount of proceeds to be receipted to each fund. The proceeds are then deposited with the Hidalgo County Treasurer to the credit of the applicable funds, including the District Attorney's Forfeiture Fund. Pursuant to the local agreements, the auction proceeds should be apportioned to the District Attorney's Forfeiture Fund within 30 days of the sale.

HIDALGO COUNTY DISTRICT JUDGES

LUIS W. SINGLETERRY
JUDGE, 92nd D.C.

RODOLFO DELGADO
JUDGE, 93rd D.C.

J. R. "BOBBY" FLORES
JUDGE, 129th D.C.

ROSE GUERRA REYNA
JUDGE, 204th D.C.

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

MARIO E. RAMIREZ, JR.
JUDGE, 322nd D.C.

HOE GONZALEZ
JUDGE, 377th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 381st D.C.

AIDA SALINAS FLORES
JUDGE, 381st D.C.

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

JESSE CONTRERAS
JUDGE, 448th D.C.

Scope and Methodology:

The scope of our audit was limited to a review of all seized currency and property for which a law enforcement agent's affidavit was made available to the County Auditor's Office for review and all forfeited currency and property for which a final judgment was rendered for the fiscal year ended August 31, 2016.

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.

In planning and performing our review, we conducted interviews with staff, sent confirmation letters to participating law enforcement agencies and financial institutions, reviewed applicable statutes, policies and procedures, and local agreements. The following procedures were performed:

1. Verified whether all Chapter 59 revenues recorded in *alio*, the County's financial accounting system, and required to be reported (i.e., cash forfeitures, proceeds received from the sale of forfeited property, and interest) were included on the Asset Forfeiture Report.
2. Verified whether all Chapter 59 expenditures recorded in *alio* were included on the Asset Forfeiture Report and made solely for official purposes of the District Attorney's Office.
3. Reviewed the salary schedule adopted by Commissioners Court and compared it to District Attorney's Forfeiture Fund "2016 Hourly Rate" report for calendar year 2016 to verify whether the actual salary paid to employees did not exceed the budgeted salary amounts.
4. Generated a "Case Index-Inactive" report for the fiscal year ended August 31, 2016 for the District Attorney's Office from *Odyssey*, the County's justice information systems, to determine if all seizures and forfeitures were reported on the Asset Forfeiture Report.
5. Obtained a list of District Attorney's Office vehicles and property from Rod Robertson Enterprises, Inc. (Rods) to determine if the list agreed to the County Auditor's Office and District Attorney's Office lists of a seized and forfeited assets maintained at Rods.
6. Reviewed confirmation letter responses received from LEAs that participated with the District Attorney's Office in Chapter 59 seizures to determine whether the seized and forfeited vehicles, real property, other items, and/or currency reported by District Attorney's Office on the Asset Forfeiture Report agreed to those confirmed by the LEAs.
7. Reviewed judgments, checks issued, "District Attorney Accounting Control Sheet," and county depository bank statements for the period under review to determine if court costs for forfeited amounts less than \$2,500.00 were not paid to the District Clerk's Office pursuant to CCP § 59.05 (f).
8. Compared the list of CDs held by the county depository related to Chapter 59 on behalf of the District Attorney's Office to the District Attorney's HB 65 financial statements as of August 31, 2016 to determine if all CDs were properly accounted by the District Attorney's Office. In addition, we reviewed the CDs related to Chapter 59 listed on the District Attorney's HB 65 financial statements as of August 31, 2016 and applicable case disposition information to determine if any funds were pending to be disbursed to the proper parties.
9. Reviewed cases, judgments, and checks issued by the District Attorney's Office to determine if forfeited funds were disbursed after the forfeited judgment became final (30 days after the judgment was signed) pursuant to the Texas Rule of Appellate Procedure No. 26.1.
10. Reviewed *alio* revenue reports and the Purchasing Department's "Auction Report" for the District Attorney's Office to determine if auction proceeds generated from the sale of forfeited assets were apportioned to the District Attorney's Forfeiture Fund by the Hidalgo County's Purchasing Department within 30 days of the sale as required by the local agreement.
11. Selected 529 Chapter 59 assets (3 vehicles, 56 monetary instruments, 246 gaming machines, 174 gaming motherboards, 33 pieces of jewelry, 8 electronic items, 3 equipment items, and 6 supplies related items) held by the District Attorney's Office, including those assets seized and forfeited from prior years and not sold, as of August 31, 2016 for physical identification and to determine

HIDALGO COUNTY DISTRICT JUDGES

if the vehicles put to use by the District Attorney's Office were assigned an asset tag number and insurance coverage was obtained for the vehicles.

12. Reviewed *alio* revenue reports and confirmation letters received from 11 of 24 LEAs to determine if forfeited vehicles were sold through auction and if the District Attorney's portion of the auction proceeds were sent to the County Treasurer's Office within 30 days of the auction.
13. Reviewed the affidavits prepared by the seizing officers and the CD receipts to determine if the CDs for the seized cash were opened in the amount noted on the affidavits within 72 hours of the seizure. In addition, we verified whether the seized amounts noted on the petitions filed by the District Attorney's Office agreed to the CD amounts and the seizing officers' affidavits.
14. Reviewed schedules of filed cases generated from *Odyssey* to determine if petitions were filed by the District Attorney's Office no later than the 30th day after the date of the seizure pursuant to CCP § 59.04 (a) & (b).

Conclusion:

Based on the results of our audit, we have determined that generally Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported. More specifically, the following was noted:

1. All Chapter 59 revenues recorded in *alio* and required to be reported were included on the Asset Forfeiture Report.
2. All Chapter 59 expenditures recorded in *alio* were included on the Asset Forfeiture Report and made solely for official purposes of the District Attorney's Office.
3. Employees' actual salaries paid from the District Attorney's Forfeiture Fund did not exceed the budgeted salary amounts.
4. All seized and forfeited assets listed on the "Case Index-Inactive" report for the District Attorney's Office were included on the Asset Forfeiture Report.
5. All vehicles on Rods list of property held on behalf of the District Attorney's Office was on the lists of seized and forfeited assets that is maintained by the County Auditor's Office and District Attorney's Office.
6. Confirmation letters were sent to 24 LEAs that were identified in the "Case Index-Active" and "Case Index-Inactive" reports as having Chapter 59 seizures to determine whether the seized and forfeited vehicles, real property, other items, and/or currency reported by the District Attorney's Office on the Asset Forfeiture Report agreed to those confirmed by the LEAs.

11 LEAs responded to the confirmation request (Pharr PD, Edinburg PD, Mission PD, Sullivan City PD, San Juan PD, Weslaco PD, Donna PD, Elsa PD, Palmhurst PD, TABC, and DPS). Of the 11 LEAs:

- o 8 LEAs (Pharr PD, Edinburg PD, Mission PD, Sullivan City PD, San Juan PD, Weslaco PD, TABC, and DPS) confirmed the same number of seized and/or forfeited vehicles, property, and/or currency as those reported by the District Attorney's Office on the Asset Forfeiture Report.
- o 3 LEA's (Donna PD, Elsa PD, and Palmhurst PD) did not confirm the same number of seized and/or forfeited vehicles, real property, other items, and/or currency as those reported by the District Attorney's Office on the Asset Forfeiture Report. However, only the items provided by the District Attorney's Office were included on the Asset Forfeiture Report since an affidavit from the LEA indicating that the items were seized was filed with the District Attorney and a signed judgment listing the forfeited items was recorded at the District Clerk's Office. The seized and forfeited items/currency not confirmed by the LEAs are as follows:
 - 1 LEA (Donna PD) did not confirm 3 vehicles seized during the reporting period as noted in the petition;
 - 1 LEA (Elsa PD) did not confirm \$8,196.00 seized during the reported period as noted in the petition; and
 - 1 LEA (Palmhurst PD) confirmed 1 vehicle, a \$2,255.00 check, and a \$1,000 money order seized during the reporting period that was not noted on an affidavit and/or a petition filed for seizures in the reporting period. According to Palmhurst PD, the vehicle was returned to respondent and the check and money order are being held as evidence.

HIDALGO COUNTY DISTRICT JUDGES

We attempted to determine the reason the LEAs did not confirm the seized and forfeited vehicles, real property, other items, and/or currency; however, we did not receive a response from the LEAs.

7. There were 85 judgments that included cash disbursements during the period of review. All 85 forfeiture disbursements that were less than \$2,500 did not pay court costs to the District Clerk's Office pursuant to CCP § 59.05 (f).
8. There were 103 CDs totaling \$4,768,408.83 held as of August 31, 2016 at the county depository related to Chapter 59. All 103 CDs were properly accounted by the District Attorney's Office on the financial statements. In addition, 103 CDs totaling \$4,768,408.83 were for cases pending a judgment; therefore, the funds had not been distributed.

However, improvements could be made to the system of internal controls for the accounting and reporting of Chapter 59 seizures, forfeitures, receipts, and expenditures. More specifically, the following was noted:

9. 68 cases with a forfeited judgment became final during the period in review. Of the 68 cases:
 - o 63 cases were disbursed after the judgment became final (30 days after the judgment was signed) pursuant to the Texas Rule of Appellate Procedure No. 26.1.
 - o 5 cases were disbursed before the forfeited judgment became final pursuant to the Texas Rule of Appellate Procedure No. 26.1. The disbursements were made 2 to 29 days after the judgment was signed. According to the District Attorney's Office Accountant, 1 case was disbursed before the forfeited judgment became final, in error. For 2 cases, the forfeited judgment became final on a weekend; therefore, the funds were disbursed on a Friday. 2 cases were disbursed before the forfeited judgment became final based on the instructions from the Assistant District Attorney.
10. The County conducted auctions on December 9, 2015, March 9, 2016, and June 8, 2016. The auctions generated proceeds of \$23,100.00, \$49,900.00, and \$44,850.00, respectively. The proceeds for the June 8, 2016 auction were not apportioned to the District Attorney's Forfeiture Fund within the 30 days of the sale as required by the local agreement. Instead, the funds were received in a General Fund undistributed account at the request of the Purchasing Department. The funds were apportioned to the District Attorney's Chapter 59 Fund 135 days after the auction.
11. Of the 529 Chapter 59 assets:
 - o 283 (100 seized and 183 forfeited) assets held by the District Attorney's Office were physically located, as follows:
 - Of the 183 assets forfeited to the District Attorney:
 - 1 vehicle was assigned an asset tag and insurance coverage was obtained.
 - 182 assets (174 gaming motherboards, 1 flat screen TV, 1 security computer hard drive and remote control, 1 money counter, 4 supplies items, and 1 computer monitor) did not contain an asset tag. According to staff, the assets would be sold through auction or properly disposed.
 - o Gambling machines were visually located at a third party warehouse; however, due to the location, we were not able to confirm if all 246 gambling machines related to the same case were maintained.

According to staff, vehicles seized by DPS are held at Weslaco DPS until a judgment is rendered. Once a judgment is rendered, the forfeited vehicles awarded to DPS and the District Attorney's Office not put to use are sent to Rods to be auctioned. We selected 8 vehicles seized and 7 vehicles forfeited to DPS and the District Attorney's Office as of August 31, 2016 to physically identify the vehicles.

8 vehicles were located at Rods and 7 were located at the Weslaco DPS station. 1 vehicle located at Rods did not have a judgment. According to staff, the vehicle was sent to Rods, in error, by the Weslaco DPS Office.

According to the District Attorney's Office, there are no formal procedures to document when a vehicle can be auctioned by the District Attorney's Office; however, there is an understanding that the vehicles picked up from the DPS Office will not be put to use by DPS and can be auctioned. The interlocal agreement between the District Attorney's Office and DPS does not stipulate that the District Attorney will take custody of the seized property and will be responsible for auctioning 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 REINA
JUDGE, 208TH 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.

forfeited property. Furthermore, procedures to document when the District Attorney's Office took custody of the property were not in place.

12. Of the 11 confirmation letters received:
 - o 4 LEAs (Edinburg PD, Mission PD, San Juan PD, and Pharr PD) confirmed that proceeds totaling \$2,950.00, \$53,634.38, \$15,811.87, and \$2,839.44, respectively, had been received from the auction of forfeited personal property during the period of review. The portion belonging to the District Attorney's Office was forwarded to the County Treasurer's Office; however, the auction proceeds were not always forwarded to the County Treasurer's Office within 30 days.
 - o 1 LEA (Palmhurst PD) confirmed that proceeds totaling \$8,128.11 had been received from the auction of forfeited personal property during the period of review; however, the portion belonging to the District Attorney's Office has not been forwarded to the County Treasurer's Office.
 - o 1 LEA (Sullivan City PD) stated that auctions had not been held during the period in review.
 - o 5 LEAs (TABC, Weslaco PD, Donna PD, DPS, and Elsa PD) did not include a response on the confirmation letter regarding auction proceeds; however, for 1 LEA (DPS), forfeited property is sold by Hidalgo County.

A formal request is made by the District Attorney's Office on an annual basis to all LEAs that the District Attorney's portion of any auction proceeds must be forwarded to the County Treasurer's Office within 30 days of the auction.

13. 103 CDs were opened for the cash seizures made by LEAs and the District Attorney's Office during the period of review. Of the 103 CDs:
 - All the petitions filed by the District Attorney's Office were in the amount of the CDs and the seizing officer's affidavit.
 - 59 CDs were opened within 72 hours of seizure as required by CCP § 59.03 (c).
 - 44 CDs were not opened within 72 hours of seizure. The CDs were opened 1 to 27 days late.
14. There were 352 petitions filed by the District Attorney's Office during the period of review. Of the 352 petitions, 24 petitions were not filed within 30 days after the date of seizure as required by CCP § 59.04 (a) & (b). The petitions were filed by the District Attorney's Office from 1 to 14 days late. According to the Assistant District Attorney, cases are filed even if the 30 days have elapsed. However, the risk exists that seizures/forfeitures may need to be returned to the respondent/defendant if the petition is not filed in a timely manner.

Recommendations:

In our opinion, the issues identified during our review could be addressed by developing and implementing formal policies and procedures for the proper accounting and reporting of Chapter 59 seizures, forfeitures, receipts, and expenditures. At a minimum, the following procedures should be implemented:

1. Ensure that funds are distributed to the proper parties in a timely manner (30 days after the final judgment is signed).
2. Coordinate with the Purchasing Department to ensure that auction proceeds generated from the sale of forfeited assets are apportioned to the District Attorney Forfeiture Fund within 30 days of the auction.
3. Ensure that the interlocal agreement between the District Attorney's Office and DPS includes language stipulating who will take custody of the property when seized and who will be responsible for selling the forfeited property. In addition, if applicable, a log should be developed to document when the District Attorney's Office takes custody of assets seized and/or forfeited by DPS. The log should include the date the asset was delivered to the District Attorney's Office or Rods; the names of the individuals that delivered and took possession of the asset; asset description; and case number.
4. Coordinate with the LEAs to ensure that auction proceeds from the sale of forfeited property are distributed to the District Attorney's Office within 30 days of the auction pursuant to the interlocal agreement. In addition, coordinate with Palmhurst PD to ensure that the auction proceeds belonging to the District Attorney's Office are immediately forwarded to the County Treasurer's Office.
5. Notify LEAs that CDs should be opened within 72 hours of seizure pursuant to CCP § 59.03 (c) which requires a law enforcement agency of the state or a political subdivision to take custody of

HIDALGO COUNTY DISTRICT JUDGES

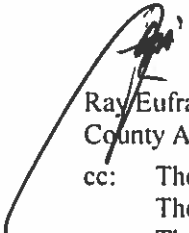
the property and move it to a proper location. In addition, management should consider revising the interlocal agreements to include language that requires LEAs to open CDs within 72 hours of seizures.

6. Develop and implement formal policies and procedures to ensure petitions are filed on or before the 30th day after the date of the seizure as required by CCP § 59.04 (a) & (b). In addition, management should consider revising the interlocal agreements to include language that requires LEAs to submit to the District Attorney's Office the affidavits with sufficient time to ensure that a petition is filed on or before the 30th day after the date of the seizure.

Please provide management responses to findings 9 through 14 noted in the conclusion section of the report by December 22, 2016.

If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, please call Reynaldo Cantu, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext.4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4644, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufracio, CPA
County Auditor

cc: The Honorable Ramon Garcia, County Judge
The Honorable A.C. Cuellar, Commissioner Precinct 1
The Honorable Eddie Cantu, Commissioner Precinct 2
The Honorable Jose M. Flores, Commissioner Precinct 3
The Honorable Joseph Palacios, Commissioner Precinct 4
Mr. Kent Richardson, Assistant Attorney General

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, 204TH D.C.

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

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

MOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

ADA SALINAS FLORES
JUDGE, 398TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-3587
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

November 29, 2016

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney
Hidalgo County District Attorney's Office
100 N. Closner
Edinburg, TX 78539

Ref: Cash Count
Report No. 2016-56

Dear Mr. Rodriguez:

We conducted a surprise cash count of the cash held at the District Attorney's Asset Forfeiture Section on November 2, 2016, 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. 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:

Security cameras were not utilized in areas where cash was receipted and safeguarded. According to staff, cameras will be considered for purchase when funding is available.

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERARY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 89th D.C.

J. R. "BOBBY" FLORES
JUDGE, 129th D.C.

ROSE GUERRA REYNA
JUDGE, 204th D.C.

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

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

NOE GONZALEZ
JUDGE, 371th 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, 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 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:

Checks, money orders, and/or cashier's checks were not endorsed "For Deposit Only" immediately, upon receipt. The cashier responsible for collecting did not have an endorsement stamp. According to staff, the checks, money orders, and/or cashier's checks are stamped at day's end when preparing the daily close out report.

The County Auditor's Office requires all checks, money orders, and/or cashier's checks be restrictively endorsed "For Deposit Only" immediately, 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.

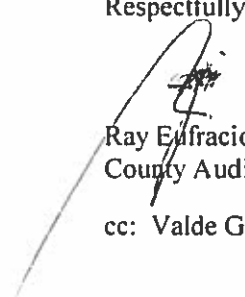
Recommendation:

Management should ensure all checks, money orders, and/or cashier's checks are restrictively endorsed "For Deposit Only" immediately, upon receipt.

Please provide written management responses to the observations noted above by December 16, 2016.

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 Reynaldo Cantu III, Internal Auditor I, at 318-2511 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: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 82ND D.C.

RODOLFO DELGADO
JUDGE, 83RD 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.

MOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 391TH D.C.

AIDA SALINAS FLORES
JUDGE, 394TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-3587
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

November 29, 2016

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney
Hidalgo County District Attorney's Office
100 N. Closner
Edinburg, TX 78539

Ref: Cash Count
Report No. 2016-57

Dear Mr. Rodriguez:

We conducted a surprise cash count of the cash held at your office on November 19, 2016, 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. 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:

The cash box is maintained unlocked and kept in a safe that is accessed by several employees. According to staff, the employee designated to collect cash should be the only employee able to access the safe where the cash box is maintained.

The County Auditor's Office requires that each cashier be assigned to a separate cash drawer which only that cashier may access while on duty. The cash drawer must be locked during the cashier's absence.

Failure to establish individual responsibility for cash receipts increases the risk of loss or misuse of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LUIS W. SMOLETTY
JUDGE, 92ND D.C.

RODOLFO DELGADO
JUDGE, 97TH D.C.

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

ROSE GUERRA REYNA
JUDGE, 201ST D.C.

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

MARCO 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, 441ST D.C.

Recommendation:

Management should ensure that each cashier be assigned to a separate cash drawer which only that cashier may access while on duty. The cash drawer must be locked during the cashier's absence.

Observation No. 2:

Security cameras were not utilized in areas where cash was receipted and safeguarded. According to staff, cameras will be considered for purchase when funding is available.

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

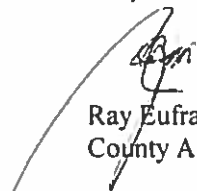
Recommendation:

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

Please provide written management responses to the observations noted above by December 16, 2016

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 Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645. Linda Fong, First Assistant Auditor, at ext. 4668, 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, 82ND D.C.

RODOLFO DELGADO
JUDGE, 89TH D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

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

NOE GONZALEZ
JUDGE, 370TH D.C.
CHIEF CLERK

LETICIA LOPEZ
JUDGE, 389TH D.C.

ADA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 400TH D.C.

JESSE CONTRERAS
JUDGE, 448TH 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

November 29, 2016

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

Ref: Cash Count
Report No. 2016-62

Dear Commissioner Flores:

We conducted a surprise cash count of the cash held at the Anzalduas Park on October 22, 2016 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 did not reconcile to the total receipts issued up to the time of the cash count (see observation No.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:

Cash on hand at the time of the cash count totaled \$74.00 while receipts issued and the approved change fund of \$50.00 totaled \$70.00, resulting in a \$4.00 overage. The \$4.00 overage was deposited with the County Treasurer. According to staff, they were unaware of what may have caused the overage.

The County Auditor's Office requires that cash received for payment be deposited intact. In addition, management should monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification or collection procedures, retraining of personnel, or disciplinary action."

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, 204TH D.C.

JUAN R. PARTIDA
JUDGE, 273RD 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, 391TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

Failure to monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification or collection procedures, retraining of personnel, or disciplinary action increases the risk of loss or misuse of County funds.

Recommendation:

Management should monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification or collection procedures, retraining of personnel, or disciplinary action.

Observation No. 2:

Security cameras were not utilized in areas where cash was receipted and safeguarded. According to staff, approval is currently being sought for the purchase of three security cameras that will be placed in the entrance, exit, and collection areas.

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 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. 3:

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 number of 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 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. 4:

The notice "Make sure you receive an official county receipt when making payments at this office", along with a sample official County receipt, was not posted for the public's view. According to staff, the required notice, along with a sample official County receipt, was subsequently posted.

A notice stating "Make sure you receive an official county receipt when making payment at this office" must be posted in a place visible to the public near cashiers. A sample of each official County receipt issued by the department must be posted by the notice so the public will know what type of receipt to expect.

Failure to ensure a notice stating "Make sure you receive an official county receipt when making payments at this office", along with a sample official County receipt, is posted in an area visible to the public could increase the risk of loss or misuse of County funds.

Recommendation:

Management should ensure a notice stating "Make sure you receive an official county receipt when making payments at this office", along with a sample official County receipt, is posted in an area visible to the public.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 5:

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.

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

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 December 16, 2016.

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 December 16, 2016. The written procedures manual should include, at a minimum, the following:

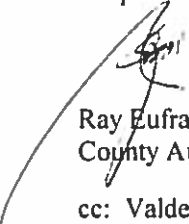
- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, training that will be provided, and description of how segregation 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;

HIDALGO COUNTY DISTRICT JUDGES

- 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 DELJADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

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

NOÉ 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, 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

November 29, 2016

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

Re: Cash Count
Report No. 2016-63

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Inmate Trust account on October 26, 2016, 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 \$6,753.44. 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:

We noted during our review that the "Cash Handling Guidelines and Procedures" acknowledgement receipts were not maintained on file for all employees responsible for handling cash. According to staff, jail staff is not required to read the "Cash Handling Guidelines and Procedures."

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32ND D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

ADA SALINAS FLORES
JUDGE, 39TH D.C.

ISRAEL RAMON, JR.
JUDGE, 40TH D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

Failure to ensure that employees responsible for handling cash are required to read and sign a receipt acknowledging their understanding of the guidelines and procedures increases the risk of loss or misuse of County funds.

Recommendation:

Management should require all employees responsible for handling cash to read the "Cash Handling Guidelines and Procedures" and sign a receipt acknowledging their understanding of these guidelines and procedures. The acknowledgment receipt should be maintained on file for all employees responsible for handling cash.


Please provide written management responses to the observations noted above by December 16, 2016.

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 December 16, 2016. 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 Reynaldo Cantu III, Internal Auditor I, at (956) 318-2511, 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: Valde Guerra, Commissioners Court Executive Officer
Roy Quintanilha, Chief, Adult Detention Division

HIDALGO COUNTY DISTRICT JUDGES

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

November 29, 2016

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

Re: Cash Count
Report No. 2016-64

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Bond "B" Trust account on October 26, 2016 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 \$669.00. 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. 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:

The "Cash Handling Guidelines and Procedures" acknowledgement receipts were not maintained on file for all employees responsible for handling cash. According to staff, employees responsible for receipting "B" collections consistently change; therefore, not all employees responsible for handling cash read the "Cash

HIDALGO COUNTY DISTRICT JUDGES

LUIS H. SINGLETERRY JUDGE, 12TH D.C. RODOLFO DELGADO JUDGE, 13TH D.C. J. R. "BOBBY" FLORES JUDGE, 13TH D.C. ROSE GUERRA REYNA JUDGE, 20TH D.C. JUAN R. PARTIDA JUDGE, 27TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 32ND D.C. HOE GONZALEZ JUDGE, 37TH D.C. LETICIA LOPEZ JUDGE, 38TH D.C. AIDA SALINAS FLORES JUDGE, 39TH D.C. ISRAEL RAMON, JR. JUDGE, 43RD D.C. JESSE CONTRERAS JUDGE, 44TH D.C. OVERSEER

Handling Guidelines and Procedures” and sign a receipt acknowledging their understanding of these guidelines and procedures.

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 employees responsible for handling cash are required to read and sign a receipt acknowledging their understanding of the guidelines and procedures increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the guidelines and procedures. In addition, the acknowledgment receipt should be maintained on file.


Please provide a written management response to the observation noted above by December 16, 2016.

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 December 16, 2016. 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, please contact Vivian Garza, Internal Auditor I, at (956) 318-2511, ext.4654, 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: Valde Guerra, County Executive Officer
Roy Quintanilha, Chief, Adult Detention Division

HIDALGO COUNTY DISTRICT JUDGES

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

November 29, 2016

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

Re: Cash Count
Report No. 2016-65

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Discharge "D" collections on October 26, 2016 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 observation.

Observation No. 1:

The "Cash Handling Guidelines and Procedures" acknowledgement receipts were not maintained on file for all employees responsible for handling cash. According to staff, employees responsible for receipting "D" collections consistently change; therefore, not all employees responsible for handling cash read the "Cash Handling Guidelines and Procedures" and sign a receipt acknowledging their understanding of these guidelines and procedures.

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS H. SIKLETERRY
JUDGE, 97th D.C.

RODOLFO DELGADO
JUDGE, 93rd D.C.

J. R. "BOBBY" FLORES
JUDGE, 129th D.C.

ROSE GUERRA REYNA
JUDGE, 204th D.C.

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

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

NOE DONAZALEZ
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, 448th D.C.

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 employees responsible for handling cash are required to read and sign a receipt acknowledging their understanding of the guidelines and procedures increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that employees handling cash are required to read and sign a receipt acknowledging their understanding of the guidelines and procedures. In addition, the acknowledgment receipt should be maintained on file.

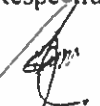
Please provide a written management response to the observation noted above by December 16, 2016.

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 December 16, 2016. 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, please contact Vivian Garza, Internal Auditor I, at (956) 318-2511, ext.4654, 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: Valde Guerra, County Executive Officer
Roy Quintanilha, Chief, Adult Detention Division

HIDALGO COUNTY DISTRICT JUDGES

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

November 16, 2015

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

Ref: Cash Count
Report No. 2016-66

Dear Commissioner Palacios:

We conducted a surprise cash count of the cash held at the Edinburg Sanitation Office on October 12, 2016 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 \$900.00. 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 were not utilized since they recently relocated to a new office where cameras were not installed.

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 83RD D.C.

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

POSE GUERRA REYNA
JUDGE, 208TH 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, 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 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 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 that each cashier does not reconcile their cash drawer against receipts issued and the change fund using the *Cashier's Daily Close out Report*. According to staff, the collections are reconciled; however the reconciliation is not documented separately by each cashier on a *Cashier's Daily Close out Report*.

The County Auditor's Office requires that each day, each cashier reconcile the cash drawer against receipts issued and the change fund using the Cashier's Daily Close out Report. The reconciliation must be witnessed by another person.

Failure to ensure that each cashier reconciles the cash drawer against receipts issued and the change fund using the Cashier's Daily Close out Report may result in the loss of County funds.

Recommendation:

Management should ensure that each cashier reconciles the cash drawer against receipts issued and the change fund using the Cashier's Daily Close out Report.

Please provide written management responses to the observations noted above by November 23, 2016.

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 November 23, 2016. 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.

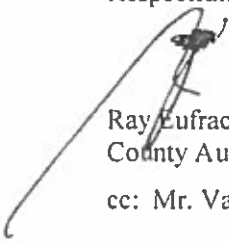
We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would

HIDALGO COUNTY DISTRICT JUDGES

Honorable Joseph Palacios
November 16, 2016
Page 3 of 3

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, 204TH 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, 419TH 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

December 19, 2016

Mr. Sergio Cruz, Budget Officer
Department of Budget and Management
2818 S. Business Highway 281
Edinburg, Texas 78539

Re: Cash Count
Report No. 2016-70

Dear Mr. Cruz:

We conducted a surprise cash count of the cash held at the Department of Budget and Management's Employee Benefits Section on November 10, 2016, 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 that security cameras were not utilized where cash is receipted and safeguarded. According to staff, the purchase of security cameras is not worth the cost due to minimal risk of loss of funds.

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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSÉ GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32ND D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

ADA SALINAS FLORES
JUDGE, 39TH D.C.

ISRAEL RAMON, JR.
JUDGE, 43RD D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

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 collections are received and safeguarded. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

According to staff, *Blueaccess*, a Blue Cross Blue Shield of Texas (BCBS) web-based health care coverage application system, does not prompt and require users to change passwords every 90 days; however, users may update passwords at any time on their own. According to staff, passwords are not changed every 90 days.

The Information Technology (IT) Securities Policy requires that passwords be changed at least every 90 days.

Failure to change passwords may increase the risk of unauthorized access to *Blueaccess*.


Recommendation:

Management should contact BCBS and request that *Blueaccess* be programmed to prompt and require users to change passwords every 90 days. If this is not feasible, management should monitor that employees change their passwords every 90 days.

Please provide a written management response to the observations noted above by January 16, 2017.

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 Reynaldo Cantu III, Internal Auditor I, at 318-2511 ext. 4653, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer
Flora Vasquez, Employee Benefits Division Director

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 87th D.C.

RODOLFO DELGADO
JUDGE, 87th D.C.

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

ROSE GUERRA REYNA
JUDGE, 204th D.C.

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

MARIO E. RAMIREZ, JR.
JUDGE, 332th 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.

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

November 29, 2016

Mr. Eduardo Olivarez, Chief Administrative Officer
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count
Audit No. 2016-73

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Environmental Health Division - On-Site Sewage Facilities - Edinburg location on November 10, 2016, 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 and the approved change fund. 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. Based on the results of our review, we have concluded that total cash on hand reconciled to 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 observation.

Observation No. 1:

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SHGLETERRY JUDGE, 92 ND D.C.	RODOLFO DELGADO JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 138 TH D.C.	ROSE GUERRA REYNA JUDGE, 208 TH D.C.	JUAN R. PARTIDA JUDGE, 273 RD D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	AIDA SALINAS FLORES JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	JESSE CONTRERAS JUDGE, 449 TH D.C.
--	---	---	--	--	--	---	--	--	--	--

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.

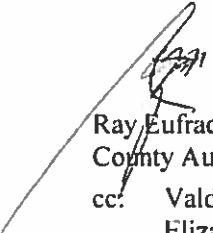
Recommendation:

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 a written management response to the observation noted above by December 19, 2016.

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 Letty Chavez, Compliance Audit Supervisor at (956) 318-2511, ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant County Auditor, at ext. 4668, or me at ext. 4604.

Respectfully,



Ray Eufrazio, CPA
County Auditor

cc: Valde Guerra, County Executive Officer
Elizardo Ramos, Environmental Health Services Division Manager

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 19th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 33rd D.C.

HDE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th 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

November 29, 2016

Mr. Eduardo Olivarez, Chief Administrative Officer
Hidalgo County Health and Human Services Department
1304 S. 25th Street
Edinburg, Texas 78539

Re: Cash Count
Audit No. 2016-74

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Environmental Health Division-Restaurant Health Permit Section on November 11, 2016 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 \$125.00. 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 observation.

Observation No. 1:

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

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERARY
JUDGE, 62nd D.C.

RODOLFO DELGADO
JUDGE, 63rd 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, 312nd D.C.

NOE GONZALEZ
JUDGE, 370th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388th D.C.

IDA BALINAS FLORES
JUDGE, 394th D.C.

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

JESSE CONTRERAS
JUDGE, 448th D.C.

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.

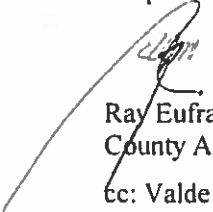
Recommendation:

Management should ensure that security cameras are utilized where cash is received 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.

Please provide a written management response to the observation noted above by December 19, 2016.

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 Letty Chavez, Compliance Audit Supervisor, at 318-2511 ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant County Auditor, at ext. 4668, 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, 12th D.C.

RODOLFO DELGADO
JUDGE, 19th D.C.

J. R. "BOBBY" FLORES
JUDGE, 119th D.C.

ROSE GUERRA REYNA
JUDGE, 204th D.C.

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

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

NOÉ 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, 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

December 21, 2016

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

Re: Cash Count
Audit No. 2016-76

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Investigative Fund account on November 29, 2016 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 approved petty cash fund less total outstanding expenditure vouchers as of the time of the cash count.

Scope:

The scope of our review was limited to a count of the cash on hand and total outstanding vouchers 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 approved petty cash fund less any total outstanding expenditure requests as of 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 a locked safe, proper authorization of voided transactions, and segregation of duties.

Conclusion:

Total cash on hand at the time of the cash count was \$9,915.00. Based on the results of our review, we have concluded that total cash on hand did reconcile to the total outstanding vouchers and the approved petty cash fund of \$10,000.00.

Please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of the petty cash fund by January 13, 2017. The written procedures manual should include, at a minimum, the following:

- a. An office organizational chart;
- b. A list of those positions involved with the handling of the petty cash fund, a description of their duties, and description of how segregation of duties will be maintained;
- c. A complete start to finish description of the following:
 1. Process for accounting and safeguarding of the petty cash fund;

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 PEÑA
JUDGE, 204TH D.C.

JUAN R. PARRIDA
JUDGE, 173RD D.C.

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 369TH D.C.

AIDA SALINAS FLORES
JUDGE, 394TH D.C.

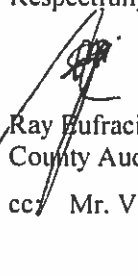
ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

JESSE CONTRERAS
JUDGE, 449TH D.C.

2. Process for reconciling the petty cash fund, including frequency of reconciliation;
 3. Bookkeeping system used, and how it is maintained; and
 4. Computer hardware and software used, if any.
- d. List of the reports prepared/generated for the collection and the reporting of the petty cash fund, including procedures for preparing the reports; who the reports should be submitted to, and when the reports are due; and
- e. 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 Vivian Garza, Internal Auditor I, at 318-2511 ext. 4654, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668, 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, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

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

HOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 381ST 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

December 21, 2016

Honorable Eddie Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Rd.
Edinburg, Texas 78541

Re: Cash Count
Report No. 2016-77

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Regular Trust account on November 29, 2016, 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, 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 Daily Mail Collection Report (mail log) was not used. In addition, the person responsible for opening the mail does not immediately endorse all checks/money orders. According to staff, a mail log is not used and checks are not immediately endorsed since the mail is opened by the Sheriff's Secretary. Mail payments are immediately distributed to the cashier to receipt.

The County Auditor's Office requires that mail be opened promptly with two people present. Payments received through the mail should be recorded on the *Daily Mail Collection Report* (mail log). In addition, payments received through the mail should be processed on the same day they are received, in an area being monitored. Any exceptions

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 33RD D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

AIDA SALINAS FLORES
JUDGE, 38TH D.C.

ISRAEL RAMON, JR.
JUDGE, 43RD D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

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 mail:

- a. 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).
- b. The person responsible for opening the mail and listing incoming mail on the mail log should note the following on the mail log: date received; the name of the payer; check/money order number; and amount. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the mail log.
- c. The person responsible for issuing receipts should enter the receipt date and receipt number issued for the mail-in payment on the mail log.
- d. A person other than the person responsible for issuing receipts should verify that an official County receipt was issued for each incoming mail-in payment. The person conducting this verification should provide his/her signature on the mail log as acknowledgment of the verification.
- e. Receipts for payments received through the mail should be sent to the payer if a stamped, self-addressed envelope is included with the payment; otherwise, the department should place the copy of the payer's receipt in the applicable file.
- f. Checks received by a department for which the payee line is blank or made payable to another department may be stamped, restrictively endorsed, and deposited by the department when they are verified by a supervisor to be a proper payment to the department; otherwise, they must be returned to sender.
- g. Stale-dated checks must not be accepted and returned to the sender.

Failure to properly process mail-in payments may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a mail log is used to document all payments received through the mail. At a minimum, procedures noted above should be implemented.

Observation No. 2:

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 maintained. According to staff, they were not aware that a hot checks listing needed to be maintained.

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 compile a "hot check" listing from prior "hot check" occurrences and update the listing as necessary. The hot check list should be referenced when receiving checks from customers.

Please provide written management responses to the observations noted above by January 13, 2017.

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 January 13, 2017. These procedures should include, at a minimum, the following:

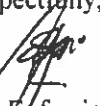
- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- 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

HIDALGO COUNTY DISTRICT JUDGES

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 Vivian Garza, Internal Auditor I, at 318-2511 ext. 4654, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, at ext. 4668 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, 322ND D.C.

NOE GONZALEZ
JUDGE, 379TH D.C.
CVFR6FFR

LETICIA LOPEZ
JUDGE, 389TH D.C.

AIDA SALINAS FLORES
JUDGE, 398TH D.C.

ISRAEL RAMON, JR.
JUDGE, 436TH 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

December 21, 2016

Honorable Eddie Guerra, Sheriff
Hidalgo County Sheriff's Office
711 El Cibolo Rd.
Edinburg, Texas 78541

Re: Cash Count
Report No. 2016-78

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Fee account on November 29, 2016, 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 \$105.00. 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 the approved change fund of \$100.00. However, the system of internal controls for the collection and safeguarding of cash requires improvement as noted in the following observations.

Observation No. 1:

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 maintained. According to staff, they were not aware that a hot checks listing needed to be maintained.

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

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, 204TH 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.

Recommendation:

Management should compile a "hot check" listing from prior "hot check" occurrences and update the listing as necessary. The hot check list should be referenced when receiving checks from customers.

Observation No. 2:

We noted during our review that a Daily Mail Collection Report (mail log) was not used. In addition, the person responsible for opening the mail does not immediately endorse all checks/money orders. According to staff, a mail log is not used and checks are not immediately endorsed since the mail is opened by the Sheriff's Secretary. Mail payments are immediately distributed to the cashier to receipt.

The County Auditor's Office requires that mail be opened promptly with two people present. Payments received through the mail should be recorded on the *Daily Mail Collection Report* (mail log). In addition, payments received through the mail should be processed on the same day they are received, in an area being monitored. 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 mail:

- a. 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).
- b. The person responsible for opening the mail and listing incoming mail on the mail log should note the following on the mail log: date received; the name of the payer; check/money order number; and amount. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the mail log.
- c. The person responsible for issuing receipts should enter the receipt date and receipt number issued for the mail-in payment on the mail log.
- d. A person other than the person responsible for issuing receipts should verify that an official County receipt was issued for each incoming mail-in payment. The person conducting this verification should provide his/her signature on the mail log as acknowledgment of the verification.
- e. Receipts for payments received through the mail should be sent to the payer if a stamped, self-addressed envelope is included with the payment; otherwise, the department should place the copy of the payer's receipt in the applicable file.
- f. Checks received by a department for which the payee line is blank or made payable to another department may be stamped, restrictively endorsed, and deposited by the department when they are verified by a supervisor to be a proper payment to the department; otherwise, they must be returned to sender.
- g. Stale-dated checks must not be accepted and returned to the sender.

Failure to properly process mail-in payments may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a mail log is used to document all payments received through the mail. At a minimum, procedures noted above should be implemented.

Please provide written management responses to the observations noted above by January 13, 2017.

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 January 13, 2017. These procedures should include, at a minimum, the following:

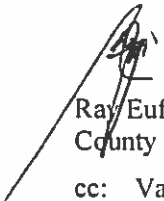
- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- 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;

HIDALGO COUNTY DISTRICT JUDGES

- 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 Vivian Garza, Internal Auditor I, at 318-2511 ext. 4654, Letty Chavez, Compliance Audit Supervisor, at ext. 4651, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, Linda Fong, First Assistant Auditor, 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.
DVF85FFR

LETICIA LOPEZ
JUDGE, 389TH D.C.

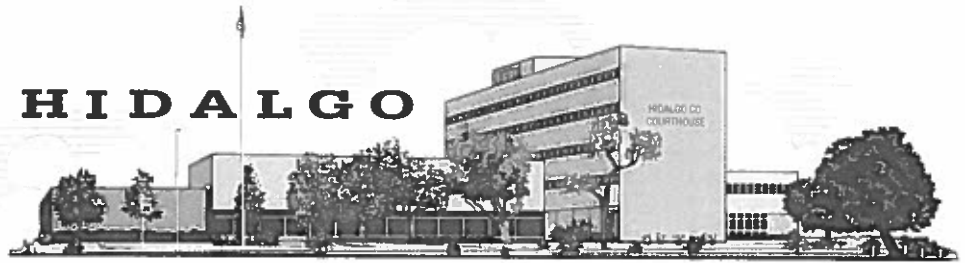
AIDA SALINAS FLORES
JUDGE, 398TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

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

December 21, 2016

Mr. Homero Garza, Fire Marshal
Hidalgo County Fire Marshal's Office
1903 N. Knights Drive
Pharr, Texas 78577

Re: Cash Count
Audit No. 2016-79

Dear Mr. Martinez:

We conducted a surprise cash count of the cash held at your office on December 6, 2016 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. Based on the results of our review, we have concluded that total cash on hand reconciled to 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:

Separate locked cash drawers were not maintained by each employee responsible for handling collections. Instead, the Deputy Fire Marshals collect and receipt payments and transfer the collections to the Administrative Assistant II or Clerk III to place in the locked cash drawer. According to staff, it is not feasible for each employee to have a locked cash box since a change fund would need to be assigned to each employee and nine cash boxes would need to be consolidated at the end of the day.

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH 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, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 436TH D.C.

JESSE CONTRERAS
JUDGE, 448TH D.C.

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. In the alternative, if a locked cash drawer cannot be assigned to each employee, collections should only be received by either the Administrative Assistant II or Clerk III.

Observation No. 2:

Procedures for safeguarding receipts require improvements as noted below:

1. An inventory log of receipts held by the department is not maintained; and
2. All Deputy Fire Marshals have access to unused receipts in the office.

According to staff, since receipts are used by all the Deputy Fire Marshals, the receipts need to be easily accessible; however, as of December 7, 2016, the Fire Marshal's Office will safeguard unused receipts in a safe and implement the use of an inventory log for the receipts.

The County Auditor's Office requires that an inventory log of receipts held by the department be maintained. The inventory log should include the receipt number sequence, the date receipts were issued for use, name of the person receiving the receipts, and the date receipts were returned. Furthermore, unused receipts should be safeguarded under lock and key. Access to the unused receipt books should be limited to as few employees as possible.

Failure to safeguard unused receipts may result in the loss or misuse of County funds.

Recommendation:

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

Observation No. 3:

We noted that security cameras were not installed in areas where cash collections and receipts are received and safeguarded. According to staff, cameras are not installed since they recently moved into a new building.

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 ensure that security cameras are utilized where cash is receipted and safeguarded.

Please provide written management responses to the observations noted above by January 13, 2017.

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;

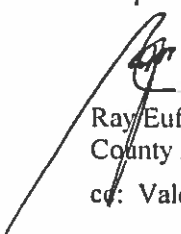
HIDALGO COUNTY DISTRICT JUDGES

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 a copy of the written procedures by January 13, 2017.

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 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, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 31st D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th 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

December 21, 2016

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

Ref: Cash Count
Report No. 2016-80

Dear Mr. Arredondo:

We conducted a surprise cash count of the cash held at the Planning Department's Edinburg Office on December 12, 2016 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 \$255.00. 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 \$225.00. 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 are installed in areas where cash collections and receipts are received and safeguarded; however, a notice stating that the area is being monitored by a security camera was not posted. According to staff, they are not authorized to place any notices up without the Health Department's approval.

The County Auditor's Office requires that a notice stating that an area is being monitored by a security camera be posted at the entrance to the area being monitored.

Failure to ensure that a notice stating that an area is being monitored by a security camera is posted increases the risk of loss or misuse of County funds.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

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

ROSE QUERRA REYNA
JUDGE, 206th D.C.

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

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

NOÉ GONZALEZ
JUDGE, 378th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 381th D.C.

AIDA SALINAS FLORES
JUDGE, 384th D.C.

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

JESSE CONTRERAS
JUDGE, 448th D.C.

Recommendation:

Management should ensure that a notice stating the area is being monitored by security cameras is posted at the entrance to the area being monitored.

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. In addition, according to staff, a new information system for the Building Permit Tracker is being developed that will require a unique username and password.

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. Management should contact the Information Technology Department to request their assistance regarding this observation.

Please provide written management responses to the observations noted above by January 13, 2017.

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. 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 January 13, 2017. 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, Linda Fong, First Assistant, at ext. 4668, 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, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

IDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 48th 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

November 30, 2016

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. 2016-530

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the San Juan Motor Vehicle Substation on August 25, 2016, 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 \$21,162.19. 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, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. BOBBY FLORES
JUDGE, 13TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

JUAN R. PARTIDA
JUDGE, 27TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 33RD D.C.

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 39TH D.C.

AIDA SALINAS FLORES
JUDGE, 39TH D.C.

ISRAEL RAMON, JR.
JUDGE, 43RD D.C.

JESSE CONTRERAS
JUDGE, 44TH D.C.

The County Auditor's Office requires that cashiers be prohibited from issuing cash refunds for overpayments made by 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:

During the review, it was noted that credit card transactions can be reversed. Management informed us that Hamer Enterprises provided them with an online portal in which supervisors were given the ability to reverse same-day credit card transactions. Management informed us that reversals are done when the incorrect amount was processed on the transaction or when an individual wanted to cancel the transaction.

The County Auditor's Office requires that credit card transaction reversals be prohibited. Prior to taking a credit card payment, the amount being charged to the credit card should be checked to ensure that it is accurate. If after the payment has been processed, it is determined that the credit card transaction amount is incorrect, then the difference should be treated as an overpayment. If a refund needs to be issued, the refund should not be credited back to the individuals' credit card through a reversal; instead it must follow the same procedures as any other refund and be issued by check.

Failure to ensure that credit card transactions are not reversed and access to the online portal is revoked may result in the loss of County funds.

Recommendation:

Management should ensure that credit card transactions are not reversed and access to the online portal is revoked. If a refund is due to the payer, it must be processed as a refund check.

Observation No. 3:

We noted that checks received for payment were made payable to either Hidalgo County Tax Assessor Pablo "Paul" Villarreal Jr.; Pablo (Paul) Villarreal Jr. Assessor & Collector; or Pablo (Paul) Villarreal Jr. PCC. In addition, signs were posted for the public's view instructing them to make checks payable to "Pablo (Paul) Villarreal Jr. Tax Assessor & Collector.

On March 7, 2016, the County Auditor issued a letter to the Tax Assessor requiring cashiers to verify that checks are made payable to the Elected or Public Official's title (i.e. Hidalgo County Tax Assessor/Collector) prior to accepting a check as payment.

Failure to ensure to ensure that checks are made out to the Elected Official's title (i.e., Hidalgo County Tax Assessor/Collector) increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that checks are made out to the Elected Official's title (i.e., Hidalgo County Tax Assessor/Collector).

Observation No. 4:

We noted during our review that cashiers accepted three over-the-counter checks on August 24, 2016 dated August 16, 2016, August 18, 2016, and August 19, 2016. According to the Supervisor, checks accepted over-the-counter should be dated with the date payment was received; however, acceptance of the checks may have been an oversight.

The County Auditor's Office requires that, prior to accepting a check for payment; the cashier must verify that the date on the check is the day that payment is presented. Stale-dated or post-dated checks may not be accepted.

HIDALGO COUNTY DISTRICT JUDGES

Failure to verify that checks accepted as payments are dated the date received may result in the loss of County funds.

Recommendation:

Management should ensure that staff verifies that checks accepted as payment are dated the date received.

Observation No. 5:

Passwords to gain access to *Hamer Enterprises*, the credit card processing system, and *Scofflaw Case Management System* are not changed at least every 90 days. According to staff, the site does not prompt them to change their password; therefore, they do not need to update it.

The Information Technology (IT) Securities Policy requires that usernames passwords not be shared and passwords be changed at least every 90 days.

Failure to change passwords at least every 90 days may increase the risk of unauthorized access to *Hamer Enterprises* and *Scofflaw Case Management System*.

Recommendation:

Management should ensure that passwords are changed at least every 90 days.

Observation No. 6:

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 has not been requested from the Edinburg Main Office. Since payments received by check are minimal and personal checks are not accepted, 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 increases the risk of loss of County funds.

Recommendation:

Management should ensure that all Motor Vehicle locations have an updated listing of the names of customers whose checks have been returned by the bank due to insufficient funds, closed accounts, unauthorized signatures, etc.

Please provide written management responses to the observations noted above by December 22, 2016.

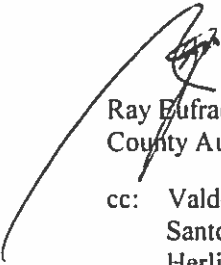
In addition, please provide us with copies of updated written procedures and internal controls, if any, established by your department for the handling of cash and cash equivalent transactions by December 22, 2016. The written procedures manual should include, at the minimum, the following:

- a. An office organizational chart;
- b. 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;
- c. 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
- d. Computer hardware and software used;
- e. 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;
- f. A schedule of how often deposits will be made; and
- g. 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 Alejandra Santa Ana, MSA, Internal Auditor I, at (956) 318-2511, ext. 4647, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Arcy B. Duran, Director of Audit, at ext. 4645, or me at ext. 4604.

Respectfully,



Ray Eufrazio, 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
JUDGE, 208TH 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, 396TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-3587
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

November 29, 2016

The Honorable Jesus E. Morales
Justice of the Peace, Pct. 1, Pl. 2
1902 Joe Stephens, Suite 302
Weslaco, Texas 78596

Re: Cash Count
Report No. 2016-536

Dear Judge Morales:

We conducted a surprise cash count of the cash held at your office on October 17, 2016, 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 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 September 1, 2016 through September 30, 2016. 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 collections at the time of the cash count were \$240.20. 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 87th 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, 391st D.C.

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

JESSE CONTRERAS
JUDGE, 449th D.C.

Observation No. 1:

Although a mail log is prepared, the mail log is not properly completed. The department does not add the receipt number after checks and or money orders have been received in *Odyssey*. According to the Court Coordinator, the receipt number is not added due to time constraints.

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. If no mail-in payments are received, a mail log should nonetheless be prepared to indicate that no payments were received.

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. 2:

We noted during our review that a current sample of the official County receipt was not posted for the public's view. According to staff, they were not aware that the notice had to be updated with a current Official receipt.

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

Recommendation:

Management should ensure that the current sample official County receipt be posted for the public's view.

Observation No. 3:

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 the Court Coordinator, the court was under the impression that this was an additional log that needed to be completed. The Court Coordinator was advised that this list can be obtained through 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 ensure a hot check list is maintained and referenced when receiving checks from customers may result in the loss of County funds.

Recommendation:

Management should ensure a hot check list is maintained and referenced when receiving checks from customers. A copy of the hot check list should be requested from the County Treasurer's Office. Checks from customers on the hot check list should not be accepted.

Observation No. 4:

We noted during our review that segregation of duties over the handling of collections requires improvement. The Court Coordinator performs 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, 396TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

- Custody: Receives money, issues receipts, maintains a cash drawer, and balances copies of receipts against the cash drawer
- Recording: Accounts for numerical sequence of cash receipts, maintains inventory log of unused cash receipts, has access to dismiss cases on *Odyssey*, and prepares the monthly report
- Authorization: Verifies that voided original receipts are kept and reviewed

According to the Court Coordinator, due to a heavy case load and limited number of staff, proper segregation of duties over the handling of collections has not been implemented.

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, maintaining a cash drawer, and balancing copies of receipts against the cash drawer should be different from the individual responsible for accounting for numerical sequence of cash receipts, maintaining the inventory log of unused cash receipts, having access to dismiss cases on *Odyssey*, and preparing the monthly report. In addition, the individuals previously noted should not be 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 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 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.

Observation No. 5:

We noted during our review that mail-in payments were not immediately restrictively endorsed "For Deposit Only." According to the Court Coordinator, mail-in payments are restrictively endorsed by the Cashier and not the person responsible for opening the mail.

The County Auditor's Office requires that all checks received be immediately restrictively endorsed by the person responsible for opening the mail.

Failure to ensure that checks accepted as payment are immediately restrictively endorsed "For Deposit Only" may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that checks accepted as payment are immediately restrictively endorsed "For Deposit Only" by the person responsible for opening the mail.

Observation No. 6:

We randomly selected 30 of 307 dismissed criminal cases for the month ended September 30, 2016 to determine if authorization for dismissal of the cases was properly documented. The results of the review revealed the following:

1. 2 dismissals were not properly documented. The dismissals were pending the signed "Motion and Order to Dismiss".

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

AJAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 48th D.C.

2. 28 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.

According to the Court Coordinator, the cases are dismissed as soon as proper documents are received from the District Attorney's Office.

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. 7:

Passwords to gain access to *Hamer*, the County's credit card system, are not changed at least every 90 days. According to staff, *Hamer* has not been programmed to prompt and require users to change passwords at least every 90 days.

The Information Technology (IT) Securities Policy requires that passwords be changed at least every 90 days.

Failure to change passwords may increase the risk of unauthorized access to *Hamer*.

Recommendation:

Management should contact the Information Technology Department to request their assistance regarding this recommendation. If this is not feasible, management should monitor that employees change their passwords at least every 90 days.

Please provide written management responses to the observations noted above by December 22, 2016.

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. Location of cash collection points;
- b. Types of collections made by each cash collection point;
- c. 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;
- 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;

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, 394TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

5. Bookkeeping system used, and how it is maintained; and
6. Computer hardware and software used;
- e. 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;
- f. A schedule of how often deposits will be made; and
- g. Copies of any related forms/reports.

Please provide a copy of the written procedures by December 22, 2016.

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 Mirjam Sinder, Internal Auditor I, at 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 Eufrazio, CPA
County Auditor

cc: Mr. Valde Guerra, Commissioners Court Executive Officer
Mr. Renán Ramirez, 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, 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.

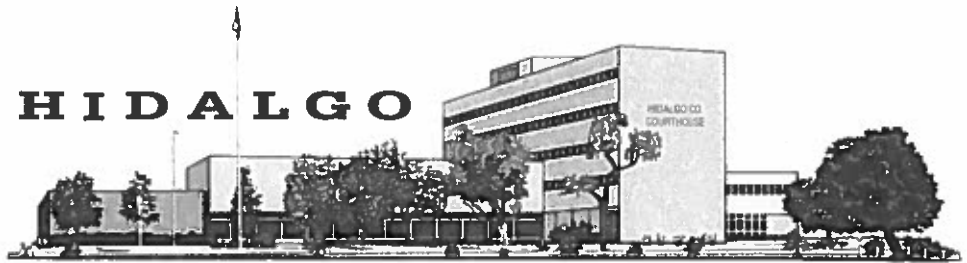
ADA SALINAS FLORES
JUDGE, 398TH D.C.

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

November 29, 2016

The Honorable Bobby Contreras
Justice of the Peace, Pct. 2, Pl. 1
300 W. Hall Acres, Suite F
Pharr, Texas 78577

Re: Cash Count
Report No. 2016-537

Dear Judge Contreras:

We conducted a surprise cash count of the cash held at your office on September 22, 2016 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 August 1, 2016 through August 31, 2016. 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 \$510.10. 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 Observation 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:

A check dated August 12, 2016 in the amount of \$41.00 was pending to be receipted at the time of the cash count. The check was kept in the same drawer as checks that had already been receipted. According to the cashier, the check was received through the mail on September 21, 2016.

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.

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 97TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 118TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH 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, 394TH D.C.

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

JESSE CONTRERAS
JUDGE, 448TH D.C.

Failure to ensure that cash is promptly received may result in the loss or misuse of County.

Recommendation:

Management should ensure that the all cash received be promptly received.

Observation No. 2:

A schedule of authorized fines and fees was not posted in a conspicuous location for the public's view. According to staff, the office does not have a schedule of fines and fees available for posting.

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 Justice of the Peace pursuant to state statutes and Commissioners Court approval.

Failure to post a schedule of authorized fines and fees in a conspicuous location increases the risk of loss or misuse of County funds.

Recommendation:

Management should develop and post a schedule of authorized fines and fees in a conspicuous location for the public to see.

Observation No. 3:

We noted during our review that the "Cash Handling Guidelines and Procedures Receipt Acknowledgement" forms (acknowledgement receipts) for four employees responsible for handling cash, including the Justice of the Peace, were not maintained on file. According to the Court Coordinator, she was not in possession of a blank copy of the "Cash Handling Guidelines and Procedures Receipt Acknowledgement" for new employees to sign. After the cash count she was able to locate a blank copy of the form and had the new employees sign it and submitted copies to the County Auditor's Office. According to the Court Coordinator, the Justice of the Peace has not signed one.

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.

Failure to maintain the acknowledgement receipts as proof that employees, including the Justice of the Peace, were trained regarding proper cash handling procedures increases the risk of loss or misuse of County funds.

Recommendation:

Management should maintain the acknowledgement receipts on file as proof that all employees, including the Justice of the Peace, were trained regarding proper cash handling procedures.

Observation No. 4:

Although security cameras are utilized, the security cameras are not utilized where cash is received and safeguarded. The Court Coordinator could not provide a response as to why the recommendation has not been implemented.

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

Recommendation:

Management should ensure that the security cameras are installed in areas where cash collections are received and safeguarded.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 5:

A notice stating that an area is being monitored by a security camera was not posted in a conspicuous location for the public's view. According to staff, the notice was posted by the Information Technology Department on the outside of the building.

The County Auditor's Office requires that a notice stating that an area is being monitored by a security camera 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 an area is being monitored by a security camera is posted in a conspicuous location for the public's view.

Observation No. 6:

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 has not been requested from the County Treasurer's Office. According to staff, only checks received from businesses and/or attorneys are accepted. Since payments received by check are minimal and personal checks are not accepted, 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 undeposited collections were not always placed in a locked cash drawer. According to staff, the cashiers place payments received in their desk until it is time to reconcile at the end of the day. Not all of the cashier's desks are locked when they are away from their desk and some remain unlocked throughout the day. In addition, personal belongings are kept in the desk drawer as well. According to the Court Coordinator, staff was subsequently asked to remove personal items and provided with a key to their desk drawer.

The County Auditor's Office requires for all cash to be protected immediately by using a cash drawer, safe, or other secure place until it is deposited. A secure area for processing and safeguarding cash received, petty cash funds, change funds, and unissued receipts must be provided and restricted to authorized personnel.

Failure to ensure that a locked cash drawer is maintained by each employee responsible for handling collections may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a locked cash drawer is assigned to each employee responsible for handling collections. At a minimum, the procedures noted above should be implemented.

Observation No. 8:

A mail log was not utilized to record payments received through the mail. According to staff, a mail log is not prepared due to limited staff and time and the quantity of mail received.

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.

HIDALGO COUNTY DISTRICT JUDGES

Failure to ensure that a daily mail log is prepared to record payments received through the mail may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that a daily mail log is prepared to record payments received through the mail. 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:

A notice stating "Make sure you receive an official county receipt when making payments at this office" was posted; however, it did not contain a sample of the current receipt being issued by the department. According to the Court Coordinator, staff does not have time to update the receipt.

The County Auditor's Office requires that a notice stating "Make sure you receive an official County receipt when making payments at this office" must be posted in a place visible to the public near cashiers. A sample of the official County receipt issued by the department must be posted by the notice so the public will know what type of receipt to expect.

Failure to post the required notice along with a sample of the official County receipt issued by the department increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that a poster stating "Make sure you receive an official county receipt when making payments at this office" is posted with a sample of the receipt being issued by the department in a conspicuous location for the public's view.

Observation No. 10:

We noted during our review that collections are not consistently transported to the bank in a locked cash bag. According to the Court Coordinator, the court mainly receives money orders; therefore, locked cash bags are not needed to transport deposits to the bank.

The County Auditor's Office requires that cash be secured in a locked cash bag when transporting deposits to the bank. 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 utilize a locked cash bag when transporting deposits may result in the loss of County funds.

Recommendation:

Management should ensure a locked cash bag is utilized when transporting deposits to the bank. At a minimum, the procedures noted above should be implemented.

Observation No. 11:

We noted during our review that segregation of duties over the handling of collections requires improvement. The Court Coordinator performs the following incompatible duties:

- o Custody: Receives money, issues receipts, opens and lists mail receipts, balances copies of receipts against cash drawer, maintains a cash drawer, and prepares bank deposits
- o Recording: Accounts for numerical sequence of cash receipts, has access to dismiss cases in *Odyssey*, prepares monthly reports, and prepares billings for delinquencies (courtesy letters).
- o Approving: Compares bank deposit receipts to bank statement and verifies that voided receipts are kept and reviewed

The Assistant Court Coordinators perform the following incompatible duties:

- o Custody: Receive money, issue receipts, open and list mail receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and prepare bank deposits
- o Recording: Account for numerical sequence of cash receipts, have access to dismiss cases in *Odyssey*, and prepare billings for delinquencies (courtesy letters).

HIDALGO COUNTY DISTRICT JUDGES

- o Approving: Compare bank deposit receipts to bank statement and verifies that voided receipts are kept and reviewed

According to staff, due to a heavy case load and limited number of staff, proper segregation of duties over the handling of collections has not been implemented. In addition, all employees are cross trained and are able to perform each other's job. The Assistant Court Coordinators now share a lot of duties with the Court Coordinator.

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 against cash drawer, maintaining a cash drawer, and preparing bank deposits should be different from the individual accounting for numerical sequence of cash receipts, having access to dismiss cases in Odyssey, preparing monthly reports, and preparing billings for delinquencies (courtesy letters). In addition, the individuals previously noted should not be responsible for comparing bank deposit receipts to bank statement and verifying that 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 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.

Observation No. 12:

Passwords to gain access to *Hamer*, the County's credit card system, are not changed at least every 90 days. According to staff, *Hamer* has not been programmed to prompt and require users to change passwords at least every 90 days.

The Information Technology (IT) Securities Policy requires that passwords be changed at least every 90 days.

Failure to change passwords may increase the risk of unauthorized access to *Hamer*.

Recommendation:

Management should contact the Information Technology Department to request their assistance regarding this recommendation. If this is not feasible, management should monitor that employees change their passwords at least every 90 days.

Observation No. 13:

At the time of the cash count, there were no appeal bonds on hand. However; according to staff, when appeal bonds are received, an official County receipt is not issued. The appeal bonds are made payable to the County Clerk's Office. According to staff, all documentation received including the check is scanned into the case in *Odyssey*. Subsequently, the check is stapled to the paperwork and placed into a sealed envelope which is delivered by a Deputy Constable to the County Clerk's Office. The Deputy is not required to sign the checks out on a log; however, the Deputy will call the Justice of the Peace office to notify them who the paperwork was dropped off with. Staff indicated that it does not take longer than 1 day before the bonds are delivered to the County Clerk's Office. A receipt for the appeal bond is not issued to the Justice of the Peace by the County Clerk's office.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 13th D.C.

J. R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 32nd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th D.C.

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.

Observation No. 14:

We noted that some checks received for payment by mail were made payable to "Justice Court Clerk, Hidalgo County". Furthermore, four checks received by mail were stale dated; August 11, 2016 (1), August 12, 2016 (1), August 26 (1), and August 29, 2016 (1); and receipted on September 22, 2016. According to staff, they cannot alter checks received by mail. In addition, the court is not in possession of a stamp with the Elected Official's title, to stamp above incorrectly filled out checks.

Pursuant to Local Government Code Sec. 112.002 and 112.006, the county auditor has financial oversight for all county offices and may dictate the accounting procedures and internal controls to be implemented by each county office. As such, the County Auditor has set up procedures requiring that cashiers, prior to accepting a check as payment, verify that the check is made payable to the Elected or Public Official's title (i.e., Hidalgo County Tax Assessor/Collector). In addition, the cashier must verify that the check contains a date that is not stale or post-dated. In addition, 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 checks are made out to the Elected Official's title (i.e., Hidalgo County Justice of the Peace) and properly dated may increase the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that checks are made out to the Elected Official's title (i.e., Hidalgo County Tax Justice of the Peace), properly dated and promptly receipted.

Observation No. 15:

According to staff, when accepting checks as payment, cashiers are not required to ensure that the payer's driver's license number and date of birth are pre-printed or recorded on the face of the check. Staff is only required to verify that the payer's name, address, 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 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. In addition, the District Attorney requires the driver's license number, date of birth and phone number if the check is submitted to the District Attorney's Hot Check Division for collection purposes.

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 of County funds if the checks are returned non-sufficient funds and are unable to file with the District Attorney's Office for lack of information .

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 written management responses to the observations noted above by December 22, 2016. 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:

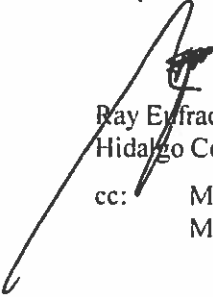
HIDALGO COUNTY DISTRICT JUDGES

- 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 December 22, 2016.

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 Mirjam Sinder, Internal Auditor I, at 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 E. Fracacio, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, Commissioners Court Executive Officer
Mr. Renán Ramirez, Chief Information Officer

HIDALGO COUNTY DISTRICT JUDGES

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

RODOLFO DELGADO
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

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

NOÉ GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 380TH D.C.

AIDA BALINAS FLORES
JUDGE, 398TH D.C.

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

JESSE CONTRERAS
JUDGE, 440TH D.C.

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

December 14, 2016

The Honorable Laura Hinojosa
Hidalgo County District Clerk
100 N. Closner
Edinburg, TX 78539

Re: Cash Count
Report No. 2016-543

Dear Ms. Hinojosa:

We conducted a surprise cash count of the cash held at your office on September 15, 2016 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 \$2,456.00. Based on the results of the 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 and the approved change fund of \$450.00 (see observation numbers 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:

Total receipts for the day up to the time of the cash count did not reconcile to the cash on hand. Cash on hand was over by \$1,389.00. The overage consisted of 4 money orders received as child support payments that were made payable to the "Texas Child Support Disbursement Unit". According to staff, the child support payments are

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	RODOLFO DELGADO JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 138 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	JUAN R. PARTIDA JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 385 TH D.C.	AIDA SALINAS FLORES JUDGE, 396 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	JESSE CONTRERAS JUDGE, 448 TH D.C.
---	---	---	--	--	--	---	--	--	--	--

forwarded to the Texas Child Support Disbursement Unit; however, an official County receipt is not issued. This practice was implemented based on a verbal agreement made between Judge Maria Leos and the District Clerk to accept and forward child support payments to the Texas Child Support Disbursement Unit.

The County Auditor's Office requires that all payments, including mail-in payments, be promptly recorded and controlled using pre-numbered official County receipts.

Failure to ensure that payments, including mail-in payments, are promptly receipted and controlled using pre-numbered official County receipts may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that payments are promptly receipted and controlled using pre-numbered official County receipts. In the alternative, the payors should submit child support payments to the Texas Child Support Disbursement Unit.

Observation No. 2:

The Special Registry Account change fund of \$50.00 had a \$5.00 shortage. According to staff, the change fund is not accounted for during the daily cash reconciliation process and staff did not recall the last time the change fund was utilized. Subsequent to the cash count, the \$5.00 shortage was replenished by staff.

The County Auditor's Office requires that the cashier reconcile the cash drawer against receipts issued and/or the change fund on a daily basis utilizing the *Cashier's Daily Cash Fund Report*.

Failure to ensure that cashiers account for the change fund as part of the daily reconciliation process increases the risk of loss or misuse of the County funds.

Recommendation:

Management should ensure that cashiers account for the change fund as part of the daily reconciliation process. If the change fund is not needed, the change fund should be returned to the County Treasurer's Office.

Observation No. 3:

Passwords to gain access to the Jury System, the electronic system used to randomly select jurors, are not changed at least every 90 days. According to staff, the Jury System is linked to the Windows password; however, the system does not prompt the users to change passwords at least every 90 days.

The Information Technology (IT) Securities Policy requires that passwords be changed at least every 90 days.

Failure to change passwords may increase the risk of unauthorized access to the Jury System.

Recommendation:

Management should contact the applicable software providers to request that the Jury System be programmed to prompt and require users to change passwords at least every 90 days.

Please provide written management responses to the observations noted above by January 6, 2017.

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. 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;

HIDALGO COUNTY DISTRICT JUDGES

- 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 January 6, 2017.

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 Marissa Castillo, Internal Auditor I, at 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/ Valde Guerra, Commissioners Court Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	RODOLFO DELGADO JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 136 TH D.C.	ROSE GUERRA REYNA JUDGE, 204 TH D.C.	JUAN R. PARTIDA JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 369 TH D.C.	AIDA SALINAS FLORES JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	JESSE CONTRERAS JUDGE, 449 TH 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

November 29, 2016

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. 2016-549

Dear Mr. Olivarez:

We conducted a surprise cash count of the cash held at the Hidalgo Health Clinic on November 1, 2016 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 \$75.00. 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, 204TH 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.

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 received 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.

Observation No. 3:

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. In addition, the bank should have the keys to the cash bag that are utilized for making deposits.

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

Please provide written management responses to the observations noted above by December 22, 2015. In addition, information regarding the items listed below was previously provided to our office; however, please provide any updated procedures, if applicable, by December 22, 2015.

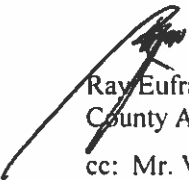
- a. An office organizational chart;
- b. Location of cash collection points;
- c. Types of collections made by each cash collection point;
- d. A list of those positions involved with the handling of cash, a description of their duties, and description of how segregation of duties will be maintained;
- 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

- 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, 52ND D.C.

RODOLFO DELGADO
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 129TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

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

MARCO 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.

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

December 13, 2016

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

Re: Cash Count
Audit No. 2016-557

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Edinburg Tax Office on September 12, 2016 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 \$456,468.73. 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 and the approved change fund of \$5,600.00 (see Observation 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:

Total cash on hand at the time of the cash count exceeded receipts issued by \$56,660.48 due to the following:

- 56 mail-in payments held by the Executive Assistant totaling \$56,594.45 received between May 31, 2016 and August 31, 2016 had not been receipted since a tax account number had not been provided

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12TH D.C.

RODOLFO DELGADO
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 119TH 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, 391TH D.C.

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

JESSE CONTRERAS
JUDGE, 449TH D.C.

or the tax account did not have an outstanding balance. According to staff, the checks were pending to be returned to the payer. Of the 56 mail-in payments:

- o 48 checks were stamped with the date received and included on the log of checks submitted to the Executive Assistant (2 checks were subsequently received on October 4, 2016 and on October 7, 2016).
- o 5 checks were not stamped with the date received but were included in the log of checks submitted to the Executive Assistant.
- o 3 checks were stamped with the date received but were not included on the log of checks submitted to the Executive Assistant.
- 2 mail-in payments held by a cashier totaling \$66.27 received between September 8, 2016 and September 12, 2016 had not been receipted. As of today, we have not received supporting documentation to ensure a receipt was issued for each of the payments.
- Cashier shortage for collections received on September 9, 2016 in the amount of \$0.24.

The County Auditor's Office requires that all payments, including mail-in payments, be promptly recorded and controlled using pre-numbered official County receipts. Collections must be deposited on a daily basis, unless the amount collected is less than \$100.00. If a payment discrepancy occurs (i.e. lack of tax account number, tax account paid in full, etc.), a pre-numbered manual Official County receipt should be issued. Once the discrepancy is resolved, an Official County receipt from the electronic receipting system should be issued and refund check issued, if applicable. In the alternative, the department may return the payment to the sender. If the department returns the payment, a log should be utilized to document the return of checks that includes: the name of the person/entity to whom the check is returned; return address; check date; check amount; date returned; and reason for return. A copy of all checks returned should be maintained on file.

Failure to ensure that all payments are promptly receipted and deposited may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all payments are promptly receipted and deposited. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted during our review that mail-in payments held by the Executive Assistant pending to be returned to the payer are not adequately safeguarded. The checks are kept in the Executive Assistant's desk until they are mailed back to the payer.

The County Auditor's Office requires all cash must be protected immediately by using a locked cash drawer, safe, or other secure place until it is deposited.

Failure to adequately safeguard collections may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all collections are adequately safeguarded until they are receipted and deposited or returned to the payer.

Observation No. 3:

We noted during our review that a mail log was not utilized to record payments received through the mail. In addition, mail-in payments were not immediately restrictively endorsed "For Deposit Only". Furthermore, the mail-in payments were not safeguarded in a locked safe; instead, the mail-in payments were placed on a bookshelf located in the "Collections Room" until processed. According to staff, a mail log has not been implemented due to a heavy workload and limited number of staff. In addition, mail-in payments are restrictively endorsed by the cashiers at the time a receipt is issued. Furthermore, mail-in payments are not taken from the bookshelf by anyone unless the payments are ready to be processed.

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:

HIDALGO COUNTY DISTRICT JUDGES

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.
 - a. A check may not be restrictively endorsed if the payee line of the check is blank or made payable to another department, unless a supervisor has verified that the check is a proper payment to the department. If the payment is a proper payment to the department and the payee line of the check is blank, the department's name must be recorded on the payee line. If verification of proper payment is not possible, the check must be returned to the sender.
 - b. A check may not be restrictively endorsed if it is stale-dated. Stale-dated checks must be returned to the sender.
3. Mail-in payments must be listed on a 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 maintained on file.

Failure to ensure that mail-in payments are promptly processed and safeguarded under lock and key may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that mail-in payments are properly processed and safeguarded under lock and key. At a minimum, the procedures noted above should be implemented.

Observation No. 4:

We noted that checks received for payment were made payable to either Hidalgo County Tax Assessor Pablo "Paul" Villarreal Jr.; Pablo (Paul) Villarreal Jr. Assessor & Collector; or Pablo (Paul) Villarreal Jr. PCC. In addition, signs were posted for the public's view instructing them to make checks payable to "Pablo (Paul) Villarreal Jr. Tax Assessor & Collector". Furthermore, tax statements sent out to tax payers instruct payers to make checks payable to "Pablo (Paul) Villarreal Jr., PCC".

On March 7, 2016, the County Auditor issued a letter to the Tax Assessor requiring cashiers to verify that checks are made payable to the Elected or Public Official's title (i.e. Hidalgo County Tax Assessor/Collector) prior to accepting a check as payment. Pursuant to Local Government Code Sections 112.002 and 112.006, the county auditor has financial oversight for all county offices and may dictate the accounting procedures and internal controls to be implemented by each county office.

Failure to ensure that checks are made out to the Elected Official's title (i.e., Hidalgo County Tax Assessor/Collector) increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that checks are made out to the Elected Official's title (i.e., Hidalgo County Tax Assessor/Collector).

Observation No. 5:

During the cash count, we were informed that cashiers are allowed to process credit card payments from a person who is not the cardholder. According to staff, the payer must be able to provide all the information required in order to process a credit card payment which includes the tax account being paid, the cardholder name, address where the credit card is billed, card type, credit card number, expiration date, phone number,

HIDALGO COUNTY DISTRICT JUDGES

and amount to charge. Once the transaction is processed and approved, a receipt is printed and the payer must sign and provide a phone number. According to the Chief Accountant, if the use of the credit card ends up being fraudulent, the credit card payment is reversed and *Hamer Enterprise* is responsible for resolving the issue with the payer.

The County Auditor's Office requires that the cashier request identification from the payer when a credit card is presented as payment. The identification is required to verify that the card belongs to the payer. After the card is swiped or processed and the transaction has been authorized, the cashier must obtain the payer's signature on the credit card receipt.

Failure to ensure that cashiers request a valid form of identification to verify that the payers name agrees to the card being presented for payment may result in credit card fraud.

Recommendation:

Management should ensure that cashiers only process credit card transactions from an individual whose name agrees to the card being presented for payment by requesting identification to verify cardholder is present.

Observation No. 6:

One check received at the counter did not have the payee line completed. According to the Chief Accountant, cashiers must verify checks are properly completed prior to acceptance as payment. If a cashier fails to ensure the checks are properly completed, the error will be caught when the checks are scanned for remote deposit. Prior to scanning the checks, the Head Cashier/Assistant Head Cashier re-verify that all checks have been endorsed and that the payee line has been filled out. We reviewed the deposit of that check and confirmed that the check was deposited without the payee line completed.

The County Auditor's Office requires that cashiers verify that a check is made payable to Hidalgo County or Hidalgo County and County Official's title (e.g., Hidalgo County Tax Assessor-Collector). If the payee line of the check is blank, the department's name must be recorded on the payee line in the manner previously noted. In addition, the cashier must verify that checks contain a date and that the check is not stale or post-dated. Furthermore, all checks must be restrictively endorsed "For Deposit Only" immediately upon receipt.

Failure to verify that checks are properly completed prior to acceptance as payment may result in the loss or misuse of County funds.

Recommendation:

Management should remind cashiers to verify that checks are properly completed prior to acceptance as payment.

Please provide written management responses to the observations noted above by January 13, 2017.

In addition, 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;
 6. Computer hardware and software used; and
- e. A schedule of how often deposits will be made.

Please provide our office with copies of the procedures listed above and any updated procedures, if applicable, by January 13, 2017.


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

HIDALGO COUNTY DISTRICT JUDGES

Honorable Pablo (Paul) Villarreal, Jr.
December 13, 2016
Page 5 of 5

II, at 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 Eufacio, CPA
County Auditor

cc: Eva Mireles, Chief of Operations
Valde Guerra, Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
JUDGE, 12th D.C.

RODOLFO DELGADO
JUDGE, 19th D.C.

J.R. "BOBBY" FLORES
JUDGE, 13th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

JUAN R. PARTIDA
JUDGE, 27th D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 33rd D.C.

NOE GONZALEZ
JUDGE, 37th D.C.

LETICIA LOPEZ
JUDGE, 38th D.C.

AIDA SALINAS FLORES
JUDGE, 39th D.C.

ISRAEL RAMON, JR.
JUDGE, 43rd D.C.

JESSE CONTRERAS
JUDGE, 44th 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

November 29, 2016

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

Re: Cash Count
Audit No. 2016-560

Dear Mr. Villarreal:

We conducted a surprise cash count of the cash held at the Mission Tax Office Substation on October 27, 2016 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 \$30,187.66. 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:

At the time of the cash count, we were informed by the Assistant Supervisor that change funds assigned to the Tax Division are occasionally used by the Motor Vehicle Division and vice versa, as needed. According to the Chief Accountant, a re-evaluation of the need to increase the change funds would be made.

The County Auditor's Office requires that departments utilize change funds only for approved collection points. On the recommendation of the County Auditor, the Commissioners Court may increase or decrease the change fund at any time.

Failure to ensure that change funds are utilized only for approved collection points may increase 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, 138TH D.C.

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

MARIO E. RAMIREZ, JR.
JUDGE, 312TH 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, 448TH D.C.

Recommendation:

Management should ensure that the change funds are utilized only for approved collection points. In addition, if the change fund advance is not adequate to run the daily operations please submit a request to the County Auditor's Office requesting an increase.

Observation No. 2:

Security cameras were not utilized in the vault or in the Head Cashier's Office where collections are reconciled and cash is safeguarded. According to staff, they have previously requested more cameras from the Main Tax Office but have not received a response.

The County Auditor's Office recommends that 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 ensure that security cameras are utilized in all areas where cash is safeguarded increases the risk of loss or misuse of County funds.

Recommendation:

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

Observation No. 3:

We noted that checks received for payment were made payable to either Hidalgo County Tax Assessor Pablo "Paul" Villarreal Jr.; Pablo (Paul) Villarreal Jr. Assessor & Collector; or Pablo (Paul) Villarreal Jr. PCC. In addition, signs were posted for the public's view instructing them to make checks payable to "Pablo (Paul) Villarreal Jr. Tax Assessor & Collector". Furthermore, tax statements sent out to tax payers instruct payers to make checks payable to "Pablo (Paul) Villarreal Jr., PCC".

On March 7, 2016, the County Auditor issued a letter to the Tax Assessor requiring cashiers to verify that checks are made payable to the Elected or Public Official's title (i.e. Hidalgo County Tax Assessor/Collector) prior to accepting a check as payment. Pursuant to Local Government Code Sections 112.002 and 112.006, the county auditor has financial oversight for all county offices and may dictate the accounting procedures and internal controls to be implemented by each County office.

Failure to ensure that checks are made out to the Elected Official's title (i.e., Hidalgo County Tax Assessor/Collector) increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that checks are made out to the Elected Official's title (i.e., Hidalgo County Tax Assessor/Collector).

Observation No. 4:

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 a name, address, and phone number are recorded on the check. In addition, identification is not requested by the cashier to verify the information on the check is correct. According to staff, if checks are returned by the bank as NSF or for any other reason, the tax payer's account is reversed. In addition, according to staff no tax payment can be denied.

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 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. Identification must be requested by the cashier to verify the information on 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.

HIDALGO COUNTY DISTRICT JUDGES

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.

Observation No. 5:

A notice stating that an area is being monitored by a security camera was not posted in the lobby. According to the Substation Supervisor, the notice was posted; however, it is posted in the walk-in hallway (where the restrooms and vending machines are located) prior to entering the main lobby.

The County Auditor's Office requires that a notice stating that an area is being monitored by a security camera 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 an area is being monitored by a security camera is posted in a conspicuous location for the public's view.

Please provide written management responses to the observations noted above by December 22, 2016.

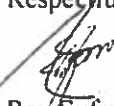
Procedures established by your department for the handling of cash were previously provided to the Auditor's Office; however, the procedures did not address the following:

- 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; and
- e. A schedule of how often deposits will be made.

Please provide our office with copies of the procedures listed above and any updated procedures, if applicable, by December 22, 2016.

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 Abigail Guajardo, MSA, Internal Auditor II, at (956) 318-2511, ext.4652, Yvonne Torres, Revenue Audit Supervisor, ext. 4642, Arcy B. Duran, CPA, Director of Audit, at ext. 4645, or me at ext.4604.

Respectfully,



Ray Eufracio, CPA
County Auditor

cc: Eva Mireles, Chief of Operations
Norma L. Ochoa, Substation Supervisor
Valde Guerra, Commissioners Court Executive Officer

HIDALGO COUNTY DISTRICT JUDGES