

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

December 18, 2018

The Honorable Ramon Garcia, Hidalgo County Judge
 The Honorable David L. Fuentes, Commissioner Precinct No. 1
 The Honorable Eduardo Cantu, Commissioner Precinct No. 2
 The Honorable Jose M. Flores, Commissioner Precinct No. 3
 The Honorable Joseph Palacios, Commissioner Precinct No. 4

Dear Judge and Commissioners:

Pursuant to Local Government Code Section 115.0035 (c), we are submitting for your review the following County Auditor reports:

Department	Description
Mr. Eduardo Olivarez, Chief Administrative Officer Hidalgo County Health and Human Services Department	Environmental Health Division Monthly Fees Report for October 2018
Mr. T.J. Arredondo, Director of Planning	Monthly Fees Report for August 2018 through October 2018
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Civil and Probate Court Cost Monthly Report for August 2018 through October 2018
The Hon. Gilberto Saenz, Justice of the Peace Pct. 1 Pl. 1	Monthly Fines and Fees Report for October 2018
The Hon. Jesus E. Morales, Justice of the Peace Pct. 1 Pl. 2	Monthly Fines and Fees Report for October 2018
The Hon. Bobby Contreras, Justice of the Peace Pct. 2 Pl. 1	Monthly Fines and Fees Report for October 2018
The Hon. Bobby Contreras, Justice of the Peace Pct. 2 Pl. 2	Monthly Fines and Fees Report for October 2018
The Hon. Jaime J. Munoz, Justice of the Peace Pct. 3 Pl. 1	Monthly Fines and Fees Report for October 2018
The Hon. Luis Garza, Justice of the Peace Pct. 3 Pl. 1	Monthly Fines and Fees Report for October 2018
The Hon. Charlie Espinoza, Justice of the Peace Pct. 4 Pl. 1	Monthly Fines and Fees Report for October 2018
The Hon. Jason Pena, Justice of the Peace Pct. 5 Pl. 1	Monthly Fines and Fees Report for October 2018
The Hon. Laura Hinojosa, Hidalgo County District Clerk	Monthly Fees Report for October 2018
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Hot Checks Processing Fees Reports for January 2018 through May 2018
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Hot Checks Processing Fees Reports for June 2018 through August 2018
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Regular Trust Financial Statements for April 2018 through June 2018
The Hon. Ricardo Rodriguez, Jr. Hidalgo County Criminal District Attorney	Asset Forfeiture Audit Report FYE August 31, 2018 Audit No. 2018-69
The Hon. Norma G. Garcia, Hidalgo County Treasurer	Hidalgo County Treasurer's Office Asset Inventory Listing Audit No. 2018-79
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	October 2018 DTA Payment Request Report No. 2018-92
The Hon. J.E. "Eddie" Guerra, Hidalgo County Sheriff	Sheriff's Bond B and D Cash Count Report No. 2018-86
Mr. Arnold K. Patrick, Director Community Supervision and Corrections Department	Cash Count Report No. 2018-559
The Hon. Jesus E. Morales, Justice of the Peace Pct. 1 Pl. 2	Cash Count Report No. 2018-563
The Hon. Bobby Contreras, Justice of the Peace Pct. 2 Pl. 1	Cash Count Report No. 2018-564

Respectfully,

Maria A. Duran

Maria Arcilia Duran, CPA
 Hidalgo County Auditor

Attachments

HIDALGO COUNTY DISTRICT JUDGES

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

JAMIE E. TIJERINA
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

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JUDGE, 389TH D.C.

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EDINBURG, TEXAS 78539

December 5, 2018

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

Re: Environmental Health Division *Monthly Fees Report* for October 2018

Dear Mr. Olivarez:

We conducted a limited scope review of the Environmental Health Division *Monthly Fees Report* and supporting documentation for the month of October 2018 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. 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.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the month of October 2018. 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 improvement could be made.

Methodology:

In conducting our review, 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 were issued in sequential order.
- Verified that procedures for voided receipts were properly followed.
- Reviewed *Daily Remittance/Close-out Reports* (Close-out Reports) to determine if 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: 1.) total receipts issued by the Environmental Health Division; 2.) total deposits made with the financial institution; 3.) total receipts issued by the County Treasurer.
- Reviewed receipts issued, Close-out Reports, and the *Monthly Fees Report* to verify proper completion.

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

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

Conclusion:

Total collections for the month of October 2018 were \$20,310.00. Based on the results of our review, we concluded that fees collected were properly accounted and reported.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer

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EDINBURG, TEXAS 78539

November 30, 2018

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

Re: *Monthly Fees Report* for August 2018 through October 2018

Dear Mr. Arredondo:

We conducted a limited scope review of the Planning Department *Monthly Fees Report* and supporting documentation for the months of August 2018 through October 2018 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. 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.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of August 2018 through October 2018. 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.

Methodology:

In conducting our review, 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 issued followed a sequential order.
- Verified that procedures for voided receipts were properly followed.
- Reviewed the *Revenue Detail Report by Account* generated from *alio* to determine if fees collected were properly accounted and deposited with the financial institution 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: 1.) total receipts issued by the department; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that the receipts issued and the *Monthly Fees Report* were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 430TH D.C.

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JUDGE, 449TH D.C.

Conclusion:

Total collections for the months of August 2018, September 2018, and October 2018 were \$46,318.70, \$147,616.91 and \$40,606.00, respectively. Based on the results of our review, we concluded that fees collected were properly accounted and reported; however, the system of internal controls for the accounting and reporting of fees requires improvement as noted in the following observation.

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.

Observation No. 1:

On March 9, 1987, August 7, 2007, February 1, 2011, and November 29, 2011, Commissioners Court approved the amount to be collected for 2% Inspection Fee, Utility Certificates, Septic Tank Escrow, and Subdivision Review fees. We noted that the Planning Department collected other fees which we could not determine were statutorily authorized and approved by Commissioner's Court, if required, as follows:

- Letter in Lieu of Certificate - \$30.00;
- Approved Building Application - \$30.00;
- Hidalgo County Map 36"x41" - \$35.00;
- Hidalgo County Map 72"x62" - \$56.00;
- Maps or Model Subdivision Rules in PDF Format- \$20.00; and
- Unauthorized Construction Penalty - \$30.00;

The Planning Department was not able to provide the dates the fees were approved by Commissioners Court or the statute that allows for the collection of the fees.

In addition, on March 9, 1987, Commissioners Court approved a \$25.00 Filing fee to be assessed when filing a subdivision with the Planning Department; however, we noted that the fee is not collected by the Planning Department. According to the Planning Department staff, they were not aware a filing fee was approved for collection.

Departments may only collect fees that are statutorily authorized and, if required, approved by Commissioner's Court.

Recommendation:

Management should conduct research to determine the statutory authority for collection of the fees. If the Planning Department is statutorily authorized to collect the fees, Commissioners Court approval of the fees should be obtained. In the alternative, collection of the fees should be discontinued. In addition, the \$25.00 Filling fee should be collected as approved by Commissioners Court on March 9, 1987.

Please provide a management response to the observation noted above by December 14, 2018 using the attached Management Response Form.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511, ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosure: Management Response Form

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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Management should conduct research to determine the statutory authority for collection of the fees. If the Planning Department is statutorily authorized to collect the fees, Commissioners Court approval of the fees should be obtained. In the alternative, collection of the fees should be discontinued. In addition, the \$25.00 Filling fee should be collected as approved by Commissioners Court on March 9, 1987.

Signature: _____ **Date:** _____

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EDINBURG, TEXAS 78539

December 5, 2018

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

Re: *Civil and Probate Court Cost Monthly Report* for August 2018 through October 2018

Dear Mr. Guajardo:

We conducted a limited scope review of the *Civil and Probate Court Cost Monthly Report (Monthly Report)* for August 2018 through October 2018 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if fees and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for August 2018 through October 2018. 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.

Methodology:

In conducting our review, 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 five days after the last day of the month pursuant to Local Government Code § 114.001 (b).
- Verified the signature on the *Monthly Report* to ensure that the report was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Report* by footing and cross-footing the report.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued *per Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.
- Reviewed randomly selected receipts to determine if fees and court costs were allocated and reported in the proper amounts.
- Reviewed *Cashier's Daily Fund Reports* and bank deposit slips to verify proper completion and accuracy.
- Reviewed *Revenue Remittance Reports* and County Treasurer receipts to determine if collections were deposited with the County Treasurer in a timely manner.
- Reviewed receipts, *Revenue Remittance Reports*, the *Monthly Report*, and mail logs to verify proper completion.

HIDALGO COUNTY DISTRICT JUDGES

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- Reviewed randomly selected validated deposit slips to determine if the deposit composition (cash, checks, credit card, etc.) agreed to the applicable payment method listed on the receipts.
- Reviewed and verified that the number of civil cases and motions were correctly reported on the *Monthly Report*.

Conclusion:

Total collections for the months of August 2018 through October 2018 were \$362,449.06, \$253,381.00, and \$297,146.76, respectively. Based on the results of our review, we concluded that fees and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fees and court costs requires improvement as noted in the following observations.

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.

Observation No. 1:

No errors were found on the review of randomly selected receipts for the months of August 2018 through October 2018. However, adjustments for the months of July 2016 (19); August 2016 (26); September 2016 (19); October 2016 (24); November 2016 (14); December 2016 (14); January 2017 (19); February 2017 (20); March 2017 (26); April 2017 (23); May 2017 (24); June 2017 (21); July 2017 (18); August 2017 (3); September 2017 (2); October 2017 (4); November 2017 (2); December 2017 (1); January 2018 (3); February 2018 (1); April 2018 (2); May 2018 (13); June 2018 (10); and July (8) are still pending to be completed.

There are numerous statutes that require the County Clerk to charge various fees and court costs for certain services and offenses. Fees and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval.

The County may be held liable to the State for failure to properly allocate and report fees and court costs.

Recommendation:

Management should ensure that all pending adjustments are completed.

Observation No. 2:

We noted that the August 2018 *Monthly Report* was submitted to the County Auditor's Office 16 days after the fifth day following the end of the month. According to staff, the *Monthly Report* was not submitted timely due to heavy work load.

Local Government Code §114.001 (b) states, "A monthly report must be filed within five days after the last day of each month." Timely submittal of the *Monthly Report* helps ensure the proper accounting and accurate projection of County revenues.

Failure to ensure that the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month may result in the improper accounting and inaccurate projection of County revenues.

Recommendation:

Management should ensure that the *Monthly Report* is filed with the County Auditor's Office within 5 days after the last day of each month.

Observation No. 3:

We noted that collections are deposited 2 days after the collections are receipted. According to staff, the armored car company changed their pick-up time schedule to an earlier time, leaving the department with insufficient time to review and prepare the close-out reports and deposit slip.

Pursuant to the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office, cash receipts must be deposited intact on a daily basis, unless the amount collected is less than \$100.00.

Failure to ensure that collections are deposited at the bank on a daily basis may result in the loss or misuse of County funds.

HIDALGO COUNTY DISTRICT JUDGES

Recommendation:

Management should contact the applicable parties to arrange a more convenient time for the armored car to pick up the daily collections in order to ensure that collections are deposited daily. In the alternative, the time for closing out and balancing the daily collections should be changed in order to have ample time to make daily deposits.

Observation No. 4:

We noted that 24 of 64 Close-out Reports for the months of August 2018 through October 2018 were submitted to the County Treasurer's Office 3 to 8 days after the bank deposit was made. According to staff, the Close-out Reports were not submitted to the County Treasurer's Office due to heavy workload. In addition, Close-out Reports are submitted to the County Treasurer's Office once a validated deposit slip is obtained. It takes 2 to 3 business days to receive the validated deposit slip since the deposits are made via armored car.

The County Auditor's Office requires that cashiers reconcile cash on hand to receipts issued and the approved change fund, if any, on a daily basis by utilizing the Close-out Report. Once the reconciliation is completed and the collections are deposited to the County's General Fund bank account, the Close-out Report along with the bank validated deposit slip must be submitted to the County Treasurer's Office on a daily basis. The County Treasurer's Office utilizes the Close-out Report, along with the bank validated deposit slip to timely receipt and account for the collections deposited to the County's General Fund bank account.

Failure to submit the daily Close-out Report along with the bank validated deposit slip prevents the County Treasurer's Office from recording the receipts into the accounting system on a timely basis and may increase the risk that an employee could misappropriate funds.

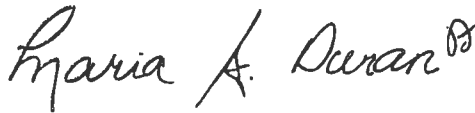
Recommendation:

Management should ensure that the Close-out Report is submitted to the County Treasurer's Office on a daily basis after the daily deposit has been made or on the day the bank validated deposit slip is received.

Please provide written management responses to the observations noted above and an action plan for observation no. 1 by December 21, 2018 using the attached Management Response and Action Plan Forms.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Gricelda Quintero, Internal Auditor II, at 318-2511 ext. 4643, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Management Response and Action Plan Forms

cc: Valde Guerra, County Executive Officer
Annette Muniz, Hidalgo County Clerk Chief Deputy
Berenize Alvarado, Hidalgo County Clerk Internal Auditor



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: County Clerk **AUDIT NO.:** _____
Civil and Probate Court Cost
Monthly Report for August
AUDIT: 2018 through October 2018 **MANAGEMENT**
RESPONSE DUE: December 21, 2018
FINDING No.: 1 **RECOMMENDATION:** 1

Management should ensure that all pending adjustments are completed.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: County Clerk **AUDIT NO.:** _____
Civil and Probate Court Cost
Monthly Report for August
AUDIT: 2018 through October 2018 **MANAGEMENT**
RESPONSE DUE: December 21, 2018
FINDING No.: 2 **RECOMMENDATION:** 2

Management should ensure that the Monthly Report is filed with the County Auditor's Office within 5 days after the last day of each month.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM

AUDITEE: County Clerk AUDIT NO.: _____
Civil and Probate Court Cost
Monthly Report for August
AUDIT: 2018 through October 2018 MANAGEMENT
RESPONSE DUE: December 21, 2018
FINDING No.: 3 RECOMMENDATION: 3

Management should contact the applicable parties to arrange a more convenient time for the armored car to pick up the daily collections in order to ensure that collections are deposited daily. In the alternative, the time for closing out and balancing the daily collections should be changed in order to have ample time to make daily deposits.

Management Response (Choose One):

_____ AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)
_____ AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION
_____ DISAGREE THAT RISK EXISTS (Specify below)

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: County Clerk AUDIT NO.: _____
Civil and Probate Court Cost
Monthly Report for August
AUDIT: 2018 through October 2018 MANAGEMENT
RESPONSE DUE: December 21, 2018
FINDING No.: 4 RECOMMENDATION: 4

Management should ensure that the Close-out Report is submitted to the County Treasurer's Office on a daily basis after the daily deposit has been made or on the day the bank validated deposit slip is received.

Management Response (Choose One):

_____ AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)
_____ AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION
_____ DISAGREE THAT RISK EXISTS (Specify below)

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

ACTION PLAN (AP)

Audit Project	Civil and Probate Court Cost Monthly Report for August 2018 through October 2018
Observation No. 1	Adjustments for the months of July 2016 (19); August 2016 (26); September 2016 (19); October 2016 (24); November 2016 (14); December 2016 (14); January 2017 (19); February 2017 (20); March 2017 (26); April 2017 (23); May 2017 (24); June 2017 (21); July 2017 (18); August 2017 (3); September 2017 (2); October 2017 (4); November 2017 (2); December 2017 (1); January 2018 (3); February 2018 (1); April 2018 (2); May 2018 (13); June 2018 (10); and July (8) are still pending to be completed.
Recommendation No. 1	Management should ensure that all pending adjustments are completed.
GOAL/ACTION ITEM:	Complete the pending adjustments.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3				

Dept. Head/Elected Official Signature

Date

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, 2018

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

Re: *Monthly Fines and Fees Report* for October 2018

Dear Judge Saenz:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for the month of October 2018. 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.

Methodology:

In conducting our review, 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 100% of receipts with an offense date of December 31, 2007 and prior and 10% of randomly selected receipts with an offense date of January 1, 2008 and after to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Selected all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIERINA
JUDGE, 53RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

L. KENO VASQUEZ
JUDGE, 384TH D.C.

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

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

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *alio's* Undistributed Receipts general ledger account to determine if all credit card transactions were timely receipted by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Reviewed receipts issued, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "*Official Justice of the Peace Monthly Report*" (OCA Report), and the *Monthly Report*, among other reports, to verify proper completion.
- Verified if cash bonds posted by the defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

Conclusion:

Total collections for the month of October 2018 were \$58,667.40. Based on the results of our review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the following observations.

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.

Observation No. 1:

We noted that 15 of 494 transactions contained errors in the allocation of fines, fees, and court costs. Some of the errors resulted from the disposition date (judgment date) not being entered into *Odyssey*. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for the months of January 2015 (1), February 2015 (4), March 2015 (114), April 2015 (51), May 2015 (1), July 2015 (47), August 2015 (14), September 2015 (18), October 2015 (4), November 2015 (4), December 2015 (1), February 2016 (2), May 2016 (2), June 2016 (2), July 2016 (1), September 2016 (4), October 2016 (3), December 2016 (3), March 2017 (1), April 2017 (9), May 2017 (2), June 2017 (9), July 2017 (8), August 2017 (8), September 2017 (13), October 2017 (12), November 2017 (3), December 2017 (1), January 2018 (26), February 2018 (33), March 2018 (36), April 2018 (9), May 2018 (91), June 2018 (52), July 2018 (72), August 2018 (8), and September 2018 (17) are still pending to be completed. According to the Court Coordinator, staff will work on the adjustments on Fridays.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification. Furthermore, the Justice of the Peace is required to enter the disposition date (judgment date) in *Odyssey* to facilitate the collection of statutory fees and denial of registration by the Tax Assessor-Collector.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

Recommendation:

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.

HIDALGO COUNTY DISTRICT JUDGES

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L. KENO VASQUEZ
JUDGE, 394TH D.C.

ISRAEL RAMON, JR.
JUDGE, 405TH D.C.

RENEE R. BETANCOURT
JUDGE, 445TH D.C.

- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in *Odyssey*.
- Staff should ensure that adjustments are entered into *Odyssey* within three days of notification.

Observation No. 2:

Properly completed copies of the May 2013 and August 2013 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. According to the Justice of the Peace staff, properly completed OCA Reports cannot be generated from *Odyssey* due to data entry errors. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Local Government Code §112.002 (a) authorizes the county auditor to prescribe the system of accounting for the county. Local Government Code §112.002 (b) states that "the county auditor may adopt and enforce regulations, not inconsistent with law or with a rule adopted under Section 112.003, that the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county or to a person for whom a district clerk, district attorney, county officer, or precinct officer has made a collection or for whose use or benefit the officer holds or has received funds." Pursuant to Local Government Code §112.002 (a) and (b), the County Auditor requires the submittal of properly completed reports (i.e., *Monthly Report*, copy of the OCA Report, *Schedule of Receipts and Deposits* form, Cash Disbursement Journal, etc.) for checking and properly accounting of funds collected by the Justice of the Peace Offices.

Failure to ensure that properly completed OCA Reports are submitted to the County Auditor's Office may result in improper reporting to the State.

Recommendation:

Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.

Observation No. 3:

We noted that 2 cash bonds posted by defendants who failed to appear before the Justice of the Peace were not forfeited (liquidated) by the 10th workday following the date of their release from jail. The bonds were received on May 24, 2016 (1) and June 27, 2016 (1) (see Exhibit B). The bond received on June 27, 2016 has not been forfeited, as of today. In addition, according to staff, the bond received on May 24, 2016 cannot be forfeited due to technical complications with *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Pursuant to Code of Criminal Procedure Article 45.044 (a)(2), "A justice or judge may enter a judgment of conviction and forfeit a cash bond posted by the defendant in satisfaction of the defendant's fine and cost if the defendant fails to appear according to the terms of the defendant's release." Pursuant to the terms of the cash bond, the defendant must appear before the Justice of the Peace by the 10th workday following the date of their release from jail. If the defendant fails to appear, the Justice of the Peace may declare the cash bond forfeited, enter a judgment of guilty, assess a fine, and apply the cash bond to the payment of the imposed judgment.

Failure to ensure that bonds are liquidated in a timely manner may result in the defendant being assessed additional court costs and fees, in error.

Recommendation:

Management should ensure that cash bonds are liquidated in a timely manner. In addition, the continued assistance from the Information Technology Department should be requested until the problem has been resolved.

Observation No. 4:

We noted that 3 of 55 online credit card transactions processed were receipted 2 to 4 days after the date of transaction. Consequently, the applicable case dispositions were not recorded in *Odyssey* in a timely manner. According to the Court Coordinator, the credit card transactions were not receipted timely due to being under staffed.

HIDALGO COUNTY DISTRICT JUDGES

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

Failure to ensure that credit card transactions are promptly receipted may result in the loss or misuse of County funds. In addition, failure to ensure that case dispositions are entered in a timely manner may result in the arrest of the defendant, in error.

Recommendation:

Management should ensure that the Court Coordinator verifies that all credit card transactions are promptly receipted and case dispositions are entered in a timely manner.

Observation No. 5:

We noted that 1 of 20 Close-out Reports was submitted to the County Treasurer's Office 4 days after the bank deposit was made. According to the Court Coordinator, the Close-out Report was not submitted to the County Treasurer's Office on time since they were under staffed.

The County Auditor's Office requires that cashiers reconcile cash on hand to receipts issued and the approved change fund, if any, on a daily basis by utilizing the Close-out Report. Once the reconciliation is completed and the collections are deposited to the County's General Fund bank account, the Close-out Report along with the bank validated deposit slip must be submitted to the County Treasurer's Office on a daily basis. The County Treasurer's Office utilizes the Close-out Report, along with the bank validated deposit slip to timely receipt and account for the collections deposited to the County's General Fund bank account.

Failure to submit the daily Close-out Report along with the bank validated deposit slip prevents the County Treasurer's Office from recording the receipts into the accounting system on a timely basis and may increase the risk that an employee could misappropriate funds.

Recommendation:

Management should ensure that the Close-out Report is submitted to the County Treasurer's Office on a daily basis after the daily deposit has been made.

Please provide written management responses to the observations noted above and action plans for observations 1 through 3 by Friday, December 21, 2018 using the attached Action Plan Forms.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Araceli A. Guillen, Internal Auditor I, at (956) 318-2511 at ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Copy of *Monthly Report*, Exhibit A, Exhibit B, and Action Plan Forms

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 1	We noted that 15 of 494 transactions contained errors in the allocation of fines, fees, and court costs. Some of the errors resulted from the disposition date (judgment date) not being entered into Odyssey. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for the months of January 2015 (1), February 2015 (4), March 2015 (114), April 2015 (51), May 2015 (1), July 2015 (47), August 2015 (14), September 2015 (18), October 2015 (4), November 2015 (4), December 2015 (1), February 2016 (2), May 2016 (2), June 2016 (2), July 2016 (1), September 2016 (4), October 2016 (3), December 2016 (3), March 2017 (1), April 2017 (9), May 2017 (2), June 2017 (9), July 2017 (8), August 2017 (8), September 2017 (13), October 2017 (12), November 2017 (3), December 2017 (1), January 2018 (26), February 2018 (33), March 2018 (36), April 2018 (9), May 2018 (91), June 2018 (52), July 2018 (72), August 2018 (8), and September 2018 (17) are still pending to be completed.
Recommendation No. 1	Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented: • Staff should be provided with training regarding the proper allocation of fines, fees, and court costs. • Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued. • Access for setting up offense codes with the proper fines, fees, and court costs in Odyssey should be limited to staff with adequate knowledge of the applicable allocation. • Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in Odyssey. • Staff should ensure that adjustments are entered into Odyssey within three days of notification.
GOAL/ACTION ITEM:	Complete the adjustments for the months listed in the observation above.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3				

Dept. Head/Elected Official Signature

Date

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 2	Properly completed copies of the May 2013 and August 2013 through September 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. According to the Justice of the Peace staff, properly completed OCA Reports cannot be generated from Odyssey due to data entry errors.
Recommendation No. 2	Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.
GOAL/ACTION ITEM:	The OCA Reports listed above are filed with the County Auditor's Office
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2.				
3.				
4.				
5.				
6.				

Dept. Head/Elected Official Signature

Date

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 3	We noted that 2 cash bonds posted by defendants who failed to appear before the Justice of the Peace were not forfeited (liquidated) by the 10th workday following the date of their release from jail. The bonds were received on May 24, 2016 (1) and June 27, 2016 (1) (see Exhibit B). The bond received on June 27, 2016 has not been forfeited, as of today.
Recommendation No. 3	Management should ensure that cash bonds are liquidated in a timely manner. In addition, the continued assistance from the Information Technology Department should be requested until the problem has been resolved.
GOAL/ACTION ITEM:	The 2 cash bonds are liquidated as soon as possible.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3.				
4				
5				
6.				

Dept. Head/Elected Official Signature

Date

City: WESLACO, TX
Hidalgo County, Texas

Part I: RECAP OF AMOUNT PAYABLE TO THE COUNTY TREASURER

Total funds due to County Treasurer (Overtransfer Made to Co Treas.)

Part II: REMITTANCES MADE TO THE COUNTY TREASURER

Description	AMOUNT	Comment
Total Collections for the Month (See Schedule of Receipts & Deposits)	\$ 58,667.40 B ✓	
Add: Previous Month's Bond Overtransfer May 2016 + Jun 2016	412.00 Ex B ✓	
Add: HCSO Monthly "D" Collections Report		
Total Remittances Made to County Treasurer	59,079.40 (A) \$ -58,667.40-	

PREPARED BY:

DATE:

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

THIS REPORT HAS BEEN PERSON
RECEIVED

NOV - 5 2018

MIDALGO COUNTY AUDITOR'S OFFICE
APPROVED BY: aaa 47
DATE: 12/05/2018 12/10/18

JUSTICE OF THE PEACE

DATE _____

HIDALGO COUNTY

THIS AUDITOR'S OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) DAY OF THE FOLLOWING MONTH (LGC § 114.001).
COUNTY AUDITOR'S FORM: RE -JP-004 REVISED 03/2016

REVISÉD 03/2016

City: WESLACO, TEXAS
Hidalgo County, Texas

Part III: SUMMARY OF COLLECTIONS PAYABLE TO THE COUNTY TREASURER

PAGE 2 OF 2

Name of Fine, Fee, Court Cost	# Issued/ Filed	Statute Reference	Detail of Amt. Collected	GL Acct No.	Amt. Collected
FINES:					
County Fines (Local Fine)		LGC 113.004, PC 12.23		1200-351-10-061-000-0-000	\$ 15,421.87
Texas Parks & Wildlife 85% Fine (State Fine)		TPWC 12.107		1100-207-20-000-012-0-000	311.95
No Safety Belt 50% Fine (State Fine)		TRC 545.412, 545.413 (j)		1100-207-20-000-028-0-000	126.38
Gross Weight 50% Fine (State Fine)		TRC Sec 621.506 (g)		1100-207-20-000-013-0-000	-
School District 50% Fines		Educ. Code § 25.093 (d) 1 (A)		1100-207-30-000-004-0-000	16.00
LOCAL COURT COSTS AND FEES:					
Courthouse Security Adm. Fee (\$3)		C.C.P. Art. 102.017 (b)		1241-341-10-060-001-0-000	959.71
Courthouse Security Fund JP (\$1)		C.C.P. Art. 102.017		1245-341-10-061-000-0-000	307.16
Justice Court Technology Fund (\$4)		C.C.P. Art. 102.0173		1242-341-10-060-000-0-000	1,280.58
Time Payment - @40% OF \$25.00 (\$10.00)		LGC 133.103 (d)		1100-341-10-060-001-0-000	47.80
Time Payment - @ 10% of \$25.00 (\$2.50)		LGC 133.103 (e)		1100-341-10-060-002-0-000	11.95
Administrative Local Transaction Fee (\$2)		C.C.P. Art. 102.072		1100-341-10-060-003-0-000	658.90
Motor Vehicle Adm. Fee (\$10-\$20) (Disional Fee for Exp. DL, Exp Insp Cert, Exp Mv Reg.)		TRC Sec 548.605, 521.026, 502.407		1100-341-10-060-004-0-000	40.00
Teen Court Program Adm. Fee (Up to \$10.00)		C.C.P. Art. 45.052 (e)		1100-341-10-060-005-0-000	-
Special Fees				1100-341-10-061-000-0-000	170.90
Deferred Disposition		C.C.P. Art. 45.051	170.90		
Administrative Fee - "Drivers Safety Course" (\$10)		C.C.P. Art. 45.051(f)			
Support of Judiciary Fund (\$ 60)		LGC 133.105		1100-341-10-060-009-0-000	184.29
Traffic Fee (\$3)		T.R.C. 342.403		1100-341-10-061-000-0-000	562.87
Child Safety (\$20-\$25)		C.C.P. Art. 102.014 (c)		1100-341-10-060-011-0-000	115.00
Failure to Appear (\$4)		TRC 706.006/TRC 706.007(d)(2)		1100-341-10-060-012-0-000	145.15
Scottlaw Fee (\$20)		TRC 502.010(a)		1100-341-10-140-049-0-000	2,596.13
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-341-10-060-013-0-000	271.84
STATE COURT COSTS AND FEES:					
Criminal Justice Planning Fund C.C.P. (\$5)		C.C.P. Art. 102.051		1100-207-20-000-003-0-000	(5.00)
Breath Alcohol Testing Fund (\$30)		C.C.P. Art. 102.016		1100-207-20-000-006-0-000	-
State General Revenue Fund (\$2.50)		C.C.P. Art. 102.015		1100-207-20-000-010-0-000	-
Law Enforcement Education Fund (\$1, \$1.50, \$3.50)		Govt. Code Sec. 415.082		1100-207-20-000-011-0-000	(0.50)
Operators and Chauffeurs License Fund (\$75)		T.R.C. 601.192		1100-207-20-000-031-0-000	-
Time Payment - @50% OF \$25.00 (\$12.50)		LGC 133.103 (b)		1100-207-20-000-005-0-000	\$9.75
Juvenile Crime and Delinquency Fund (\$25, \$50)		C.C.P. Art. 102.075(m)		1100-207-20-000-007-0-000	2.44
Comprehensive Rehabilitation Fund (\$5)		C.C.P. Art. 102.082		1100-207-20-000-008-0-000	-
Fugitive Apprehension Fund (\$5)		C.C.P. Art. 102.019 (a) 2		1100-207-20-000-009-0-000	23.78
Consolidated Court Costs Fund (\$40)		CCP 102.075 (a) 3/ LGC 133.102		1100-207-20-000-015-0-000	12,686.57
Compensation Victims Of Crime Fund (\$3, \$5, \$15, \$35)		C.C.P. Art. 56.55 (2) & (3)		1100-207-20-000-017-0-000	71.34
Judicial & Court Personnel Training Fund (\$1, \$2)		Govt. Code Sec. 76.001 (b)		1100-207-20-000-027-0-000	9.76
Correctional Management Institute of Texas Fund (\$50)		CCP Art. 102.075		1100-207-20-000-029-0-000	2.50
Indigent Legal Services Fee-JP (\$6)		Govt. Code Sec. 101.141(2) (B)		1100-207-20-000-004-0-000	588.00
State Traffic Fee- Subtitle C (\$30)		TRC Sec 542.4031		1100-207-20-000-035-0-000	5,538.71
Jury Service Fee (\$4)		C.C.P. Art. 102.0045		1100-207-20-000-053-0-000	1,228.58
Support of Judiciary Fund (\$5.40)		LGC 133.105		1100-207-20-000-054-0-000	1,648.54
Birth Certificate Fee (\$1.80)		HSC 191.022(f)		1100-207-20-000-039-0-000	30.60
Defensive Driving Record Fee (\$12)		C.C.P. Art. 45.0511 (e-1)		1100-207-20-000-057-0-000	-
Indigent Defense Representation Fund (\$2)		LGC 133.107/GC 102.023		1100-207-20-000-059-0-000	604.30
Moving Violation Fee (\$0.10)		C.C.P. Art. 102.022/GC		1100-207-20-000-061-0-000	21.61
Safety Seat Violation Fee (\$0.15) (on or before September 28, 2011)		TRC 545.412 (b-1)		1100-207-20-000-062-0-000	0.15
Failure to Appear (\$20)		TRC 706.006/TRC 706.007(d)(2)		1100-207-20-000-066-0-000	-
Electronic Filing Fee - Civil (\$10)		GC 101.141/GC S1.851		1100-207-20-000-070-0-000	980.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-207-20-000-073-0-000	271.84
Texas Home Visiting Program Contribution (\$5)		HSC 191.0048/LGC 118.018 (e)		1100-207-20-000-074-0-000	-
Judicial & Court Personnel Training Fund-Civil (\$5)		GC S1.971 (a)		1100-207-20-000-076-0-000	490.00
ARREST/WARRANT FEES: STATE					
D.P.S. (\$3, \$5, \$35, \$50)		C.C.P. Art. 102.011		1100-207-20-000-019-0-000	1,329.79
T.A.B.C. (\$3, \$5, \$35, \$50)				1100-207-20-000-020-0-000	-
P.K.W.L. (\$3, \$5, \$35, \$50)				1100-207-20-000-021-0-000	30.00
ARREST/WARRANT/SERVICE FEES: COUNTY					
Sheriff Fees:		LGC 118.131		1100-342-10-060-001-0-000	45.00
Constable Fees:				1100-342-10-291-000-0-000	6,903.83
Precinct #1 APPROVED BY: 12/05/2018				1100-342-10-292-000-0-000	-
Precinct #2 DATE: 12/05/2018				1100-342-10-293-000-0-000	-
Precinct #3				1100-342-10-294-000-0-000	-
Precinct #4				1100-342-10-295-000-0-000	-
Precinct #5				1100-341-10-060-007-0-000	(9.66)
District Attorney Fees				1100-342-10-060-002-0-000	-
Tax Assessor Fraud Investigators Fees				1100-342-10-060-003-0-000	-
School District Arrest Fee				1100-342-20-060-001-0-000	-
Fire Marshal Fee				1100-207-30-000-003-0-000	-
Due to Others				1100-202-00-000-007-0-000	15.00
Warrant Fees/Out of County Service Fees DTO: Law Enforcement Agencies		C.C.P. Art. 102.011 (a) 2 (A)		1100-202-00-000-007-0-000	-
Refund - Overpayments				1100-202-00-000-007-0-000	-
Due to Others				1100-202-00-000-007-0-000	-
Restitution				1100-202-00-000-007-0-000	-
Failure to Appear- OmniBase (\$6)		TRC 706.006/TRC 706.007(d)(2)		1100-202-00-061-019-0-000	-
Delinquent Attorney Fee				1100-202-00-000-004-0-000	-
Justice Fees (Local Fees)				1100-341-10-060-001-0-000	2,530.75
Small Claims Court Filing Fee (\$25)		LGC 118.121/118.122			
Small Claim Fee (Justice Court Filing Fee) (\$25)		LGC 118.121/118.122	2,425.00		
Landlord & Tenant Eviction Filing Fee (Forcible Entry & Detainer Court) (\$25)		LGC 118.121/118.122			
Transcript Fees (\$10)		LGC 118.121/118.123 (b)			
Contract Fees (\$5)		LGC 118.121/118.123 (e)	15.00		
Adoption Fees					
Adoption Filing Fee (\$5 per page)		LGC 118.121/118.123 (d)	60.00		
Notarizing other Document (\$1 1st pg, .25 for each add'l pg)		LGC 118.121/118.123 (e)	10.75		
Notarified Copies of Court Papers (\$2 1st pg, .25 for each add'l pg)		LGC 118.121			
Probable Cause Tow Hearing Fee (\$20)		LGC 101.141 (a)4	20.00		
Birth Certificates (\$22 each)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	343.40
Death Certificates (\$20 each, each add'l \$3)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	95.00
Preservation of Vital Statistics Fee (\$1 each)		HSC Sec 191.0045(h)		1100-341-10-060-008-0-000	26.00
Jury Fees (Civil \$22, Criminal \$3)		Rules of Civil Proc., Rule 504.1(b) CCP 102.004		1100-341-10-060-006-0-000	27.00

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NOV - 5 2018

HIDALGO COUNTY
AUDITOR'S OFFICE

Justice of the Peace Gilberto Saenz
Schedule of Adjustments
For the Month Ending October 31, 2018

Page 1 of 1

What happened to the following birth certificates: 4884 and 4885? If voided, please provide a copy of the voided certificate to the Auditor's office.

What happened to the following death certificates: 6712, 6713, 6714, 6716, 6717, and 6718? If voided, please provide a copy of the voided certificate to the Auditor's office.

What birth certificate was issued to receipt number JP11-2018-04646?

What death certificate was issued to receipt number JP11-2018-04791?

Recpt No.	Case Number	Offense Type	Off Date	Date	CCC	CHS	CHSP	CO	CRF	CSS	DPS	EFF	IDRF	IND	ICPT	JCTF	JSF	LTF	MVF	OVET	PCTC	SCOI	SIFC	SIFS	STF	SV50	TPDC	TPDS	TPW	UTFC	WARr	WFC	TOTAL	
Parks and Wildlife Code: Sec 12.406. CLASS C PARKS AND WILDLIFE CODE MISDEMEANOR. An individual adjudged guilty of a Class C Parks and Wildlife Code misdemeanor shall be punished by a fine of not less than \$25 nor more than \$500																																		
JP11-2018-04834	CRNT15-0096-J11	Mourning Dove: Daily Bag Limit	9/12/15	10/19/18	40	3.00	1.00	-	-	-	-	-	2.00	-	-	-	4.00	4.00	2	-	-	-	20	0.60	5.40	-	1.00	1.00	5	-	-	-	89.00	
Inadequate Life Preservers on Motorboat																																		
JP11-2018-04868	CRNT18-0225-J11	Motorboat	6/24/18	10/22/18	40	3.00	1.00	-	-	-	-	-	2.00	-	-	-	4.00	4.00	2	-	-	-	20	0.60	5.40	-	1.00	1.00	5	-	-	-	89.00	
Based on the offense date, CSS \$0.15 should not have been assessed.																																		
JP11-2018-04537	12-105723-TR	Safety Seat Syst, Child Pass <8	12/19/11	10/1/18	40	3.00	1.00	12.50	-	0.15	5	-	2.00	-	-	-	4.00	4.00	2	0.10	-	-	20	0.60	5.40	30.00	12.5	-	-	-	3.00	-	50	195.25
Based on the offense date, CSS \$0.15 should not have been assessed. In addition, CO and SV50 should have been split 50%, should be CO \$12.37 and SV50 \$12.38																																		
JP11-2018-04916	T11-5951GS	Safety Seat Syst, Child Pass <8	10/6/11	10/25/18	40	3.00	1.00	12.25	-	0.15	5	-	2.00	-	-	-	4.00	4.00	2	0.10	-	-	20	0.60	5.40	30.00	12.5	-	-	-	3.00	50	195.00	
Based on the appear by date, SCOF \$20 should have been assessed.																																		
JP11-2018-04820	TR18-4169-J11	Safety Seat Syst, Child Pass <8	6/17/18	10/18/18	40	3.00	1.00	12.45	12.45	-	-	5.0	2.00	-	-	-	4.00	4.00	2	0.10	-	-	-	0.60	5.40	30.00	-	1.00	1.00	-	-	-	127.00	
Based on the offense date, CHSP \$1, IDRF \$2, JSF \$4, SIFC \$0.60, SIFS \$5.40, TPDC \$1, TPDS \$1 should not have been assessed. In addition, based on appear by date, SCOF \$20 should have been assessed.																																		
JP11-2018-04656	FTA18-0078-J11	Failure to Appear	4/2/04	10/9/18	40	3.00	1.00	51.00	-	-	-	5.0	2.00	-	-	-	4.00	4.00	2	-	-	-	-	0.60	5.40	-	1.00	1.00	-	-	-	-	120.00	
Based on the first payment date, TP \$25 should have been assessed.																																		
JP11-2018-04994	TR18-5260-J11	Disregard Red Light-Traffic Sign	8/13/18	10/31/18	21	1.56	0.52	-	-	-	-	2.6	1.04	-	-	-	2.08	2.08	2	0.05	-	-	0.31	2.81	15.61	-	0.52	0.52	1.56	-	-	54.10		
Based on the first payment date, TP \$25 should have been assessed. In addition, based on the number of payments, LTF was under assessed by \$2.																																		
JP11-2018-04649	T08-2302GS	Disregard Stop Sign	5/15/08	10/9/18	-	-	-	120	-	-	-	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	50	190.00		
WARr was split incorrectly, should be WARr \$50 and CPF \$50.																																		
JP11-2018-04751	T11-3253GS	No Safety Belt - Passenger	6/2/11	10/15/18	16.2	1.22	0.40	49.90	-	-	2.03	-	0.81	-	-	-	1.62	1.62	2	0.04	-	-	8.1	0.24	2.19	12.15	-	-	-	1.22	70.26	-	195.00	
Please enter disposition date.																																		
JP11-2018-04769	TR18-6021-J11	No DL (Unl)	9/25/18	10/16/18	40	3.00	1.00	65.90	-	-	-	5.0	2.00	-	-	-	4.00	4.00	2	0.10	-	-	-	0.60	5.40	-	1.00	1.00	-	-	-	135.00		
JP11-2018-04905	TR18-4652-J11	Open Container in Mtr Veh-Driver	7/14/18	10/24/18	40	3.00	1.00	0.90	-	-	-	5.0	2.00	-	-	-	4.00	4.00	2	0.10	-	-	-	0.60	5.40	-	1.00	1.00	-	-	-	70.00		
JP11-2018-04640	TR18-3549-J11	Speeding	3/19/18	10/5/18	40	3.00	1.00	-	-	-	-	5.0	2.00	-	-	-	4.00	4.00	2	0.10	-	-	20	0.60	5.40	30.00	-	1.00	1.00	3.00	-	122.10		
JP11-2018-04892	TR18-5992-J11	Speeding	8/25/18	10/24/18	40	3.00	1.00	-	-	-	-	5.0	2.00	-	-	-	4.00	4.00	2	0.10	-	-	-	0.60	5.40	30.00	-	1.00	1.00	3.00	-	102.10		
JP11-2018-04628	TR18-5863-J11	Speeding	9/18/18	10/5/18	40	3.00	1.00	-	-	-	-	5.0	2.00	-	-	-	4.00	4.00	2	0.10	-	-	-	0.60	5.40	30.00	-	1.00	1.00	3.00	-	102.10		
JP11-2018-04888	TR18-5920-J11	Speeding	9/21/18	10/24/18	40	3.00	1.00	-	-	-	-	5.0	2.00	-	-	-	4.00	4.00	2	0.10	-	-	-	0.60	5.40	30.00	-	1.00	1.00	3.00	-	102.10		

**Justice of the Peace Gilberto Saenz
Precinct 1, Place 1
Schedule of Bonds on Deposit
As of October 31, 2018**

Year	Receipt Date	Docket No.	Receipt No.	Bond Amount
2016				
	5/24/2016		JP11-2016-03170	245.00
	6/27/2016	CRNT16-0245-J11		167.00
		Total		412.00

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 7, 2018

The Honorable Jesus E. Morales
Hidalgo County Justice of the Peace Pct. 1, Pl. 2
1902 Joe Stephens, Suite 302
Weslaco, Texas 78596

Re: *Monthly Fines and Fees Report* for October 2018

Dear Judge Morales:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for the month of October 2018. 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.

Methodology:

In conducting our review, 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 100% of receipts with an offense date of December 31, 2007 and prior and 10% of randomly selected receipts with an offense date of January 1, 2008 and after to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Selected all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERNA
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.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *alio's* Undistributed Receipts general ledger account to determine if all credit card transactions were timely receipted by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Reviewed receipts issued, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "*Official Justice of the Peace Monthly Report*" (OCA Report), and the *Monthly Report*, among other reports, to verify proper completion.
- Verified if cash bonds posted by the defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

Conclusion:

Total collections for the month of October 2018 were \$38,444.00. Based on the results of our review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the following observations.

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.

Observation No. 1:

We noted that 3 of 150 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for February 2015 (167), March 2015 (1), June 2015 (1), July 2015 (20), August 2015 (19), September 2015 (39), October 2015 (37), November 2015 (21), December 2015 (19), January 2016 (25), February 2016 (45), March 2016 (30), April 2016 (1), and July 2016 (1) are still pending to be completed. According to staff, sufficient time is not available to verify that fees, fines, and court costs are applied correctly prior to taking in a payment due to a high volume of customers.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

Recommendation:

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.
- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in *Odyssey*.
- Staff should ensure that adjustments are entered into *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIERINA
JUDGE, 33RD D.C.

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

ROSE GUERRA REYNA
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JUDGE, 430TH D.C.

RENEE R. BETANCOURT
JUDGE, 448TH D.C.

Observation No. 2:

Copies of the April 2014 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. In addition, incorrect copies of OCA Reports for the months of February 2014 and March 2014 were submitted to the County Auditor's Office. According to Justice of the Peace staff, copies of the OCA Reports cannot be generated due to programming errors in *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Local Government Code §112.002 (a) authorizes the county auditor to prescribe the system of accounting for the county. Local Government Code §112.002 (b) states that "the county auditor may adopt and enforce regulations, not inconsistent with law or with a rule adopted under Section 112.003, that the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county or to a person for whom a district clerk, district attorney, county officer, or precinct officer has made a collection or for whose use or benefit the officer holds or has received funds." Pursuant to Local Government Code §112.002 (a) and (b), the County Auditor requires the submittal of properly completed reports (i.e., *Monthly Report*, copy of the OCA Report, *Schedule of Receipts and Deposits* form, Cash Disbursement Journal, etc.) for checking and properly accounting of funds collected by the Justice of the Peace Offices.

Failure to ensure that properly completed OCA Reports are submitted to the County Auditor's Office may result in improper reporting to the State.

Recommendation:

Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.

Please provide written management responses to the observations noted above and action plans for observations 1 and 2 by Friday, December 21, 2018 using the attached Action Plan Forms.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA,
Hidalgo County Auditor

Enclosures: Copy of *Monthly Report*, Exhibit A, and Action Plan Forms.

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

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JUDGE, 430TH D.C.

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JUDGE, 449TH D.C.

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 1	We noted that 3 of 150 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for February 2015 (167), March 2015 (1), June 2015 (1), July 2015 (20), August 2015 (19), September 2015 (39), October 2015 (37), November 2015 (21), December 2015 (19), January 2016 (25), February 2016 (45), March 2016 (30), April 2016 (1), and July 2016 (1) are still pending to be completed.
Recommendation No. 1	Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented: • Staff should be provided with training regarding the proper allocation of fines, fees, and court costs. • Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued. • Access for setting up offense codes with the proper fines, fees, and court costs in Odyssey should be limited to staff with adequate knowledge of the applicable allocation. • Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in Odyssey. • Staff should ensure that adjustments are entered into Odyssey within three days of notification.
GOAL/ACTION ITEM:	Complete the adjustments for the months listed in the observation above.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

	STRATEGIES/ACTION STEPS	PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3				

Dept. Head/Elected Official Signature

Date

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 2	Copies of the April 2014 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. In addition, incorrect copies of OCA Reports for the months of February 2014 and March 2014 were submitted to the County Auditor's Office.
Recommendation No. 2	Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.
GOAL/ACTION ITEM:	The OCA Reports listed above are filed with the County Auditor's Office
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3.				
4				
5				
6.				

Dept. Head/Elected Official Signature

Date

JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH ENDED: October-18

PBC

Judge: JESUS E. MORALES
Precinct No. 1 Place No. 2

City: WESLACO, TX
Hidalgo County, Texas

Part I: RECAP OF AMOUNT PAYABLE TO THE COUNTY TREASURER

TOTAL CASH COLLECTED	(Receipt #s) <u>JP12-2018-03669</u> ^X through <u>JP12-2018-04007</u> ^X	\$ 38,444.00	✓
LESS: COST ON DEPOSIT		0.00	- X7 ✓
ADD: COST ON DEPOSIT LIQUIDATED		0.00	- X7 ✓
AMOUNT OWED TO COUNTY (Should Match Amt in Part III)		\$ 38,444.00	X3 ✓
Less: Total amount of remittances to County Treasurer (From Part II)		\$ 38,444.00	⊖ ✓
Total funds due to County Treasurer (Overtransfer Made to Co Treas.)		\$ (0.00)	2A X4-a3

Part II: REMITTANCES MADE TO THE COUNTY TREASURER

DESCRIPTION	AMOUNT	COMMENT
Total Collections for the Month (See Schedule of Receipts & Deposits)	\$ 38,444.00	B1 ✓
Add: Previous Month's Bond Overtransfer	0.00	
Add: HCSO Monthly "D" Collections Report	\$ -	
Total Remittances Made to County Treasurer	\$ 38,444.00	⊖

PREPARED BY:

Jesus E. Morales

DATE:

11/5/18

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

[Signature]
JUSTICE OF THE PEACE

11-5-2018
DATE

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE
DATE: 11/20/2018
12/15/18

**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH ENDED October-18**

Judge: JESUS E. MORALES
Precinct No. 1 Place No. 2

City: WESLACO, TEXAS
Hidalgo County, Texas

Part III: SUMMARY OF COLLECTIONS PAYABLE TO THE COUNTY TREASURER

PAGE 2 OF 2

Name of Fine, Fee, Court Cost	# Issued/ Filed	Statute Reference	Detail of Amt Collected	GL Acct No.	Amt. Collected
FINES:					
County Fines (Local Fine)		LGC 113.004, PC 12.23		1200-351-10-062-000-0-000	\$ 6,066.92
Texas Parks & Wildlife 85% Fine (State Fine)		TPWC 12.107		1100-207-20-000-012-0-000	-
No Safety Belt 50% Fine (State Fine)		TRC 545.412, 545.413 (j)		1100-207-20-000-028-0-000	200.13
Gross Weight 50% Fine (State Fine)		TRC Sec 621.506 (g)		1100-207-20-000-013-0-000	-
School District 50% Fines		Educ. Code § 25.093 (d) 1 (A)		1100-207-30-000-005-0-000	-
LOCAL COURT COSTS AND FEES:					
Courthouse Security Adm. Fee (\$3)		C.C.P. Art. 102.017 (b)		1241-341-10-060-001-0-000	571.54
Courthouse Security Fund JP (\$1)		C.C.P. Art. 102.017		1245-341-10-062-000-0-000	184.82
Justice Court Technology Fund (\$4)		C.C.P. Art. 102.0173		1242-341-10-060-000-0-000	758.04
Time Payment - @40% OF \$25.00 (\$10.00)		LGC 133.103 (d)		1100-341-10-060-001-0-000	201.08
Time Payment - @ 10% OF \$25.00 (\$2.50)		LGC 133.103 (e)		1100-341-10-060-002-0-000	50.27
Administrative Local Transaction Fee (\$2)		C.C.P. Art. 102.072		1100-341-10-060-003-0-000	411.00
Motor Vehicle Adm. Fee (\$10-\$20) (Dismissal Fee for Exp. DL, Exp. Insp. Cert, Exp. Mv. Reg.)		TRC Sec 548.605, 521.026, 502.407		1100-341-10-060-004-0-000	20.00
Special Fees				1100-341-10-062-000-0-000	532.92
Deferred Disposition		C.C.P. Art. 45.051	454.58		
Administrative Fee - "Drivers Safety Course" (\$10)		C.C.P. Art. 45.0311(f)	78.34		
Support of Judiciary Fund (\$60)		LGC 133.105		1100-341-10-060-009-0-000	110.89
Traffic Fee (\$3)		TRC 542.403		1100-341-10-062-000-0-000	361.52
Child Safety (\$20-\$25)		C.C.P. Art. 102.014		1100-341-10-060-011-0-000	50.00
Failure to Appear (\$4)		TC 706.006/TC 706.007(d)(2)		1100-341-10-060-012-0-000	84.22
Scofflaw Fee (\$20)		TRC 502.010(a)		1100-341-10-140-049-0-000	1,519.18
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-341-10-060-013-0-000	166.92
STATE COURT COSTS AND FEES:					
Criminal Justice Planning Fund C.C.P. (\$5)		C.C.P. Art. 102.051		1100-207-20-000-003-0-000	-
State General Revenue Fund (\$2.50)		C.C.P. Art. 102.015		1100-207-20-000-010-0-000	-
Law Enforcement Education Fund (____\$1, ____\$1.50, ____\$3.50)		Govt. Code Sec. 415.082		1100-207-20-000-011-0-000	-
Operators and Chauffeurs License Fund (\$75)		TRC 601.192		1100-207-20-000-031-0-000	-
Time Payment - @50% OF \$25.00 (\$12.50)		LGC 133.103 (b)		1100-207-20-000-005-0-000	251.35
Juvenile Crime and Delinquency Fund (____\$25, ____\$50)		C.C.P. Art. 102.075(m)		1100-207-20-000-007-0-000	0.75
Comprehensive Rehabilitation Fund (\$5)		C.C.P. Art. 102.082		1100-207-20-000-008-0-000	-
Fugitive Apprehension Fund (\$5)		C.C.P. Art. 102.019 (a) 2		1100-207-20-000-009-0-000	10.00
Consolidated Court Costs Fund (\$17)		C.C.P. Art. 102.075 (a) 3/LGC 133.102		1100-207-20-000-015-0-000	7,574.54
Compensation Victims Of Crime Fund (____\$3, ____\$5, ____\$15, ____\$35)		C.C.P. Art. 56.55 (2) & (3)		1100-207-20-000-017-0-000	30.00
Judicial & Court Personnel Training Fund (____\$1, ____\$2)		Govt. Code Sec. 56.001 (b)		1100-207-20-000-027-0-000	3.00
Correctional Management Institute of Texas Fund (\$50)		C.C.P. Art. 102.075		1100-207-20-000-029-0-000	0.50
Indigent Legal Services Fee-JP (\$6)	101	Govt. Code Sec. 101.141(2) (B)		1100-207-20-000-004-0-000	606.00
State Traffic Fee- Subtitle C (\$30)		TRC Sec 542.4031		1100-207-20-000-035-0-000	3,585.27
Jury Service Fee (\$4)		C.C.P. Art. 102.0045		1100-207-20-000-053-0-000	739.14
Support of Judiciary Fund (\$5.40)		LGC 133.105		1100-207-20-000-054-0-000	987.92
Birth Certificate Fee (\$1.80)		HSC 191.022(f)		1100-207-20-000-039-0-000	-
Defensive Driving Record Fee (\$12)		C.C.P. Art. 45.0511 (c-1)		1100-207-20-000-057-0-000	-
Indigent Defense Representation Fund (\$2)		LGC 133.107/GC 102.023		1100-207-20-000-059-0-000	359.58
Moving Violation Fee (\$0.10)		C.C.P. Art. 102.022/GC		1100-207-20-000-061-0-000	13.96
Safety Seat Violation Fee (\$0.15)		TRC 545.412 (b-1)		1100-207-20-000-062-0-000	-
Failure to Appear (\$20)		TRC 706.006/TC 706.007(d)(2)		1100-207-20-000-066-0-000	421.09
Electronic Filing Fee - Civil (\$10)		GC 101.1411/GC 51.851		1100-207-20-000-070-0-000	1,010.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-207-20-000-073-0-000	166.92
Texas Home Visiting Program Contribution (\$5)		HSC 191.0048/LGC 118.018 (c)		1100-207-20-000-074-0-000	-
Judicial & Court Personnel Training Fund-Civil (\$5)	101	GC 51.971 (a)		1100-207-20-000-076-0-000	505.00
ARREST/WARRANT FEES: STATE					
D.P.S. (____\$3, ____\$5, ____\$35, ____\$50)		C.C.P. Art. 102.011		1100-207-20-000-019-0-000	900.64
T.A.B.C. (____\$3, ____\$5, ____\$35, ____\$50)				1100-207-20-000-020-0-000	-
P.K.W.L. (____\$3, ____\$5, ____\$35, ____\$50)				1100-207-20-000-021-0-000	-
ARREST/WARRANT/SERVICE FEES: COUNTY					
Sheriff Fees:		LGC 118.131		1100-342-10-060-001-0-000	11.92
Constable Fees:					
Precinct #1				1100-342-10-291-000-0-000	7213.66
Precinct #2				1100-342-10-292-000-0-000	7208.66
Precinct #3				1100-342-10-293-000-0-000	-
Precinct #4				1100-342-10-294-000-0-000	-
Precinct #5				1100-342-10-295-000-0-000	-
District Attorney Fees				1100-341-10-060-007-0-000	-
Tax Assessor Fraud Investigators				1100-342-10-060-002-0-000	-
School District Arrest Fee				1100-342-10-060-003-0-000	-
Fire Marshal Fee				1100-342-20-060-001-0-000	-
Due to Others					
Warrant Fees/Out of County Service Fees DTO Law Enforcement Agencies		C.C.P. Art. 102.011 (a)(2)(A)		1100-207-30-000-003-0-000	-
Refund - Overpayments				1100-202-00-000-008-0-000	-
Due to Others				1100-202-00-000-008-0-000	-
Restitution				1100-202-00-000-008-0-000	-
Failure to Appear- OmniBase (\$6)		TRC 706.006/TC 706.007(d)(2)		1100-202-00-062-019-0-000	126.31
Delinquent Attorney Fee		C.C.P. Art. 101.0031(b)		1100-202-00-000-004-0-000	-
Justice Fees (Local Fees)					
Small Claims Court Filing Fee (\$25)		LGC 118.121/118.122		1100-341-10-060-001-0-000	2,620.00
Debt Claim Fee (Justice Court Filing Fee) (\$25)		LGC 118.121/118.122	2,525.00		
Landlord & Tenant Eviction Filing Fee (Forcible Entry and Detainer Court) (\$25)		LGC 118.121/118.122			
Transcript Fees (\$10)		LGC 118.121/118.123 (b)			
Abstract Fees (\$5)		LGC 118.121/118.123 (c)	30.00		
Writ Filing Fee (\$5)		LGC 118.121/118.123 (d)	65.00		
Issuing other Document (\$1 1st pg., .25 for each add'l pg)		LGC 118.121/118.123 (e)			
Certified Copies of Court Papers (\$2 1st pg., .25 for each add'l pg)		LGC 118.121			
Probable Cause Tow Hearing Fee (\$20)		LGC 101.141 (a)(4)			
Birth Certificates (\$22 each)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Death Certificates (\$20 each, each add'l \$3)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Preservation of Vital Statistics Fee (\$1 each)		HSC Sec 191.0045 (h)		1100-341-10-060-008-0-000	-
Jury Fees (Civil \$22, Criminal \$3)		Rules of Civil Proc., Rule 504.1(b)(1) CCP 102.004		1100-341-10-060-006-0-000	22.00

TOTAL AMOUNT DUE TO THE COUNTY TREASURER:

\$ 38,444.00

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) DAY OF THE FOLLOWING MONTH: LGC § 118.006.

COUNTY AUDITOR'S FORM RE-10404

REVISED 08/18

7241.12

12

Justice of the Peace Jesus Morales

Schedule of Adjustments

For the Month Ended October 31, 2018

Receipt Number	Case Number	Date	Offense	Off date	Disposition Date	CCC	CHS	CHSJP	DPSr	DSCr	IDRF	JCTF	JSF	LTF	MVF	SCOF	SJFC	SJFS	STF	TPDC	TPDS	UTFC	TOTAL
<u>Driver safety course fee was over assessed.</u>																							
JP12-2018- TR18-																							
03859	4126-J12	10/19/2018	speeding	8/23/2018	10/19/2018	36.67	2.75	0.92	4.57	18.34	1.83	3.67	3.67	2	0.09	-	0.55	4.95	27.5	0.92	0.92	2.75	112.1
<u>Please enter the disposition date.</u>																							
JP12-2018- TR18-																							
03820	4196-J12	10/17/2018	fail to yield row	8/25/2018		40	3	1	5	-	2	4	4	2	0.1	-	0.6	5.4	30	1	1	3	102.1
JP12-2018- TR18-																							
03761	2624-J12	10/11/2018	no safety belt	5/7/2018		40	3	1	5	-	2	4	4	2	-	20	0.6	5.4	30	1	1	3	122

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 7, 2018

The Honorable Bobby Contreras
Hidalgo County Justice of the Peace Pct. 2, Pl. 1
300 W. Hall Acres, Ste F
Pharr, Texas 78577

Re: *Monthly Fines and Fees Report* for October 2018

Dear Judge Contreras:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for the month of October 2018. 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.

Methodology:

In conducting our review, 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 100% of receipts with an offense date of December 31, 2007 and prior and 10% of randomly selected receipts with an offense date of January 1, 2008 and after to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Selected all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.
- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIERINA
JUDGE, 53RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *alio's* Undistributed Receipts general ledger account to determine if all credit card transactions were timely receipted by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Reviewed receipts issued, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "Official Justice of the Peace Monthly Report" (OCA Report), and the *Monthly Report*, among other reports, to verify proper completion.
- Verified if cash bonds posted by the defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

Conclusion:

Total collections for the month of October 2018 were \$100,368.33. Based on the results of our review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the following observations.

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.

Observation No. 1:

We noted that 5 of 401 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for April 2015 (43), May 2015 (65), July 2015 (23), August 2015 (31), September 2015 (43), October 2015 (34), November 2015 (10), December 2015 (5), January 2016 (13), February 2016 (21), March 2016 (28), April 2016 (31), May 2016 (2), June 2016 (2), August 2016 (5), September 2016 (8), October 2016 (6), November 2016 (6), December 2016 (5), January 2017 (3), February 2017 (6), March 2017 (9), April 2017 (5), May 2017 (7), June 2017 (5), July 2017 (9), August 2017 (2), September 2017 (6), October 2017 (4), November 2017 (6), December 2017 (24), January 2018 (3), February 2018 (9), March 2018 (10), April 2018 (6), May 2018 (8), June 2018 (8), July 2018 (7), August 2018 (7), and September 2018 (5) are still pending to be completed. According to staff, attempts to check the fines, fees, and court costs prior to taking in a payment are being made. In addition, due to a heavy workload and a limited number of staff, the adjustments could not be completed in a timely manner.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

Recommendation:

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.
- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in *Odyssey*.
- Staff should ensure that adjustments are entered into *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 2:

Copies of the June 2014 through August 2014 and April 2015 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. In addition, incorrect copies of OCA Reports for the months of March 2012, November 2012, January 2013 through May 2014, October 2014, November 2014, and January 2015 through March 2015 were submitted to the County Auditor's Office. According to the Justice of the Peace staff, copies of the OCA Reports cannot be generated due to programming errors in *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Local Government Code §112.002 (a) authorizes the county auditor to prescribe the system of accounting for the county. Local Government Code §112.002 (b) states that "the county auditor may adopt and enforce regulations, not inconsistent with law or with a rule adopted under Section 112.003, that the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county or to a person for whom a district clerk, district attorney, county officer, or precinct officer has made a collection or for whose use or benefit the officer holds or has received funds." Pursuant to Local Government Code §112.002 (a) and (b), the County Auditor requires the submittal of properly completed reports (i.e., *Monthly Report*, copy of the OCA Report, *Schedule of Receipts and Deposits* form, Cash Disbursement Journal, etc.) for checking and properly accounting of funds collected by the Justice of the Peace Offices.

Failure to ensure that properly completed OCA Reports are submitted to the County Auditor's Office may result in improper reporting to the State.

Recommendation:

Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.

Observation No. 3:

A mail log was not utilized to record payments received through the mail. According to the Court Coordinator, a mail log is not prepared due to limited staff and time.

The County Auditor's Office requires that mail-in payments be listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., cash or check), and, if applicable, the check number.

Failure to ensure that mail-in payments are recorded on a mail log increases the risk that payments could be lost or misappropriated without detection.

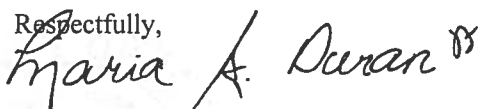
Recommendation:

Management should ensure that a daily mail log is maintained 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 payments received through the mail.

Please provide written management responses to the observations noted above and an action plan for observations 1 and 2 by Friday, December 21, 2018 using the attached Action Plan Forms.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Copy of *Monthly Report*, Exhibit A, and Action Plan Forms

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TUERINA
JUDGE, 53RD D.C.

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

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JUDGE, 204TH D.C.

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JUDGE, 430TH D.C.

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

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
	We noted that 5 of 401 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for April 2015 (43), May 2015 (65), July 2015 (23), August 2015 (31), September 2015 (43), October 2015 (34), November 2015 (10), December 2015 (5), January 2016 (13), February 2016 (21), March 2016 (28), April 2016 (31), May 2016 (2), June 2016 (2), August 2016 (5), September 2016 (8), October 2016 (6), November 2016 (6), December 2016 (5), January 2017 (3), February 2017 (6), March 2017 (9), April 2017 (5), May 2017 (7), June 2017 (5), July 2017 (9), August 2017 (2), September 2017 (6), October 2017 (4), November 2017 (6), December 2017 (24), January 2018 (3), February 2018 (9), March 2018 (10), April 2018 (6), May 2018 (8), June 2018 (8), July 2018 (7), August 2018 (7), and September 2018 (5) are still pending to be completed.
Observation No. 1	
	Management should ensure that all pending adjustments are completed. In addition, management should ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented: • Staff should be provided with training regarding the proper allocation of fines, fees, and court costs. • Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued. • Access for setting up offense codes with the proper fines, fees, and court costs in Odyssey should be limited to staff with adequate knowledge of the applicable allocation. • Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and judgment date are entered when a case is setup in Odyssey. • Staff should ensure that adjustments are entered into Odyssey within three days of notification.
Recommendation #	
GOAL/ACTION ITEM:	Complete the adjustments for the months listed in the observation above.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2.				
3.				

Dept. Head/Elected Official Signature

Date

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 2	Copies of the June 2014 through August 2014 and April 2015 through September 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been filed with the County Auditor's Office. In addition, incorrect copies of OCA Reports for the months of March 2012, November 2012, January 2013 through May 2014, October 2014, November 2014, and January 2015 through March 2015 were filed with the County Auditor's Office.
Recommendation #	Management should ensure that a properly completed OCA Report is filed with the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.
GOAL/ACTION ITEM:	The OCA Reports listed above are filed with the County Auditor's Office
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3.				
4				
5				
6.				

Dept. Head/Elected Official Signature

Date

**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18**

Judge: **BOBBY CONTRERAS**
Precinct No. 2 Place No. 1

PBC

City: **PHARR, TX**
Hidalgo County, Texas

Part I: RECAP OF AMOUNT PAYABLE TO THE COUNTY TREASURER

TOTAL CASH COLLECTED	(Receipts #'s) <u>JP21-2018-06834</u> ⁴ THRU <u>JP21-2018-07626</u> ⁴	\$ <u>100,368.33</u> ✓	
Sheriff's "D" Report	(Receipt #'s) _____ THRU _____		x9-a1
LESS: COST ON DEPOSIT		<u>0.00</u> - x7 ✓	
ADD: COST ON DEPOSIT LIQUIDATED		<u>0.00</u> - x7 ✓	
AMOUNT OWED TO COUNTY (Should Match Amt in Part III)		<u>\$ 100,368.33</u> x3 ✓	
Less: Total amount of remittances to County Treasurer (From Part II)		<u>100,368.33</u> (A)	
Total funds due to County Treasurer (Overtransfer Made to Co Treas.)		<u>\$ (0.00)</u> x4-a11	21

Part II: REMITTANCES MADE TO THE COUNTY TREASURER

DESCRIPTION	AMOUNT	COMMENT
Total Collections for the Month (See Schedule of Receipts & Deposits)	\$ 100,368.33	B, ✓
Add: Previous Month's Bond Overtransfer	0.00	
Add: HCSO Monthly "D" Collections Report	0.00	
Total Remittances Made to County Treasurer	\$ <u>100,368.33</u> (A)	21

PREPARED BY: OFELIA ORTIZ FLORES ⁰⁸

DATE: 11/2/18

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

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE

DATE: en 11/26/2018 ^{12/6/18}

12/15/18

Bobby Contreras
JUSTICE OF THE PEACE

DATE 11/2/18

**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18**

Judge: **BOBBY CONTRERAS**
Precinct No. **2** Place No. **1**

City: **PHARR, TEXAS**
Hidalgo County, Texas

Part III: SUMMARY OF COLLECTIONS PAYABLE TO THE COUNTY TREASURER

PAGE 2 OF 2

Name of Fine, Fee, Court Cost	# Issued/ Filed	Statute Reference	Detail of Amt Collected	GL Acct No.	Amt. Collected
FINES:					
County Fines (Local Fine)		LGC 113.004, PC 12.23		1200-351-10-063-000-0-000	\$ 33,689.30
Texas Parks & Wildlife 85% Fine (State Fine)		TPWC 12.107		1100-207-20-000-012-0-000	425.00
No Safety Belt 50% Fine (State Fine)		TRC 545.412, 545.413 (j)		1100-207-20-000-028-0-000	250.00
Gross Weight 50% Fine (State Fine)		TRC Sec 621.506 (g)		1100-207-20-000-013-0-000	-
School District 50% Fines		Educ. Code § 25.093 (d) 1 (A)		1100-207-30-000-006-0-000	-
LOCAL COURT COSTS AND FEES:					
Courthouse Security Adm. Fee (\$3)		C.C.P. Art. 102.017 (b)		1241-341-10-060-001-0-000	1,287.37
Courthouse Security Fund JP (\$1)		C.C.P. Art. 102.017		1243-341-10-063-000-0-000	427.15
Justice Court Technology Fund (\$4)		C.C.P. Art. 102.0173		1242-341-10-060-000-0-000	1,716.51
Time Payment - @40% OF \$25.00 (\$10.00)		LGC 133.103 (d)		1100-341-10-060-001-0-000	20.00
Time Payment - @ 10% of \$25.00 (\$2.50)		LGC 133.103 (e)		1100-341-10-060-002-0-000	5.00
Administrative Local Transaction Fee (\$2)		C.C.P. Art. 102.072		1100-341-10-060-003-0-000	866.00
Motor Vehicle Adm. Fee (\$10-\$20) (Domestic Fee for Exp. DL; Exp. Insp. Cert; Exp. Mv. Reg.)		TRC Sec 548.605, 521.026, 502.407		1100-341-10-060-004-0-000	120.00
Ten Court Program Adm. Fee (Up to \$10.00)		C.C.P. Art. 43.052 (e)		1100-341-10-060-005-0-000	-
Special Fees				1100-341-10-063-000-0-000	447.20
Deferred Disposition		C.C.P. Art. 45.051	\$ 234.50		
Administrative Fee - "Drivers Safety Course" (\$10)		C.C.P. Art. 45.051(f)	\$ 212.70		
Support of Judiciary Fund (\$6.00)		LGC 133.105		1100-341-10-060-009-0-000	256.28
Traffic Fee (\$3)		T.R.C. 542.403		1100-341-10-063-000-0-000	727.03
Child Safety (\$20-\$25)		C.C.P. Art. 102.014 (c)		1100-341-10-060-011-0-000	95.37
Failure to Appear (\$4)		TRC 706.006/TRC 706.007(d)(2)		1100-341-10-060-012-0-000	32.00
Scofflaw Fee (\$20)		TRC 502.010(a)		1100-341-10-140-049-0-000	1,820.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-341-10-060-013-0-000	413.12
STATE COURT COSTS AND FEES:					
Criminal Justice Planning Fund C.C.P. (\$5)		C.C.P. Art. 102.051		1100-207-20-000-003-0-000	5.00
Breath Alcohol Testing Fund (\$30)		C.C.P. Art. 102.016		1100-207-20-000-006-0-000	-
State General Revenue Fund (\$2.50)		C.C.P. Art. 102.015		1100-207-20-000-010-0-000	2.50
Law Enforcement Education Fund (\$1, \$1.50, \$3.50)		Govt. Code Sec. 415.082		1100-207-20-000-011-0-000	1.50
Operators and Chauffeurs License Fund (\$75)		T.R.C. 601.192		1100-207-20-000-031-0-000	-
Time Payment - @50% OF \$25.00 (\$12.50)		LGC 133.103 (b)		1100-207-20-000-005-0-000	25.00
Juvenile Crime and Delinquency Fund (\$2.25, \$5.00)		C.C.P. Art. 102.073(m)		1100-207-20-000-007-0-000	-
Comprehensive Rehabilitation Fund (\$5)		C.C.P. Art. 102.082		1100-207-20-000-008-0-000	-
Fugitive Apprehension Fund (\$5)		C.C.P. Art. 102.019 (a) 2		1100-207-20-000-009-0-000	-
Consolidated Court Costs Fund (\$40)		CCP 102.075 (a) 3/LGC 133.102		1100-207-20-000-015-0-000	17,165.08
Compensation Victims Of Crime Fund (\$3, \$5, \$15, \$35)		C.C.P. Art. 56.35 (3) & (3)		1100-207-20-000-017-0-000	15.00
Judicial & Court Personnel Training Fund (\$1, \$2)		Govt. Code Sec. 56.001 (b)		1100-207-20-000-027-0-000	1.00
Correctional Management Institute of Texas Fund (\$5.00)		CCP Art. 102.075		1100-207-20-000-029-0-000	-
Indigent Legal Services Fee- JP (\$6)	331	Govt. Code Sec. 101.141(2) (B)		1100-207-20-000-004-0-000	1,986.00
State Traffic Fee-Substitute C (\$30)		TRC Sec 542.4031		1100-207-20-000-035-0-000	7,240.58
Jury Service Fee (\$4)		C.C.P. Art. 102.0045		1100-207-20-000-033-0-000	1,708.51
Support of Judiciary Fund (\$5.40)		LGC 133.105		1100-207-20-000-054-0-000	2,304.48
Birth Certificate Fee (\$1.80)		HSC 191.022(f)		1100-207-20-000-039-0-000	-
Defensive Driving Record Fee (\$12)		C.C.P. Art. 45.051 (c-1)		1100-207-20-000-037-0-000	-
Indigent Defense Representation Fund (\$2)		LGC 133.107/GC 102.023		1100-207-20-000-039-0-000	852.25
Moving Violation Fee (\$0.10)		C.C.P. Art. 102.022/GC		1100-207-20-000-061-0-000	31.23
Safety Seat Violation Fee (\$0.15) (on or before September 28, 2011)		TRC 545.412 (b-1)		1100-207-20-000-062-0-000	-
Failure to Appear (\$20)		TRC 706.006/TRC 706.007(d)(2)		1100-207-20-000-066-0-000	160.00
Electronic Filing Fee - Civil (\$10)		GC 101.141/GC 51.851		1100-207-20-000-070-0-000	3,310.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-207-20-000-073-0-000	413.12
Texas Home Visiting Program Contribution (\$5)		HSC 191.0048/GC 118.018 (c)		1100-207-20-000-074-0-000	-
Judicial & Court Personnel Training Fund-Civil (\$5)	331	GC 51.971 (a)		1100-207-20-000-076-0-000	1,655.00
ARREST/WARRANT FEES: STATE					
D.P.S. (\$3, \$5, \$35, \$50)		C.C.P. Art. 102.011		1100-207-20-000-019-0-000	2,011.76
T.A.B.C. (\$3, \$5, \$35, \$50)				1100-207-20-000-020-0-000	-
P.K.W.L. (\$3, \$5, \$35, \$50)				1100-207-20-000-021-0-000	10.00
Texas Comptrollers Criminal Investigators				1100-207-20-000-060-0-000	-
ARREST/WARRANT/SERVICE FEES: COUNTY					
Sheriff Fees:		LGC 118.131		1100-342-10-060-001-0-000	90.00
Constable Fees:				1100-342-10-291-000-0-000	450.00
Precinct #1				1100-342-10-292-000-0-000	4,810.00
Precinct #2				1100-342-10-293-000-0-000	425.00
Precinct #3				1100-342-10-294-000-0-000	375.00
Precinct #4				1100-342-10-295-000-0-000	-
Precinct #5				1100-341-10-060-007-0-000	50.00
District Attorney Fees				1100-342-10-060-002-0-000	-
Tax Assessor Fraud Investigators				1100-342-10-060-003-0-000	-
School District Arrest Fee				1100-342-20-060-001-0-000	-
Fire Marshal Fee				1100-342-10-060-004-0-000	-
Code Enforcement Precinct #2				1100-207-30-000-003-0-000	-
Due to Others				1100-202-00-000-009-0-000	207.04
Warrant Fees/Out of County Service Fees DTO: Law Enforcement Agencies		C.C.P. Art. 102.011 (a) 2 (A)		1100-202-00-000-009-0-000	-
Refund - Overpayments				1100-202-00-000-009-0-000	-
Due to Others				1100-202-00-000-009-0-000	-
Restitution				1100-202-00-000-009-0-000	-
Failure to Appear- OmniBase (\$6)		TC 706.006/TC 706.007(d)(2)		1100-202-00-063-019-0-000	48.00
Delinquent Attorney Fee		C.C.P. Art. 103.003(b)		1100-202-00-000-004-0-000	3,900.93
Justice Fees (Local Fees)				1100-341-10-060-001-0-000	8,495.00
Small Claims Court Filing Fee (\$25)		LGC 118.121/118.122	\$ -		
Debt Claim Fee (Justice Court Filing Fee) (\$25)		LGC 118.121/118.122	8,275.00		
Landlord & Tenant Eviction Filing Fee (Forcible Entry & Detainer Court) (\$25)		LGC 118.121/118.122	-		
Transcript Fees/Appel Fee (\$10)		LGC 118.121/118.123 (b)	10.00		
Abstract Fees (\$5)		LGC 118.121/118.123 (c)	5.00		
Writ Filing Fee (\$5)		LGC 118.121/118.123 (d)	205.00		
Issuing other Document (\$1 1st pg. .25 for each add'l pg)		LGC 118.121/118.123 (e)	-		
Certified Copies of Court Papers (\$2 1st pg. .25 for each add'l pg)		LGC 118.121	-		
Probable Cause Tow Hearing Fee (\$20)		LGC 101.141(a)	-		
Birth Certificates (\$22 each)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Death Certificates (\$20 each, each add'l \$3)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Preservation of Vital Statistics Fee (\$1 each)		HSC Sec 191.0045 (b)		1100-341-10-060-008-0-000	-
Jury Fees (Civil \$22, Criminal \$3)		Rules of Civil Proc., Rule 504.1(b) CCP 102.004		1100-341-10-060-006-0-000	22.00
TOTAL AMOUNT DUE TO THE COUNTY TREASURER					\$ 100,378.33

Justice of the Peace Bobby Contreras
Schedule of Adjustments
For the Month Ended October 31, 2018

Receipt Number	Case Number	Date	Offense	Off date	Disposition Date	CCC	CHS	CHSIP	CJP	CO	CRF	VER	CVCA	DD	DEL	DPS	DP5r	DSCR	GR	IDRF	JCPT	JCTF	JSF	LEOSE	LTF	MVF	OVER	SCOF	SJFC	SJFS	STF	TPDC	TPDS	UTFC	WFCON ST2	TOTAL		
IP21-2018- CR-1104- 06851	94	10/1/2018	belt	11/24/1994	10/19/2000	-	-	-	5	33	-	-	15	-	41.4	5	-	-	2.5	-	1	-	-	1.5	2	-	-	20	-	-	-	-	-	3	50	179.4		
Based on the deferred disposition fee, CRF should NOT be assessed.																																						
IP21-2018- TR18-6532- 37098	J21	10/15/2018	seat	9/9/2018		40	3	1	-	-	12.5	-	-	12.5	-	-	5	-	-	2	-	4	4	-	2	0.1	-	-	0.6	5.4	30	1	1	3	-	127.1		
Driver safety course fee was over assessed.																																						
IP21-2018- TR18-6649- 36848	J21	10/1/2018	speeding	9/15/2018	10/17/2018	36.67	2.75	0.92	-	-	-	-	-	-	-	-	4.57	18.34	-	1.83	-	3.67	3.67	-	2	0.09	-	-	0.55	4.95	27.5	0.92	0.92	2.75	-	112.1		
Over payment was over assessed. The payment must be allocated to court costs and fees first.																																						
IP21-2018- TR18-6839- 37011	J21	10/5/2018	speeding	9/18/2018		24.84	1.86	0.62	-	-	-	59	-	-	-	-	3.12	6.21	-	1.24	-	2.48	2.48	-	4	0.06	39.74	-	0.37	3.35	18.63	0.62	0.62	1.86	-	171.1		

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

December 12, 2018

The Honorable Jaime J. Muñoz
Hidalgo County Justice of the Peace Pct. 2, Pl. 2
300 W. Hall Acres, St. B
Pharr, Texas 78577

Re: *Monthly Fines and Fees Report* for October 2018

Dear Judge Muñoz:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for the month of October 2018. 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.

Methodology:

In conducting our review, 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 100% of receipts with an offense date of December 31, 2007 and prior and 10% of randomly selected receipts with an offense date of January 1, 2008 and after to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Selected all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIERNA
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, 386TH D.C.

L. KENO VASQUEZ
JUDGE, 391TH D.C.

ISRAEL RAMON, JR.
JUDGE, 436TH D.C.

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

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *alio's* Undistributed Receipts general ledger account to determine if all credit card transactions were timely receipted by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Reviewed receipts issued, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "*Official Justice of the Peace Monthly Report*" (OCA Report), and the *Monthly Report*, among other reports, to verify proper completion.
- Verified if cash bonds posted by the defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

Conclusion:

Total collections for the month of October 2018 were \$131,855.96. Based on the results of our review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the following observations.

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.

Observation No. 1:

We noted that 12 of 391 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for the months of August 2015 (3), May 2016 (17), July 2016 (16), August 2016 (1), September 2016 (2), October 2016 (10), August 2018 (11), and September 2018 (1) are pending to be completed. According to the Court Coordinator, staff does not consistently verify that fines, fees, and court costs have been properly assessed prior to issuing receipts. In addition, due to a heavy workload, limited number of staff, and technical difficulties with *Odyssey*, the adjustments cannot be completed in a timely manner.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

Recommendation:

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.
- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered when a case is setup in *Odyssey*.
- Staff should ensure that adjustments are entered into *Odyssey* within three days of notification.

Observation No. 2:

Copies of the January 2015 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. According to Justice of the Peace staff, copies of the OCA Reports cannot be generated due to programming errors in *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Local Government Code §112.002 (a) authorizes the county auditor to prescribe the system of accounting for the county. Local Government Code §112.002 (b) states that "the county auditor may adopt and enforce regulations, not inconsistent with law or with a rule adopted under Section 112.003, that the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county or to a person for whom a district clerk, district attorney, county officer, or precinct officer has made a collection or for whose use or benefit the officer holds or has received funds." Pursuant to Local Government Code §112.002 (a) and (b), the County Auditor requires the submittal of properly completed reports (i.e., *Monthly Report*, copy of the OCA Report, *Schedule of Receipts and Deposits* form, Cash Disbursement Journal, etc.) for checking and properly accounting of funds collected by the Justice of the Peace Offices.

Failure to ensure that properly completed OCA Reports are submitted to the County Auditor's Office may result in improper reporting to the State.

Recommendation:

Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.

Observation No. 3:

We noted that 1 cash bond (CRNT16-0241-J2) posted on October 4, 2016 (see Exhibit B) by a defendant who failed to appear before the Justice of the Peace was not forfeited (liquidated) by the 10th workday following the date of their release from jail. According to the Court Coordinator, the bond has not been forfeited due to programming errors in *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Pursuant to Code of Criminal Procedure §45.044 (a)(2), "A justice or judge may enter a judgment of conviction and forfeit a cash bond posted by the defendant in satisfaction of the defendant's fine and cost if the defendant fails to appear according to the terms of the defendant's release." Pursuant to the terms of the cash bond, the defendant must appear before the Justice of the Peace by the 10th workday following the date of their release from jail. If the defendant fails to appear, the Justice of the Peace may declare the cash bond forfeited, enter a judgment of guilty, assess a fine, and apply the cash bond to the payment of the imposed judgment.

Failure to ensure that bonds are liquidated in a timely manner may result in the defendant being assessed additional court cost and fees, in error.

Recommendation:

Management should ensure that cash bonds are liquidated in a timely manner. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.

Observation No. 4:

We noted that collections for 17 of 22 days were deposited at the bank 2 to 3 days after collections were receipted. According to the Court Coordinator, deposits are not made daily due to limited staff and a heavy workload.

Pursuant to the "Cash Handling Guidelines and Procedures" prescribed by the County Auditor's Office, cash receipts must be deposited intact on a daily basis, unless the amount collected is less than \$100.00.

Failure to deposit collections at the bank on a daily basis increases the risk that loss or theft can occur.

HIDALGO COUNTY DISTRICT JUDGES

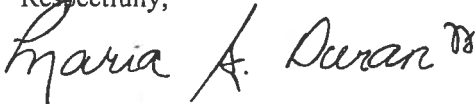
Recommendation:

Management should ensure that collections are deposited at the bank on a daily basis.

Please provide written management responses to the observations noted above and action plans for observations 1 through 3 by Friday, December 21, 2018 using the attached Action Plan Forms.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Copies of *Monthly Report*, Exhibit A and B, and Action Plan Forms

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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

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

NOE GONZALEZ
JUDGE, 370TH D.C.

LETICIA LOPEZ
JUDGE, 389TH D.C.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 1	We noted that 12 of 391 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. In addition, adjustments for the months of August 2015 (3), May 2016 (17), July 2016 (16), August 2016 (1), September 2016 (2), October 2016 (10), August 2018 (11), and September 2018 (1) are pending to be completed.
Recommendation No. 1	Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented: • Staff should be provided with training regarding the proper allocation of fines, fees, and court costs. • Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued. • Access for setting up offense codes with the proper fines, fees, and court costs in Odyssey should be limited to staff with adequate knowledge of the applicable allocation. • Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered when a case is setup in Odyssey. • Staff should ensure that adjustments are entered into Odyssey within three days of notification.
GOAL/ACTION ITEM:	Complete the pending adjustments for the receipts that contained errors in the allocation of fines, fees, and court costs. In addition, staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

	STRATEGIES/ACTION STEPS	PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2.				
3.				

Dept. Head/Elected Official Signature

Date

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 2	Copies of the January 2015 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office.
Recommendation No. 2	Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.
GOAL/ACTION ITEM:	The OCA Reports listed above are filed with the County Auditor's Office.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2.				
3.				
4.				
5.				
6.				

Dept. Head/Elected Official Signature

Date

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 3	We noted that 1 cash bond (CRNT16-0241-J2) posted on October 2016 by a defendant who failed to appear before the Justice of the Peace was not forfeited (liquidated) by the 10th workday following the date of their release from jail. The bond was received on October 4, 2016.
Recommendation No. 3	Management should ensure that cash bonds are liquidated in a timely manner. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.
GOAL/ACTION ITEM:	The cash bond should be liquidated.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3.				
4				
5				
6.				

Dept. Head/Elected Official Signature

Date

**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18**

Judge: **JAIME J. MUNOZ**
Precinct No. **2** Place No. **2**

PBC

City: **PHARR, TX**
Hidalgo County, Texas

Part I: RECAP OF AMOUNT PAYABLE TO THE COUNTY TREASURER

TOTAL CASH COLLECTED	(Receipts #s) <u>JP2-2 2018-07089</u> THRU <u>JP2-2 2018-07961</u>	131855.96 \$ 132,055.96	✓ x9-a
LESS: COST ON DEPOSIT		0.00	x7 ✓
ADD: COST ON DEPOSIT LIQUIDATED		0.00	x7 ✓
AMOUNT OWED TO COUNTY (Should Match Amt in Part III)		131855.96 \$ 132,055.96	x3 ✓
Less: Total amount of remittances to County Treasurer (From Part II)		132,205.96 \$ 129,755.96	(A) ✓
Total funds due to County Treasurer (Overtransfer Made to Co Treas.)		-2,300.00 (350.00)	x4-a, 13 #1

Part II: REMITTANCES MADE TO THE COUNTY TREASURER

DESCRIPTION	AMOUNT	COMMENT
Total Collections for the Month (See Schedule of Receipts & Deposits)	\$ 129,755.96	129,755.96
Add: Previous Month's Bond Overtransfer 0-2-2016	50.00	B.
Add: HCSO Monthly "D" Collections Report July 2016	24,102.00	
	~~200.00~~ - \$0.00	
	132,205.96	(A)
Total Remittances Made to the County Treasurer	\$ 129,755.96	

PREPARED BY: [Signature]

DATE: 11-1-2018

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

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE

DATE: 12/5/2018

JUSTICE OF THE PEACE

DATE: 11-1-2018

**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18**

Judge: JAIME J. MUNOZ
Precinct No. 2 Place No. 2

City: PHARR, TEXAS
Hidalgo County, Texas

Part III: SUMMARY OF COLLECTIONS PAYABLE TO THE COUNTY TREASURER

PAGE 2 OF 2

Name of Fine, Fee, Court Cost	# Issued/ Filed	Statute Reference	Detail of Amt Collected	GL Acct No.	Amt. Collected
FINES:					40817.04
County Fines (Local Fine)		LGC 113.004, PC 12.23		1200-351-10-064-000-0-000	46893.04
Texas Parks & Wildlife 85% Fine (State Fine)		TPWC 12.107		1100-207-20-000-012-0-000	261.80
No Safety Belt 50% Fine (State Fine)		TRC 545.412, 545.413 (j)		1100-207-20-000-028-0-000	713.94
Gross Weight 50% Fine (State Fine)		TRC Sec 621.506 (g)		1100-207-20-000-013-0-000	-
School District 50% Fines		Educ. Code § 25.093 (d) 1 (A)		1100-207-30-000-007-0-000	23.00
LOCAL COURT COSTS AND FEES:					39.00
Courthouse Security Adm. Fee (\$3)		C.C.P. Art. 102.017 (b)		1241-341-10-060-001-0-000	1543.04
Courthouse Security Fund JP (\$1)		C.C.P. Art. 102.017		1243-341-10-064-000-0-000	4149.04
Justice Court Technology Fund (\$4)		C.C.P. Art. 102.0173		1242-341-10-060-000-0-000	511.34
Time Payment - @40% OF \$25.00 (\$10.00)		LGC 133.103 (d)		1100-341-10-060-001-0-000	2049.40
Time Payment - @ 10% of \$25.00 (\$2.50)		LGC 133.103 (c)		1100-341-10-060-002-0-000	2059.00
Administrative Local Transaction Fee (\$2)		C.C.P. Art. 102.072		1100-341-10-060-003-0-000	-
Motor Vehicle Adm. Fee (\$10-\$20) (Diamond Fee for Exp. DL; Exp Insp Cert; Exp. Mv Reg.)		TRC Sec 548.605, 521.026, 502.407		1100-341-10-060-004-0-000	1024.20
Special Fees				1100-341-10-064-000-0-000	4032.70
Deferred Disposition		C.C.P. Art. 45.051	1,681.50		1,751.50
Administrative Fee - "Drivers Safety Course" (\$10)		C.C.P. Art. 45.051(f)	70.00		-
Support of Judiciary Fund (\$5.60)		LGC 133.105		1100-341-10-060-009-0-000	313.26
Traffic Fee (\$3)		T.R.C. 542.403		1100-341-10-064-000-0-000	314.46
Child Safety (\$20-\$25)		C.C.P. Art. 102.014 (c)		1100-341-10-060-011-0-000	789.00
Failure to Appear (\$4)		TRC 706.006/706.007(d)(2)		1100-341-10-060-012-0-000	146.92
Scotlaw Fee (\$20)		TRC 502.010(a)		1100-341-10-140-049-0-000	186.92
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-341-10-140-049-0-000	1,806.92
Truancy Court Cost (\$50)		Fam. Code 65.107 (a), (b)		1100-341-10-060-013-0-000	500.34
STATE COURT COSTS AND FEES:					502.34
Criminal Justice Planning Fund C.C.P. (\$5)		C.C.P. Art. 102.051		1100-207-20-000-003-0-000	-
State General Revenue Fund (\$2.50)		C.C.P. Art. 102.015		1100-207-20-000-010-0-000	-
Law Enforcement Education Fund (\$1, \$1.50, \$3.50)		Govt. Code Sec. 415.082		1100-207-20-000-011-0-000	-
Operators and Chauffeurs License Fund (\$75)		T.R.C. 601.192		1100-207-20-000-031-0-000	-
Time Payment - @50% OF \$25.00 (\$12.50)		LGC 133.103 (b)		1100-207-20-000-005-0-000	-
Juvenile Crime and Delinquency Fund (\$25, \$50)		C.C.P. Art. 102.075(m)		1100-207-20-000-007-0-000	-
Comprehensive Rehabilitation Fund (\$5)		C.C.P. Art. 102.082		1100-207-20-000-008-0-000	1.00
Fugitive Apprehension Fund (\$5)		C.C.P. Art. 102.019 (a) 2		1100-207-20-000-009-0-000	-
Consolidated Court Costs Fund (\$17)		CCP 102.075 (a) 3/LGC 133.102		1100-207-20-000-015-0-000	15.00
Compensation Victims Of Crime Fund (\$3, \$5, \$15, \$35)		C.C.P. Art. 56.55 (2) & (3)		1100-207-20-000-017-0-000	20504.94
Judicial & Court Personnel Training Fund (\$1, \$2)		Govt. Code Sec. 56.001 (b)		1100-207-20-000-027-0-000	20584.84
Correctional Management Institute of Texas Fund (\$5.00)		CCP Art. 102.075		1100-207-20-000-029-0-000	45.00
Indigent legal Services Fee-JP (\$6)	286	Govt. Code Sec. 101.141(2) (B)		1100-207-20-000-004-0-000	6.00
State Traffic Fee- Subtitle C (\$30)		TRC Sec 542.4031		1100-207-20-000-035-0-000	0.50
Jury Service Fee (\$4)		C.C.P. Art. 102.0645		1100-207-20-000-035-0-000	1,716.00
Support of Judiciary Fund (\$5.40)		LGC 133.105		1100-207-20-000-053-0-000	7,890.00
Birth Certificate Fee (\$1.80)		HSC 191.022(f)		1100-207-20-000-054-0-000	2045.40
Defensive Driving Record Fee (\$12)		C.C.P. Art. 45.0511 (c-1)		1100-207-20-000-039-0-000	2053.40
Indigent Defense Representation Fund (\$2)		LGC 133.107/GC 102.023		1100-207-20-000-059-0-000	2750.40
Moving Violation Fee (\$0.10)		C.C.P. Art. 102.022/GC		1100-207-20-000-061-0-000	2761.60
Safety Seat Violation Fee (\$0.15)		TRC 545.412 (b-1)		1100-207-20-000-062-0-000	-
Failure to Appear (\$20)		TRC 706.006/706.007(d)(2)		1100-207-20-000-066-0-000	-
Electronic Filing Fee - Civil (\$10)		GC 101.141/GC 51.851		1100-207-20-000-070-0-000	240.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-207-20-000-073-0-000	2,860.00
Texas Home Visiting Program Contribution (\$5)		HSC 191.004/LGC 118.018 (c)		1100-207-20-000-074-0-000	500.34
Judicial & Court Personnel Training Fund-Civil (\$5)	286	GC 51.971 (a)		1100-207-20-000-076-0-000	-
ARREST/WARRANT FEES: STATE		C.C.P. Art. 102.011		1100-207-20-000-019-0-000	1,430.00
D.P.S. (\$3, \$5, \$35, \$50)				1100-207-20-000-020-0-000	2,435.00
T.A.B.C. (\$3, \$5, \$35, \$50)				1100-207-20-000-021-0-000	-
P.K.W.L. (\$3, \$5, \$35, \$50)				1100-207-20-000-022-0-000	10.00
U.T.P.A. (\$3, \$5, \$35, \$50)				1100-207-20-000-022-0-000	-
ARREST/WARRANT/SERVICE FEES: COUNTY					
Sheriff Fees:		LGC 118.131		1100-342-10-060-001-0-000	20.00
Constable Fees:				1100-342-10-291-000-0-000	380.00
Precinct #1				1100-342-10-292-000-0-000	15,165.00
Precinct #2				1100-342-10-293-000-0-000	3,450.00
Precinct #3				1100-342-10-294-000-0-000	85.00
Precinct #4				1100-342-10-295-000-0-000	-
Precinct #5				1100-341-10-060-007-0-000	150.00
District Attorney Fees				1100-342-10-060-002-0-000	5.00
Tax Assessor Fraud Investigators				1100-342-10-060-003-0-000	10.00
School District Arrest Fee				1100-342-20-060-001-0-000	-
Fire Marshal Fee				1100-207-30-000-003-0-000	-
Due to Others				1100-202-00-000-010-0-000	479.60
Warrant Fees Due to Other Law Enforcement Agencies		C.C.P. Art. 102.011 (a) 2 (A)		1100-202-00-000-010-0-000	-
Refund - Overpayments				1100-202-00-000-010-0-000	-
Due to Others				1100-202-00-000-010-0-000	-
Restitution				1100-202-00-000-010-0-000	-
Failure to Appear- OmniBase (\$6)		TRC 706.006/706.007(d)(2)		1100-202-00-064-019-0-000	72.00
Delinquent Fee		C.C.P. Art. 103.003(b)		1100-202-00-000-004-0-000	2,902.18
Justice Fees (Local Fees)				1100-341-10-060-001-0-000	7,330.00
Small Claims Court Filing Fee (\$25)		LGC 118.121/118.122	7,150.00		-
Debt Claim Fee (Justice Court Filing Fee) (\$25)		LGC 118.121/118.122	-		-
Landlord & Tenant Eviction Filing Fee (Forcible Entry & Detainer Court) (\$25)		LGC 118.121/118.122	-		-
Transcript Fees (\$10)		LGC 118.121/118.123 (b)	-		-
Abstract Fees (\$5)		LGC 118.121/118.123 (c)	145.00		-
Writ Filing Fee (\$5)		LGC 118.121/118.123 (d)	35.00		-
Issuing other Document (\$1 1st pg, 25 for each addtl pg)		LGC 118.121/118.123 (e)	-		-
Certified Copies of Court Papers (\$2 1st pg, 25 for each addtl pg)		LGC 118.121	-		-
Proable Cause Tow Hearing Fee (\$20)		LGC 101.141 (a)(4)	-		-
Birth Certificates (\$22 each \$9.20 local)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Death Certificates (\$20 each, each addtl \$3)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Preservation of Vital Statistics Fee (\$1 each)		HSC Sec 191.0045(h)		1100-341-10-060-008-0-000	-
Jury Fees (Civil \$22, Criminal \$3)		Rules of Civil Proc., Rule 504.1(b)/CCP 102.004		1100-341-10-060-006-0-000	-
TOTAL AMOUNT DUE TO THE COUNTY TREASURER:					\$ -132,055.96

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) DAY OF THE FOLLOWING MONTH (LGC § 114.001)

131855.96

Justice of the Peace Jaime J. Muñoz
Precinct 2, Place 2
Schedule of Bonds on Deposit

Year	Receipt Date	Docket No.	Bond Amount
2016			
	10/4/2016	CRNT16-0241-J22	50.00
		Total	50.00

Justice of the Peace Jaime Muñoz
Schedule of Adjustments
For the Month Ended October 31, 2018

Receipt Number	Case Number	Date	Offense	Disposition Date	Off date	CCC	CHS	CHSJP	CO	CONST4	CRF	CSF	DD	DEL	DPSr	IDRF	JCTF	JSF	LTF	MVF	OMNIC	OMNIS	OMNIV	SCOF	SJFC	SJFS	STF	TPDC	TPDS	UTFC	TOTAL
<u>Delinquent was over assessed \$69.23.</u>																															
JP22-2018-07319	CRNT15-0027-J22	10/11/2018	possession of drug	8/26/2015		40	3	1	-	5	-	-	-	125.7	-	2	4	4	2	-	4	20	6	20	0.6	5.4	-	1	1	-	244.7
JP22-2018-07318	CRNT15-0063-J22	10/11/2018	possession of marijuana	8/26/2015		40	3	1	-	5	-	-	-	110.7	-	2	4	4	2	-	-	-	-	-	0.6	5.4	-	1	1	-	179.7
<u>Delinquent was under assessed \$9.96.</u>																															
JP22-2018-07130	TR17-1859 J22	10/1/2018	speeding	4/11/2017	10/1/2018	40	3	1	100.17	-	-	-	-	53.73	5	2	4	4	2	0.1	-	-	-	20	0.6	5.4	30	1	1	3	276
<u>Delinquent was over assessed \$12.46.</u>																															
JP22-2018-07292	TR17-3341 J22	10/10/2018	speeding	5/28/2017		40	3	1	-	-	-	-	-	52.83	5	2	4	4	2	0.1	-	-	-	20	0.6	5.4	30	1	1	3	174.93
<u>Based on the deferred disposition fee, CRF should NOT be assessed. Please adjust CRF to deferred.</u>																															
JP22-2018-07326	TR18-6516 J22	10/12/2018	safety seat	8/24/2018		40	3	1	-	-	12.5	0	12.5	-	5	2	4	4	2	0.1	-	-	-	-	0.6	5.4	30	1	1	3	127.1
JP22-2018-07223	TR18-6517 J22	10/5/2018	safety seat	8/24/2018		40	3	1	-	-	12.5	0	12.5	-	5	2	4	4	2	0.1	-	-	-	-	0.6	5.4	30	1	1	3	127.1
JP22-2018-07224	TR18-6518 J22	10/5/2018	safety seat	8/24/2018		40	3	1	-	-	12.5	0	12.5	-	5	2	4	4	2	0.1	-	-	-	-	0.6	5.4	30	1	1	3	127.1
JP22-2018-07098	TR18-6635 J22	10/1/2018	safety seat	9/2/2018	10/31/2018	40	3	1	-	-	12.5	0	12.5	-	5	2	4	4	2	0.1	-	-	-	-	0.6	5.4	30	1	1	3	127.1
<u>Based on offense, CRF should NOT be assessed. In addition, MVF, UTFC, and STF should NOT be assessed.</u>																															
JP22-2018-07092	TR18-6520 J22	10/1/2018	financial fail to maintain	8/25/2018	10/1/2018	40	3	1	12.5	-	12.5	-	-	-	5	2	4	4	2	0.1	-	-	-	-	0.6	5.4	30	1	1	3	127.1
<u>CRF and County fine should be split 50% each.</u>																															
JP22-2018-07332	TR18-7739 J22	10/12/2018	safety seat	7/16/2015		-	-	-	198.56	-	201.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400
<u>SJFC and SJFS were assessed incorrectly. SJFC should be \$0.40 and SJFS should be \$3.63.</u>																															
JP22-2018-07441	TRU17-0007-J22	10/17/2018	parent contributing to non-attendance	99/22/16		26.9	2.02	0.67	-	-	-	13.46	-	6	-	1.35	2.7	2.7	1.35	-	-	-	-	13.46	3.63	0.4	-	0.67	0.67	-	76
JP22-2018-07442	TRU17-0008-J22	10/17/2018	parent contributing to non-attendance	99/22/16		26.9	2.02	0.67	-	-	-	13.46	-	6	-	1.35	2.7	2.7	1.35	-	-	-	-	13.46	3.63	0.4	-	0.67	0.67	-	76

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 7, 2018

The Honorable Luis Garza
Hidalgo County Justice of the Peace Pct. 3, Pl. 1
730 N. Breyfogle, Suite C
Mission, Texas 78572

Re: *Monthly Fines and Fees Report* for October 2018

Dear Judge Garza:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for the month of October 2018. 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.

Methodology:

In conducting our review, 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 100% of receipts with an offense date of December 31, 2007 and prior and 10% of randomly selected receipts with an offense date of January 1, 2008 and after to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Selected all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
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.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

RENEE R. BETANCOURT
JUDGE, 448TH D.C.

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *alio's* Undistributed Receipts general ledger account to determine if credit card transactions were timely receipted by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Reviewed receipts issued, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "Official Justice of the Peace Monthly Report" (OCA Report), and the *Monthly Report*, among other reports, to verify proper completion.
- Verified if cash bonds posted by the defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

Conclusion:

Total collections for the month of October 2018 were \$142,387.22. Based on the results of our review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the following observations.

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.

Observation No. 1:

We noted that 4 of 270 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. According to the Court Coordinator, staff does not consistently verify that fines, fees, and court costs have been properly assessed prior to issuing receipts.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

Recommendation:

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.
- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in *Odyssey*.
- Staff should ensure that adjustments are entered into *Odyssey* within three days of notification.

Observation No. 2:

Copies of the January 2015 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. In addition, incorrect copies of OCA Reports for the months of September 2012, December 2012, September 2013, October 2013, and

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIERUNA
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 296TH D.C.

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

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JUDGE, 430TH D.C.

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

January 2014 through December 2014 were submitted to the County Auditor's Office. According to Justice of the Peace staff, properly completed OCA Reports cannot be generated from *Odyssey* due to data entry errors. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Local Government Code §112.002 (a) authorizes the county auditor to prescribe the system of accounting for the county. Local Government Code §112.002 (b) states that "the county auditor may adopt and enforce regulations, not inconsistent with law or with a rule adopted under Section 112.003, that the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county or to a person for whom a district clerk, district attorney, county officer, or precinct officer has made a collection or for whose use or benefit the officer holds or has received funds." Pursuant to Local Government Code §112.002 (a) and (b), the County Auditor requires the submittal of properly completed reports (i.e., *Monthly Report*, copy of the OCA Report, *Schedule of Receipts and Deposits* form, Cash Disbursement Journal, etc.) for checking and properly accounting of funds collected by the Justice of the Peace Offices.

Failure to ensure that properly completed OCA Reports are submitted to the County Auditor's Office may result in improper reporting to the State.

Recommendation:

Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.

Observation No. 3:

We noted that the October 2018 *Monthly Report* was submitted to the County Auditor's Office 8 days after the fifth day following the end of the month. According to the Court Coordinator, the *Monthly Report* was not submitted on time because the Justice of the Peace was out of the office and was unable to sign the *Monthly Report*.

Local Government Code §114.001 (b) states, "A monthly report must be filed within five days after the last day of each month." Timely submittal of the *Monthly Report* helps ensure the proper accounting and accurate projection of county revenues.

Failure to ensure that the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month may result in the improper accounting and inaccurate projection of the County revenues.

Recommendation:

Management should ensure the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month.

Observation No. 4:

We noted that 11 of 232 online credit card transactions were receipted 2 to 14 days after the date of transaction. Consequently, the applicable case disposition was not recorded in *Odyssey* in a timely manner. According to the JP Staff, 10 credit card transactions were receipted 2 days after the date of transaction due to a heavy workload. In addition, 1 credit card transaction was receipted 14 days late due to an oversight.

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

Failure to ensure that credit card transactions are promptly receipted may result in the loss or misuse of County funds. In addition, failure to ensure that case dispositions are entered in a timely manner may result in the arrest of the defendant, in error.

Recommendation:

Management should ensure that credit card transactions are promptly receipted and case dispositions are entered in a timely manner.

Please provide written management responses for the observations noted above and action plans for observations 1 and 2 by Friday, December 21, 2018 using the attached Action Plan Forms.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
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.

L. KENO VASQUEZ
JUDGE, 39TH D.C.

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

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

The Honorable Luis Garza
December 7, 2018
Page 4 of 4

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Copy of *Monthly Report*, Exhibit A, and Action Plan Forms

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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JUDGE, 275TH D.C.

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JUDGE, 449TH D.C.

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 1	We noted that 4 of 270 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, adjustments have not been completed. Management should ensure that the pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented: • Staff should be provided with training regarding the proper allocation of fines, fees, and court costs. • Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued. • Access for setting up offense codes with the proper fines, fees, and court costs in Odyssey should be limited to staff with adequate knowledge of the applicable allocation. • Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and judgment date are entered when a case is setup in Odyssey. • Staff should ensure that adjustments are entered into Odyssey within three days of notification.
Recommendation #	
GOAL/ACTION ITEM:	Complete the adjustments for the 4 receipts that contained errors in the allocation of fines, fees, and court costs. In addition, staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3				

Dept. Head/Elected Official Signature

Date

ACTION PLAN (AP)

Audit Project	Monthly Fines and Fees Report for October 2018
Observation No. 2	Copies of the January 2015 through October 2018 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the County Auditor's Office. In addition, incorrect copies of OCA Reports for the months of September 2012, December 2012, September 2013, October 2013, and January 2014 through December 2014 were submitted to the County Auditor's Office.
Recommendation #	Management should ensure that a properly completed OCA Report is filed with the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.
GOAL/ACTION ITEM:	The OCA Reports listed above are filed with the County Auditor's Office.
DIV/DIRECTOR'S NAME:	
PERSON RESPONSIBLE FOR AP:	
PLAN DUE DATE:	
TARGET DATE:	
STATUS:	

STRATEGIES/ACTION STEPS		PERSON RESPONSIBLE	TARGET DATE	DATE COMPLETED
1.				
2				
3.				
4				
5				
6.				

Dept. Head/Elected Official Signature

Date

PBC

Judge: LUIS GARZA
Precinct No. 3 Place No. 1

City: MISSION, TX
Hidalgo County, Texas

Part I: RECAP OF AMOUNT PAYABLE TO THE COUNTY TREASURER

TOTAL CASH COLLECTED	(Receipts #s)	<u>JP31-2018-10438</u>	THRU	<u>JP31-2018-12357</u>	\$	<u>142,387.12</u>
LESS: COST ON DEPOSIT						<u>0.00</u>
ADD: COST ON DEPOSIT LIQUIDATED						<u>0.00</u>
AMOUNT OWED TO COUNTY (Should Match Amt in Part III)					\$	<u>142,387.12</u>
Less: Total amount of remittances to County Treasurer (From Part II)					\$	<u>142,387.22</u>
Total funds due to County Treasurer (Overtransfer Made to Co Treas.)						<u>(0.10)</u>
						<u>21 0.00</u>

Part II: REMITTANCES MADE TO THE COUNTY TREASURER

DESCRIPTION	AMOUNT	Comment
Total Collections for the Month (See Schedule of Receipts & Deposits)	\$ 142,387.22	B1 ✓
Add: Previous Month's Bond Overtransfer	0.00	
Add: HCSO Monthly "D" Collections Report	\$0.00	
Total Remittances Made to County Treasurer	\$ 142,387.22	(A)

PREPARED BY: Debra Gonzalez

DATE PREPARED: 11/2/2018 10:00

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

COUNTY AUDITOR'S OFFICE

DATE: EW 11/28/2018

JUSTICE OF THE PEACE

DATE _____

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) DAY OF THE FOLLOWING MONTH (LGC § 114.001).
COUNTY AUDITOR'S FORM: RE-JP-004 REVISED 1/17

REVISÉD. 1/17

Name of Fine, Fee, Court Cost	# Issued/ Filed	Statute Reference	Detail of Amt Collected	GL Acct No.	Amt. Collected
FINES:					
County Fines (Local Fine)		LGC 113.004, PC 12.23		1200-351-10-065-000-0-000	45044.25
Texas Parks & Wildlife 85% Fine (State Fine)		TPWC 12.107		1100-207-20-000-012-0-000	1,040.40
No Safety Belt 50% Fine (State Fine)		TRC 545.412, 545.413 (j)		1100-207-20-000-028-0-000	462.50
Gross Weight 50% Fine (State Fine)		TRC Sec 621.506 (g)		1100-207-20-000-013-0-000	
School District 50% Fines		Educ. Code § 25.093 (d) 1 (A)		1100-207-30-000-008-0-000	
LOCAL COURT COSTS AND FEES:					
Courthouse Security Adm. Fee (\$3)		C.C.P. Art. 102.017 (b)		1241-341-10-060-001-0-000	2,154.35
Courthouse Security Fund JP (\$1)		C.C.P. Art. 102.017		1245-341-10-065-000-0-000	718.11
Justice Court Technology Fund (\$4)		C.C.P. Art. 102.0173		1242-341-10-060-000-0-000	2,872.47
Time Payment - @40% OF \$25.00 (\$10.00)		LGC 133.103 (d)		1100-341-10-060-001-0-000	563.54
Time Payment - @ 10% of \$25.00 (\$2.50)		LGC 133.103 (e)		1100-341-10-060-002-0-000	140.88
Administrative Local Transaction Fee (\$2)		C.C.P. Art. 102.072		1100-341-10-060-003-0-000	1,461.10
Motor Vehicle Adm. Fee (\$10-\$20) (Dismissal Fee for Exp. DL, Exp. Insp. Cert, Exp. A.H. Reg.)		TRC Sec 548.605, 521.026, 502.407		1100-341-10-060-004-0-000	180.00
Special Fees					
Deferred Disposition		C.C.P. Art. 45.031	1219.70	1100-341-10-065-000-0-000	1459.70
Administrative Fee - "Drivers Safety Course" (\$10)		C.C.P. Art. 45.051(f)	240.00		
Support of Judiciary Fund (\$60)		LGC 133.105		1100-341-10-060-009-0-000	430.87
Traffic Fee (\$3)		T.R.C. 542.403		1100-341-10-065-000-0-000	1,293.35
Child Safety (\$20-\$25)		C.C.P. Art. 102.014 (c)		1100-341-10-060-011-0-000	200.00
Failure to Appear (\$4)		TRC 706.006/TRC 706.007(d)(2)		1100-341-10-060-012-0-000	
Scofflaw Fee (\$20)		TRC 502.010(a)		1100-341-10-140-049-0-000	5,858.36
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-341-10-060-013-0-000	690.86
STATE COURT COSTS AND FEES:					
Criminal Justice Planning Fund C.C.P. (\$5)		C.C.P. Art. 102.051		1100-207-20-000-003-0-000	
State General Revenue Fund (\$2.50)		C.C.P. Art. 102.015		1100-207-20-000-010-0-000	
Law Enforcement Education Fund (\$1, \$1.50, \$3.50)		Govt. Code Sec. 415.082		1100-207-20-000-011-0-000	
Operators and Chauffeurs License Fund (\$75)		T.R.C. 601.192		1100-207-20-000-031-0-000	
Time Payment - @50% OF \$25.00 (\$12.50)		LGC 133.103 (b)		1100-207-20-000-005-0-000	704.42
Juvenile Crime and Delinquency Fund (\$2.50, \$5.00)		C.C.P. Art. 102.075(m)		1100-207-20-000-007-0-000	
Comprehensive Rehabilitation Fund (\$5)		C.C.P. Art. 102.082		1100-207-20-000-008-0-000	
Fugitive Apprehension Fund (\$5)		C.C.P. Art. 102.015 (a) 2		1100-207-20-000-009-0-000	
Consolidated Court Costs Fund (\$17)		CCP 102.073 (a) 3/LGC 133.102		1100-207-20-000-015-0-000	28,724.68
Compensation Victims Of Crime Fund (\$3, \$5, \$15, \$35)		C.C.P. Art. 56.55 (2) & (3)		1100-207-20-000-017-0-000	
Judicial & Court Personnel Training Fund (\$1, \$2)		Govt. Code Sec. 56.001 (b)		1100-207-20-000-027-0-000	
Correctional Management Institute of Texas Fund (\$5.00)		CCP Art. 102.075		1100-207-20-000-029-0-000	
Indigent legal Services Fee-JP (\$6)		Govt. Code Sec. 101.141(2) (B)		1100-207-20-000-004-0-000	972.00
State Traffic Fee- Subtitle C (\$30)		TRC Sec 542.403		1100-207-20-000-035-0-000	12,933.50
Jury Service Fee (\$4)		C.C.P. Art. 102.0045		1100-207-20-000-053-0-000	2,872.47
Support of Judiciary Fund (\$5.40)		LGC 133.105		1100-207-20-000-054-0-000	3,871.83
Birth Certificate Fee (\$1.80)		HSC 191.022(f)		1100-207-20-000-039-0-000	
Defensive Driving Record Fee (\$12)		C.C.P. Art. 45.0511 (e-1)		1100-207-20-000-057-0-000	
Indigent Defense Representation Fund (\$2)		LGC 133.107/GC 102.023		1100-207-20-000-059-0-000	1,430.24
Moving Violation Fee (\$0.10)		C.C.P. Art. 102.022/GC		1100-207-20-000-061-0-000	55.52
Safety Seat Violation Fee (\$0.15)		TRC 545.412 (b-1)		1100-207-20-000-062-0-000	
Failure to Appear (\$20)		TRC 706.006/TRC 706.007(d)(2)		1100-207-20-000-066-0-000	
Electronic Filing Fee - Civil (\$10)		GC 101.141/GC 51.851		1100-207-20-000-070-0-000	1,620.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-207-20-000-073-0-000	694.86
Texas Home Visiting Program Contribution (\$5)		HSC 191.0048/LGC 118.018 (e)		1100-207-20-000-074-0-000	
Judicial & Court Personnel Training Fund-Civil (\$5)		GC 51.971 (a)		1100-207-20-000-076-0-000	810.00
ARREST / WARRANT FEES: STATE		C.C.P. Art. 102.011			
D.P.S. (\$3, \$5, \$35, \$50)				1100-207-20-000-019-0-000	3,245.59
T.A.B.C. (\$3, \$5, \$35, \$50)				1100-207-20-000-020-0-000	
P.K.W.L. (\$3, \$5, \$35, \$50)				1100-207-20-000-021-0-000	40.00
Texas Comptrollers Criminal Investigators				1100-207-20-000-060-0-000	
ARREST / WARRANT / SERVICE FEES: COUNTY					
Sheriff Fees:		LGC 118.131		1100-342-10-060-001-0-000	225.00
Constable Fees:					
Precinct #1				1100-342-10-291-000-0-000	75.00
Precinct #2				1100-342-10-292-000-0-000	400.00
Precinct #3				1100-342-10-293-000-0-000	5,402.69
Precinct #4				1100-342-10-294-000-0-000	
Precinct #5				1100-342-10-295-000-0-000	
District Attorney Fees				1100-341-10-060-007-0-000	150.00
Tnx Assessor Fraud Investigators				1100-342-10-060-002-0-000	
School District Arrest Fee				1100-342-10-060-003-0-000	15.00
Fire Marshal Fee				1100-342-20-060-001-0-000	5.00
Due to Others					
Warrant Fees Due to Other Law Enforcement Agencies		C.C.P. Art. 102.011 (a) 2 (A)		1100-207-30-000-003-0-000	
Refund - Overpayments				1100-202-00-000-011-0-000	10.00
Due to Others				1100-202-00-000-011-0-000	
Restitution				1100-202-00-000-011-0-000	
Failure to Appear- OmniBase (\$6)		TRC 706.006/TRC 706.007(d)(2)		1100-202-00-000-011-0-000	
Delinquent Attorney Fee		C.C.P. Art. 103.0031(b)		1100-202-00-065-019-0-000	
Justice Fees (Local Fees)					
Small Claims Court Filing Fee (\$25)		LGC 118.121/118.122		1100-341-10-060-001-0-000	4,210.00
Debt Claim Fee (Justice Court Filing Fee) (\$25)		LGC 118.121/118.122	4,050.00		
Landlord & Tenant Eviction Filing Fee (Forcible Entry & Detainer Court) (\$25)		LGC 118.121/118.122			
Transcript Fees (\$10)		LGC 118.121/118.123 (b)			
Abstract Fees (\$5)		LGC 118.121/118.123 (c)	35.00		
Writ Filing Fee (\$5)		LGC 118.121/118.123 (d)	125.00		
Issuing other Document (\$1 1st pg, .25 for each add'l pg)		LGC 118.121/118.123 (e)			
Certified Copies of Court Papers (\$2 1st pg, .25 for each add'l pg)		LGC 118.121			
Probable Cause Tow Hearing Fee (\$20)		LGC 101.141 (a)4			
Birth Certificates (\$22 each \$9.20 local)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	
Death Certificates (\$20 each, each add'l \$3)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	80.00
Preservation of Vital Statistics Fee (\$1 each)		HSC Sec 191.0045 (b)		1100-341-10-060-008-0-000	4.00
Jury Fees (Civil \$22, Criminal \$3)		Rules of Civil Proc., Rule 504.1(b)			
		CCP 102.004		1100-341-10-060-006-0-000	

RECEIVED BY
COUNTY AUDITOR
2018 NOV 13 AM 9 24

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE
DATE: 11/28/2018

Justice of the Peace Luis Garza

Schedule of Adjustments

For the Month Ended October 31, 2018

Receipt Number	Case Number	Date	Offense	Off date	Disposition Date	CCC	CHS	CHSJP	CO	DEL	DPS	DPSr	IDRF	JCTF	JSF	LTF	MVF	SCOF	SJFC	SJFS	STF	TPDC	TPDS	UTFC	TOTAL
<u>Enter the disposition date.</u>																									
JP31-2018-12137	TR17-16993-J31	10/24/2018	fail to maintain financial responsibility	5/3/2017		40	3	1	175	79.2	-	5	2	4	4	2	-	20	0.6	5.4	-	1	1	-	343.2
JP31-2018-12185	TR17-21016-J31	10/25/2018	fail to maintain financial responsibility	10/29/2017		40	3	1	175	-	-	5	2	4	4	2	-	-	0.6	5.4	-	1	1	-	244
TPDC and TPDS should be \$1.00 each.																									
JP31-2018-12323	CR14-0675-J31	10/31/2018	fail to control speed	1/27/2014	10/31/2018	40	3	1	103	67.53	5	-	2	4	4	2	0.1	20	0.6	5.4	30	-	2	3	292.63
JP31-2018-12325	CR14-0676-J31	10/31/2018	fail to provide proof of financial responsibility	1/27/2014	10/31/2018	40	3	1	175	79.2	5	-	2	4	4	2	-	20	0.6	5.4	-	-	2	-	343.2

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 11, 2018

The Honorable Charlie Espinoza
Hidalgo County Justice of the Peace Pct. 4, Pl. 1
212 N. 12th Avenue
Edinburg, Texas 78541

Re: *Monthly Fines and Fees Report* for October 2018

Dear Judge Espinoza:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for the month of October 2018. 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.

Methodology:

In conducting our review, 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 100% of receipts with an offense date of December 31, 2007 and prior and 10% of randomly selected receipts with an offense date of January 1, 2008 and after to determine if fines, fees, and court costs collected were properly allocated and reported and verified whether any adjustments were made.
- Verified that procedures for voided receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Selected all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.

HIDALGO COUNTY DISTRICT JUDGES

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- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *alio's* Undistributed Receipts general ledger account to determine if all credit card transactions were timely receipted by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Reviewed receipts issued, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "Official Justice of the Peace Monthly Report" (OCA Report), and the *Monthly Report*, among other reports, to verify proper completion.
- Verified if cash bonds posted by the defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

Conclusion:

Total collections for the month of October 2018 were \$176,168.49. Based on the results of our review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the following observations.

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.

Observation No. 1:

We noted that 6 of 608 transactions contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments (see Exhibit A); however, the adjustments have not been completed. In addition, adjustments for the months of October 2015 (1), August 2016 (1), September 2016 (2), October 2016 (5), November 2016 (5), December 2016 (2), August 2017 (3), April 2018 (7), May 2018 (22), June 2018 (48), July 2018 (28), August 2018 (16), and September 2018 (9) are still pending to be completed. According to staff, attempts will be made to check the fines, fees, and court costs prior to taking in a payment.

There are numerous statutes that require Justices of the Peace to charge various fines, fees, and court costs for certain services and offenses. Fines, fees, and court costs must be allocated pursuant to State statutes and/or Commissioners Court approval. In addition, the County Auditor's Office requires that adjustments be made within three days of notification.

Failure to ensure that fines, fees, and court costs are properly allocated and reported may result in the improper collection of County revenues. In addition, the County may be held liable to the State for failure to properly allocate and report fines, fees, and court costs.

Recommendation:

Management should ensure that all pending adjustments are completed. In addition, management should develop and implement formal procedures to ensure that fines, fees, and court costs are properly allocated and reported. At a minimum, the following procedures should be implemented:

- Staff should be provided with training regarding the proper allocation of fines, fees, and court costs.
- Staff should review the allocation of fines, fees, and court costs before the official County receipt is issued.
- Access for setting up offense codes with the proper fines, fees, and court costs in *Odyssey* should be limited to staff with adequate knowledge of the applicable allocation.
- Staff should ensure that the proper fines, fees, and court costs allocation, offense date, and disposition date (judgment date) are entered in *Odyssey*.
- Staff should ensure that adjustments are entered into *Odyssey* within three days of notification.

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Observation No. 2:

Copies of the Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) for the months of February 2013, September 2013, May 2014, and September 2014 through October 2018 have not been submitted to the County Auditor's Office. In addition, an incorrect copy of the OCA Report for the month of January 2014 was submitted to the County Auditor's Office. According to Justice of the Peace staff, copies of the OCA Reports cannot be generated due to programming errors in *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Local Government Code §112.002 (a) authorizes the county auditor to prescribe the system of accounting for the county. Local Government Code §112.002 (b) states that "the county auditor may adopt and enforce regulations, not inconsistent with law or with a rule adopted under Section 112.003, that the auditor considers necessary for the speedy and proper collecting, checking, and accounting of the revenues and other funds and fees that belong to the county or to a person for whom a district clerk, district attorney, county officer, or precinct officer has made a collection or for whose use or benefit the officer holds or has received funds." Pursuant to Local Government Code §112.002 (a) and (b), the County Auditor requires the submittal of properly completed reports (i.e., *Monthly Report*, copy of the OCA Report, *Schedule of Receipts and Deposits* form, Cash Disbursement Journal, etc.) for checking and properly accounting of funds collected by the Justice of the Peace Offices.

Failure to ensure that properly completed OCA Reports are submitted to the County Auditor's Office may result in improper reporting to the State.

Recommendation:

Management should ensure that a properly completed OCA Report is submitted to the County Auditor's Office within five days after the last day of each month. In addition, the continued assistance of the Information Technology Department should be requested until the problem has been resolved.

Observation No. 3:

We noted that a \$400.00 appeal bond received on May 3, 2013 for docket number E12-09-880 has not been forwarded to the County Clerk or refunded to the defendant. According to the notes in the County Clerk's docket, County Court-At-Law No. 4 issued a judgment nisi on June 9, 2014.

A judgment nisi is a judgment that is not final or absolute. A judgment nisi is an intermediate judgment which will become final unless a party appeals or formally requests the court to set it aside. Pursuant to Code of Criminal Procedure §44.16, if the defendant is not in custody, a notice of appeal shall have no effect until the required appeal bond has been given and approved. The appeal bond shall be given within ten days after the sentence of the court has been rendered." Code of Criminal Procedure Article 44.18 states, "In appeals from justice and corporation courts, all the original papers in the case, together with the appeal bond, if any, and together, with a certified transcript of all the proceedings had in the case before such court shall be delivered without delay to the clerk of the court to which the appeal was taken, who shall file the same and docket the case."

Failure to ensure that court action is taken in a timely manner for cases in which an appeal bond was posted may result in the improper accounting of appeal bonds.

Recommendation:

Management should contact the County Clerk's Office to determine if the appeal bond needs to be forwarded to the County Clerk's Office or refunded to the defendant.

Observation No. 4:

We noted that 5 cash bonds (see Exhibit B) posted by defendants who failed to appear before the Justice of the Peace were not forfeited (liquidated) by the 10th workday following the date of their release from jail. According to the Justice of the Peace staff, the bonds were not forfeited due to complications encountered with *Odyssey*. Assistance has been requested from the Information Technology Department; however, the problem has not been resolved.

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Code of Criminal Procedure Article 45.044 (a)(2) states, "A justice or judge may enter a judgment of conviction and forfeit a cash bond posted by the defendant in satisfaction of the defendant's fine and cost if the defendant fails to appear according to the terms of the defendant's release." Pursuant to the terms of the cash bond, the defendant must appear before the Justice of the Peace by the 10th workday following the date of their release from jail. If the defendant fails to appear, the Justice of the Peace may declare the cash bond forfeited, enter a judgment of guilty, assess a fine, and apply the cash bond to the payment of the imposed judgment.

Failure to ensure that bonds are liquidated in a timely manner may result in the misuse of County funds.

Recommendation:

Management should ensure that cash bonds are liquidated in a timely manner. In addition, the continued assistance from the Information Technology Department should be requested until the problem has been resolved.

Observation No. 5:

We noted that 6 of 155 online credit card transactions were receipted 2 days after the date of transaction. In addition, 1 kiosk credit card transaction was receipted 36 days after the date of the transaction. Consequently, the applicable case dispositions were not recorded in *Odyssey* in a timely manner. According to the Court Coordinator, the credit card transactions were not receipted timely due to an oversight.

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

Failure to ensure that credit card transactions are promptly receipted may result in the loss or misuse of County funds. In addition, failure to ensure that case dispositions are entered in a timely manner may result in the arrest of the defendant, in error.

Recommendation:

Management should ensure that credit card transactions are promptly receipted and case dispositions are entered in a timely manner.

Observation No. 6:

We noted that a mail log was not utilized to record payments received through the mail. According to staff, a mail log is not used since the mail is received and opened by the Justice of the Peace. The Justice of the Peace distributes payments received through the mail to staff for receipting purposes.

The County Auditor's Office requires that mail be opened and listed on a daily mail log. The mail log should include the following information for each mail-in payment received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., cash or check), and, if applicable, the check number.

Failure to ensure mail-in payments are recorded on a mail log increases the risk that payments could be lost or misappropriated without detection.

Recommendation:

Management should ensure that a daily mail log is maintained 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 payments received through the mail.

Observation No. 7:

We noted that the October 2018 *Monthly Report* was submitted to the County Auditor's Office 3 days after the fifth day following the end of the month. According to the Court Coordinator, the *Monthly Report* was not submitted on time due to the Justice of the Peace being out of the office and unable to sign the report.

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Local Government Code §114.001 (b) states, "A monthly report must be filed within five days after the last day of each month." Timely submittal of the *Monthly Report* helps ensure the proper accounting and accurate projection of county revenues.

Failure to ensure that the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month may result in the improper accounting and inaccurate projection of County revenues.

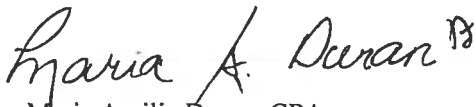
Recommendation:

Management should ensure the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month.

Please provide written management responses to the observations noted above and action plans for observations 1 through 4 by Friday, December 21, 2018 using the attached Action Plan Forms.

If you have any questions or would like to schedule a meeting to discuss the above noted observations, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Copy of *Monthly Report*, Exhibits A and B, and Action Plan Forms

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18**

Judge: **CHARLIE ESPINOZA**
Precinct No. **4** Place No. **1**

PBC

City: **EDINBURG, TX**
Hidalgo County, Texas

Part I: RECAP OF AMOUNT PAYABLE TO THE COUNTY TREASURER

TOTAL CASH COLLECTED (Receipts #s) JP41-2018-12816 THRU JP41-2018-14354 \$ 176,168.49 ^{x9}

LESS: COST ON DEPOSIT

0.00 - ^{x7} ✓

ADD: COST ON DEPOSIT LIQUIDATED

0.00 - ^{x7} ✓

AMOUNT OWED TO COUNTY (Should Match Amt in Part III)

\$ 176,168.49 ^{x3} ✓

Less: Total amount of remittances to County Treasurer (From Part II)

177,236.49 ^(A) ✓
\$ 175,991.39

Total funds due to County Treasurer (Overtransfer Made to Co Treas.)

(1068.00)
-177.10 ^{x4-6-17}
21

Part II: REMITTANCES MADE TO THE COUNTY TREASURER

DESCRIPTION	AMOUNT	RECEIPT NO.
Total Collections for the Month (See Schedule of Receipts & Deposits)	\$ <u>175,991.39</u>	<u>176,168.49</u> ✓ B
Add: Previous Month's Bond Overtransfer (2013, 2015, 2016)	<u>1068.00</u> ✓	<u>Ex-B</u> ✓
Add: HCSO Monthly "D" Collections Report	<u>0.00</u>	
Total Remittances Made to County Treasurer	\$ <u>175,991.39</u>	<u>177,236.49</u> ^(A) ✓

PREPARED BY: Allen Ray

DATE: 11/7/18

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

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE

DATE: 12/3/2018
47 10/16/18

CE
JUSTICE OF THE PEACE

11-7
DATE

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) DAY OF THE FOLLOWING MONTH (LGC § 114.001).

COUNTY AUDITOR'S FORM: RE -JP-004

REVISED: 01/17

**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18**

Judge: **CHARLIE ESPINOZA**
Precinct No. **4** Place No. **1**

City: **EDINBURG, TX**
Hidalgo County, Texas

Part III: SUMMARY OF COLLECTIONS PAYABLE TO THE COUNTY TREASURER

PAGE 2 OF 2

Name of Fine, Fee, Court Cost	# Issued/ Filed	Statute Reference	Detail of Amt Collected	GL Acct No.	Amt. Collected
FINES:					
County Fines (Local Fine)		LGC 113.004, PC 12.23		1200-351-10-067-000-0-000	\$ 49,278.47
Texas Parks & Wildlife 85% Fine (State Fine)		TPWC 12.107		1100-207-20-000-012-0-000	694.45
No Safety Belt 50% Fine (State Fine)		TRC 545.412, 545.413 (j)		1100-207-20-000-028-0-000	610.50
Gross Weight 50% Fine (State Fine)		TRC Sec 621.506 (g)		1100-207-20-000-013-0-000	-
School District 50% Fines		Educ. Code § 25.093 (d) 1 (A)		1100-20730-000-010-0-000	-
LOCAL COURT COSTS AND FEES:					
Courthouse Security Adm. Fee (\$3)		C.C.P. Art. 102.017 (b)		1241-341-10-060-001-0-000	2,677.56
Courthouse Security Fund JP (\$1)		C.C.P. Art. 102.017		1245-341-10-067-000-0-000	885.48
Justice Court Technology Fund (\$4)		C.C.P. Art. 102.0173		1242-341-10-060-000-0-000	3,566.09
Time Payment - @40% OF \$25.00 (\$10.00)		LGC 133.103 (d)		1100-341-10-060-001-0-000	131.64
Time Payment - @ 10% of \$25.00 (\$2.50)		LGC 133.103 (c)		1100-341-10-060-002-0-000	32.91
Administrative Local Transaction Fee (\$2)		C.C.P. Art. 102.072		1100-341-10-060-003-0-000	1,956.00
Motor Vehicle Adm. Fee (\$10-\$20) (Minimum Fee for Exp. DL; Exp Insp. Cert; Exp Mv Reg.)		TRC Sec 548.605, 521.026, 502.407		1100-341-10-060-004-0-000	330.00
Special Fees				1100-341-10-067-000-0-000	2,360.29
Deferred Disposition		C.C.P. Art. 45.051	1,910.30		
Administrative Fee - "Drivers Safety Course" (\$10)		C.C.P. Art. 45.051 (f)	449.99		
Support of Judiciary Fund (\$60)		LGC 133.105		1100-341-10-060-009-0-000	531.33
Traffic Fee (\$3)		T.R.C. 342.403		1100-341-10-067-000-0-000	1,463.40
Child Safety (\$20-\$25)		C.C.P. Art. 102.014 (c)		1100-341-10-060-011-0-000	425.00
Failure to Appear (\$4)		TRC 706.006/TRC 706.007(d)(2)		1100-341-10-060-012-0-000	-
Scofflaw Fee (\$20)		TRC 502.010(a)		1100-341-10-140-049-0-000	3,237.02
Tuency Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-341-10-060-013-0-000	856.51
STATE COURT COSTS AND FEES:					
Criminal Justice Planning Fund C.C.P. (\$5)		C.C.P. Art. 102.051		1100-207-20-000-003-0-000	-
State General Revenue Fund (\$2.50)		C.C.P. Art. 102.015		1100-207-20-000-010-0-000	-
Law Enforcement Education Fund (___\$1, ___\$1.50, ___\$3.50)		Govt. Code Sec. 415.082		1100-207-20-000-011-0-000	-
Operators and Chauffeurs License Fund (\$75)		T.R.C. 601.192		1100-207-20-000-031-0-000	-
Time Payment - @50% OF \$25.00 (\$12.50)		LGC 133.103 (b)		1100-207-20-000-005-0-000	164.55
Juvenile Crime and Delinquency Fund (___\$25, ___\$50)		C.C.P. Art. 102.075(m)		1100-207-20-000-007-0-000	0.75
Comprehensive Rehabilitation Fund (\$5)		C.C.P. Art. 102.082		1100-207-20-000-008-0-000	-
Fugitive Apprehension Fund (\$5)		C.C.P. Art. 102.019 (a) 2		1100-207-20-000-009-0-000	10.00
Consolidated Court Costs Fund (\$17)		CCP 102.075 (a) 3/ LGC 133.102		1100-207-20-000-015-0-000	35,654.84
Compensation Victims Of Crime Fund (___\$3, ___\$5, ___\$15, ___\$30)		C.C.P. Art. 56.55 (2) & (3)		1100-207-20-000-017-0-000	30.00
Judicial & Court Personnel Training Fund (___\$1, ___\$2)		Govt. Code Sec. 56.001 (b)		1100-207-20-000-027-0-000	4.00
Correctional Management Institute of Texas Fund (\$50)		CCP Art. 102.075		1100-207-20-000-029-0-000	0.50
Indigent legal Services Fee-JP (\$6)	494	Govt. Code Sec. 101.141(2) (B)		1100-207-20-000-004-0-000	2,964.00
State Traffic Fee- Subtitle C (\$30)		TRC Sec 542.4031		1100-207-20-000-035-0-000	14,633.95
Jury Service Fee (\$4)		C.C.P. Art. 102.0045		1100-207-20-000-053-0-000	3,546.08
Support of Judiciary Fund (\$5.40)		LGC 133.105		1100-207-20-000-054-0-000	4,771.79
Birth Certificate Fee (\$1.80)		HSC 191.022(f)		1100-207-20-000-039-0-000	-
Defensive Driving Record Fee (\$12)		C.C.P. Art. 45.0511 (c-1)		1100-207-20-000-057-0-000	-
Indigent Defense Representation Fund		LGC 133.107/GC 102.023		1100-207-20-000-059-0-000	1,761.09
Moving Violation Fee (\$0.10)		C.C.P. Art. 102.022/GC		1100-207-20-000-061-0-000	68.89
Safety Seat Violation Fee (\$0.15)		TRC 545.412 (b-1)		1100-207-20-000-062-0-000	0.15
Failure to Appear (\$20)		TRC 706.006/TRC 706.007(d)(2)		1100-207-20-000-066-0-000	-
Electronic Filing Fee - Civil (\$10)		GC 101.141/GC 51.851		1100-207-20-000-070-0-000	4,940.00
Tuency Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-207-20-000-073-0-000	856.51
Texas Home Visiting Program Contribution (\$5)		HSC 191.0048/LGC 118.018 (c)		1100-207-20-000-074-0-000	-
Judicial & Court Personnel Training Fund-Civil (\$5)	494	GC 51.971 (a)		1100-207-20-000-076-0-000	2,470.00
ARREST/WARRANT FEES: STATE		C.C.P. Art. 102.011			
D.P.S. (___\$3, ___\$5, ___\$35, ___\$50)				1100-207-20-000-019-0-000	4,223.29
T.A.B.C. (___\$3, ___\$5, ___\$35, ___\$50)				1100-207-20-000-020-0-000	-
P.K.W.L. (___\$3, ___\$5, ___\$35, ___\$50)				1100-207-20-000-021-0-000	30.00
Texas Comptrollers Criminal Investigators				1100-207-20-000-060-0-000	-
ARREST/WARRANT/SERVICE FEES: COUNTY					
Sheriff Fees:		LGC 118.131			
Constable Fees:				1100-342-10-060-001-0-000	147.87
Precinct #1				1100-342-10-291-000-0-000	-
Precinct #2				1100-342-10-292-000-0-000	225.00
Precinct #3				1100-342-10-293-000-0-000	575.00
Precinct #4				1100-342-10-294-000-0-000	10,973.98
Precinct #5				1100-342-10-295-000-0-000	-
District Attorney Fees				1100-341-10-060-007-0-000	-
Tax Assessor Fraud Investigators				1100-342-10-060-002-0-000	-
School District Arrest Fee				1100-342-10-060-003-0-000	-
Fire Marshal Fee				1100-342-20-060-001-0-000	-
Due to Others					
Warrant Fees/Out of County Service Fees TO: Law Enforcement Agencies		C.C.P. Art. 102.011 (a) 2 (A)		1100-207-30-000-003-0-000	-
Refund - Overpayments				1100-202-00-000-013-0-000	119.00
Due to Others				1100-202-00-000-013-0-000	-
Restitution				1100-202-00-000-013-0-000	-
Failure to Appear- OmniBase (\$6)		TRC 706.006/TRC 706.007(d)(2)		1100-202-00-067-019-0-000	-
Delinquent Attorney Fee		C.C.P. Art. 103.0031(b)		1100-202-00-000-004-0-000	6,331.10
Justice Fees (Local Fees)				1100-341-10-060-001-0-000	12,561.50
Small Claims Court Filing Fee (\$25)		LGC 118.121/118.122	-		
Debt Claim Fee/Justice Court Filing Fee(\$25)		LGC 118.121/118.122	12,325.00		
Landlord & Tenant Eviction Filing Fee/Forcible Entry & Detainer Court(\$25)		LGC 118.121/118.122	-		
Transcript Fees (\$10)		LGC 118.121/118.123 (b)	-		
Abstract Fees (\$5)		LGC 118.121/118.123 (c)	125.00		
Writ Filing Fee (\$5)		LGC 118.121/118.123 (d)	75.00		
Issuing other Document (\$1 1st pg, .25 for each addtl pg)		LGC 118.121/118.123 (e)	16.50		
Certified Copies of Court Papers (\$2 1st pg, .25 for each addtl pg)		LGC 118.121	-		
Probable Cause Tow Hearing Fee (\$20)		LGC 101.141(a)	20.00		
Birth Certificates (\$22 each \$9.20 local)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Death Certificates (\$20 each, each addtl \$3)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	43.00
Preservation of Vital Statistics Fee (\$1 each)		HSC Sec 191.0045 (b)		1100-341-10-060-008-0-000	3.00
Jury Fees (Civil \$22, Criminal \$3)		Rules of Civil Proc., Rule 504.1(b)/CCP 102.004		1100-341-10-060-006-0-000	22.00

TOTAL AMOUNT DUE TO THE COUNTY TREASURER: \$ 176,168.49

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) DAY OF THE FOLLOWING MONTH (LGC § 114.001).
COUNTY AUDITOR'S FORM: RE -JP-004 REVISED 08/18

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE

DATE: 10/25/2018
10/25/2018

12 X1; X2

Justice of the Peace Charlie Espinoza
Precinct 4, Place 1
Schedule of Bonds on Deposit

Year	Receipt Date	Receipt No.	Docket No.	Bond Amount
2013				
	5/3/2013		E12-09-880	400.00
2015				
	9/1/2015	JP41-2015-00734	-	3.00
	9/9/2015	JP41-2015-00859	TR15-0671-J41	155.00
	11/23/2015	JP41-2015-02494	TR15-1687-J41	155.00
2016				
	1/26/2016	JP41-2016-00733	-	200.00
	3/28/2016	JP41-2016-03636	TR16-1985-J41	155.00
Total				<u>1,068.00</u>

Justice of the Peace Charlie Espinoza

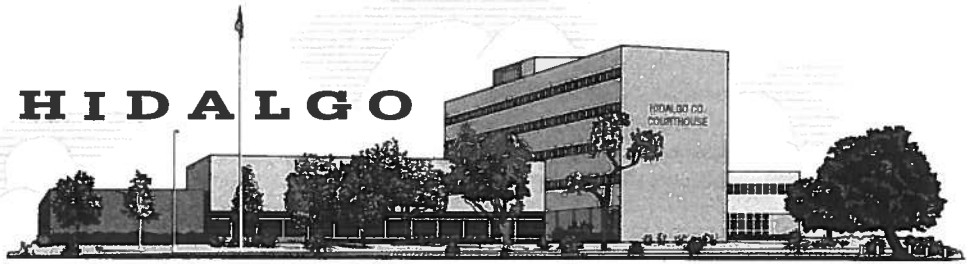
Schedule of Adjustments

For the Month Ended October 31, 2018

Receipt Number	Case Number	Date	Offense	Disposition Date	Off date	CCC	CHS	CHSJP	CO	DEL	DPS	DPSr	IDRF	JCTF	JSF	LTF	MVF	SCOF	SJFC	SJFS	STF	TPDC	TPDS	UTFC	WFPREC41	TOTAL	
Based on offense, STF and UTFC should NOT be assessed.																											
JP41-2018-13257	TR18-10906-J41	10/9/2018	violate non-CDL restriction	8/12/2018	10/9/2018	40	3	1	65.9	-	-	5	2	4	4	2	0.1	-	0.6	5.4	30	1	1	3	-	168	
Delinquent was under assessed \$0.01.																											
JP41-2018-12846	E04-09-41	10/1/2018	expired motor vehicle inspection	8/19/2004		40	3	-	0.05	47.1	5	-	-	4	-	2	-	20	-	-	30	-	3	50		204.15	
Delinquent was over assessed \$0.05.																											
JP41-2018-14145	TR17-5990-J41	10/26/2018	fail to maintain financial responsibility	7/26/2017	10/26/2018	40	3	1	174.8	79.2	-	5	2	4	4	2	-	20	0.6	5.4	-	1	1	-	-	343	
Based on the disposition date, time payment should be assessed.																											
JP41-2018-13554	E05-07-59	10/12/2018	speeding	7/2/2005	7/20/2006	40	3	-	93	75	5	-	-	4	-	2	-	20	-	-	30	-	3	50		325	
JP41-2018-13012	E06-09-534	10/3/2018	speeding	8/27/2006	7/17/2007	40	3	1	26.31	57.69	5	-	-	4	4	2	-	20	0.6	3.4	30	-	3	50		250	
JP41-2018-13015	E06-09-535	10/3/2018	no driver license	8/27/2006	7/17/2007	40	3	1	59.31	57.69	5	-	-	4	4	2	-	20	0.6	3.4	-	-	-	50		250	

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 7, 2018

The Honorable Jason Peña
Hidalgo County Justice of the Peace Pct. 5, Pl. 1
P.O. Box 238
Elsa, Texas 78543

Re: *Monthly Fines and Fees Report* for October 2018

Dear Judge Peña:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Report* for the month of October 2018. 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.

Methodology:

In conducting our review, 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 100% of receipts with an offense date of December 31, 2007 and prior and 10% of randomly selected receipts with an offense date of January 1, 2008 and after to determine if fines, fees, and court costs collected 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 Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Report, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Selected all cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and serving time at the Hidalgo County jail and randomly selected cases in which defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail to determine if: 1.) the warrant was recalled; 2.) the cash payment and/or jail time credit was applied to the case; 3.) the case was closed; and 4.) the Sheriff's "Discharge" receipt number was referenced on the case.

HIDALGO COUNTY DISTRICT JUDGES

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

JANIE E. TIJERINA
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.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts followed sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Report and *alio's* Undistributed Receipts general ledger account to ensure all credit card transactions were timely receipted by the Justice of the Peace and County Treasurer's Office.
- Reviewed *Cashier's Daily Close-out Reports* (Close-out Reports) and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Reviewed receipts issued, Close-out Reports, *Schedule of Receipts and Deposits* form, mail logs, Office of Court Administration's "Official Justice of the Peace Monthly Report" (OCA Report), and the *Monthly Report*, among other reports, to verify proper completion.
- Verified if cash bonds posted by the defendants who failed to appear before the Justice of the Peace were forfeited (liquidated) by the 10th workday following the date of release from jail.

Conclusion:

Total collections for the month of October 2018 were \$9,353.20. Based on the results of our review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, the system of internal controls for the accounting and reporting of fines, fees, and court costs requires improvement as noted in the following observation.

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.

Observation No. 1:

We noted that 1 of 4 online credit card transactions was receipted 2 days after the date of transaction. Consequently, the applicable case disposition was not recorded in *Odyssey* in a timely manner. According to the Court Coordinator, the credit card transaction was receipted late due to an oversight.

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

Failure to ensure that credit card transactions are promptly receipted may result in the loss or misuse of County funds. In addition, failure to ensure that case dispositions are entered in a timely manner may result in the arrest of the defendant, in error.

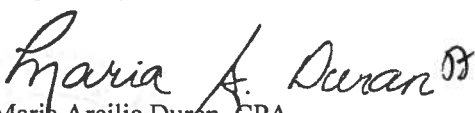
Recommendation:

Management should ensure that credit card transactions are promptly receipted and case dispositions are entered in a timely manner.

Please provide a written management response to the observation noted above by Friday, December 21, 2018.

If you have any questions, please contact Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,


Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

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JUDGE, 430TH D.C.

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

JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18

PBC

Judge: JASON PEÑA
Precinct No. 5 Place No. 1

City: ELSA, TX
Hidalgo County, Texas

Part I: RECAP OF AMOUNT PAYABLE TO THE COUNTY TREASURER

TOTAL CASH COLLECTED	(Receipts #s) <u>JP51-2018-00319</u> ² THRU <u>JP51-2018-00392</u> ²	\$ 9,353.20 ✓	
		x9-a ₁	
LESS: COST ON DEPOSIT		0.00 - x7 ✓	
ADD: COST ON DEPOSIT LIQUIDATED		0.00 - x7 ✓	
AMOUNT OWED TO COUNTY (Should Match Amt in Part III)		\$ 9,353.20 X3	
Less: Total amount of remittances to County Treasurer (From Part II)		\$ 9,353.20 (A) ✓	
Total funds due to County Treasurer (Overtransfer Made to Co Treas.)		0.00 x4-a	
		X	

Part II: REMITTANCES MADE TO THE COUNTY TREASURER

DESCRIPTION	AMOUNT	RECEIPT NO.
Total Collections for the Month (See Schedule of Receipts & Deposits)	\$ 9,353.20	
Add: Previous Month's Bond Overtransfer	0.00	
Add: HCSO Monthly "D" Collections Report	\$0.00	
Total Remittances Made to County Treasurer	\$ 9,353.20 (A) ²	

PREPARED BY: M. BenmarDATE: 11/5/18

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

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE

DATE: 11/29/201811/14/18

[Signature]
JUSTICE OF THE PEACE

DATE: 11/5/18

THIS REPORT IS DUE IN THE OFFICE OF THE COUNTY AUDITOR BEFORE THE FIFTH (5TH) DAY OF THE FOLLOWING MONTH (LGC § 114.001).
COUNTY AUDITOR'S FORM: AD-JP-004

REVISED: 01/18

**JUSTICE OF THE PEACE
MONTHLY FINES AND FEES COLLECTED
FOR THE MONTH OF: October-18**

Judge: JASON PEÑA

Precinct No. 5 Place No. 1

PBC

City: ELSA, TX

Hidalgo County, Texas

Part III SUMMARY OF COLLECTIONS PAYABLE TO THE COUNTY TREASURER

PAGE 2 OF 2

Name of Fine, Fee, Court Cost	# Issued/ Filed	Statute Reference	Detail of Amt Collected	GL Acct No.	Amt. Collected
FINES:					
County Fines (Local Fine)		LGC 113.004, PC 12.23		1200-351-10-069-000-0-000	\$ 2,778.40
Texas Parks & Wildlife 85% Fine (State Fine)		TPWC 12.107		1100-207-20-000-012-0-000	147.90
No Safety Belt 50% Fine (State Fine)		TRC 545.412, 545.413 (j)		1100-207-20-000-028-0-000	50.00
Gross Weight 50% Fine (State Fine)		TRC Sec 621.506 (g)		1100-207-20-000-013-0-000	-
School District 50% Fines		Educ. Code § 25.093 (d) 1 (A)		1100-207-30-000-012-0-000	-
LOCAL COURT COSTS AND FEES:					
Courthouse Security Adm. Fee (\$3)		C.C.P. Art. 102.017 (b)		1241-341-10-060-001-0-000	162.00
Courthouse Security Fund JP (\$1)		C.C.P. Art. 102.017		1245-341-10-069-000-0-000	54.00
Justice Court Technology Fund (\$4)		C.C.P. Art. 103.0173		1242-341-10-060-000-0-000	216.00
Time Payment - @40% OF \$25.00 (\$10.00)		LGC 133.103 (d)		1100-341-10-060-001-0-000	10.00
Time Payment - @ 10% of \$25.00 (\$2.50)		LGC 133.103 (e)		1100-341-10-060-002-0-000	2.50
Administrative Local Transaction Fee (\$2)		C.C.P. Art. 102.072		1100-341-10-060-003-0-000	108.00
Motor Vehicle Adm. Fee (\$10-\$20) (Dismissal Fee for Exp. DL; Exp Insp Court; Exp 31v Reg)		TRC Sec 548.605, 521.026, 502.407		1100-341-10-060-004-0-000	10.00
Special Fees				1100-341-10-069-000-0-000	345.87
Deferred Disposition		C.C.P. Art. 45.051	325.87		
Administrative Fee - "Drivers Safety Course" (\$10)		C.C.P. Art. 45.051(f)	20.00		
Support of Judiciary Fund (\$5.60)		LGC 133.105		1100-341-10-060-009-0-000	32.40
Traffic Fee (\$3)		T.R.C. 542.403		1100-341-10-069-000-0-000	84.00
Child Safety (\$20-\$25)		C.C.P. Art. 102.014 (c)		1100-341-10-060-011-0-000	-
Failure to Appear (\$4)		TRC 706.006/TRC 706.007(d)(2)		1100-341-10-060-012-0-000	-
Scofflaw Fee (\$20)		TRC 502.010(a)		1100-341-10-140-049-0-000	80.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-341-10-060-013-0-000	54.00
STATE COURT COSTS AND FEES:					
Criminal Justice Planning Fund C.C.P. (\$5)		C.C.P. Art. 102.051		1100-207-20-000-003-0-000	-
State General Revenue Fund (\$2.50)		C.C.P. Art. 102.015		1100-207-20-000-010-0-000	-
Law Enforcement Education Fund (\$1, \$1.50, \$3.50)		Govt. Code Sec. 415.082		1100-207-20-000-011-0-000	-
Operators and Chauffeurs License Fund (\$75)		T.R.C. 601.192		1100-207-20-000-031-0-000	-
Time Payment - @50% OF \$25.00 (\$12.50)		LGC 133.103 (b)		1100-207-20-000-005-0-000	12.50
Juvenile Crime and Delinquency Fund (\$2.25, \$5.00)		C.C.P. Art. 102.075(m)		1100-207-20-000-007-0-000	-
Comprehensive Rehabilitation Fund (\$5)		C.C.P. Art. 102.082		1100-207-20-000-008-0-000	-
Fugitive Apprehension Fund (\$5)		C.C.P. Art. 102.019 (a) 2		1100-207-20-000-009-0-000	-
Consolidated Court Costs Fund (\$17)		CCP 102.075 (a) 3/LGC 133.102		1100-207-20-000-015-0-000	2,159.95
Compensation Victims Of Crime Fund (\$3, \$5, \$15, \$35)		C.C.P. Art. 56.55 (2) & (3)		1100-207-20-000-017-0-000	-
Judicial & Court Personnel Training Fund (\$1, \$2)		Govt. Code Sec. 56.001 (b)		1100-207-20-000-027-0-000	-
Correctional Management Institute of Texas Fund (\$5.00)		CCP Art. 102.075		1100-207-20-000-029-0-000	-
Indigent legal Services Fee-JP (\$6)	12	Govt. Code Sec. 101.141(2) (B)		1100-207-20-000-004-0-000	72.00
State Traffic Fee- Subtitle C (\$30)		TRC Sec 542.4031		1100-207-20-000-035-0-000	839.98
Jury Service Fee (\$4)		C.C.P. Art. 102.0045		1100-207-20-000-053-0-000	216.00
Support of Judiciary Fund (\$5.40)		LGC 133.105		1100-207-20-000-054-0-000	291.60
Birth Certificate Fee (\$1.80)		HSC 191.022(f)		1100-207-20-000-039-0-000	-
Defensive Driving Record Fee (\$12)		C.C.P. Art. 45.0511 (e-1)		1100-207-20-000-057-0-000	-
Indigent Defense Representation Fund		LGC 133.107/GC 102.023		1100-207-20-000-059-0-000	108.00
Moving Violation Fee (\$0.10)		C.C.P. Art. 102.022/GC		1100-207-20-000-061-0-000	4.10
Safety Seat Violation Fee (\$0.15)		TRC 545.412 (b-1)		1100-207-20-000-062-0-000	-
Failure to Appear (\$20)		TRC 706.006/TRC 706.007(d)(2)		1100-207-20-000-066-0-000	-
Electronic Filing Fee - Civil (\$10)		GC 101.141/GC 51.851		1100-207-20-000-070-0-000	120.00
Truancy Prevention and Diversion Fund (\$1)		C.C.P. Art. 102.015		1100-207-20-000-073-0-000	54.00
Texas Home Visiting Program Contribution (\$5)		HSC 191.0048/LGC 118.018 (e)		1100-207-20-000-074-0-000	-
Judicial & Court Personnel Training Fund-Civil (\$5)	12	GC 51.971 (a)		1100-207-20-000-076-0-000	60.00
ARREST /AVARRANT FEES: STATE					
D.P.S. (\$3, \$5, \$35, \$50)		C.C.P. Art. 102.011		1100-207-20-000-019-0-000	225.00
T.A.B.C. (\$3, \$5, \$35, \$50)				1100-207-20-000-020-0-000	-
P.K.W.L. (\$3, \$5, \$35, \$50)				1100-207-20-000-021-0-000	40.00
Texas Comptrollers Criminal Investigators				1100-207-20-000-060-0-000	-
ARREST /AVARRANT/SERVICE FEES: COUNTY					
Sheriff Fees:		LGC 118.131		1100-342-10-060-001-0-000	0.00
Constable Fees:				1100-342-10-291-000-0-000	-
Precinct #1				1100-342-10-292-000-0-000	-
Precinct #2				1100-342-10-293-000-0-000	-
Precinct #3				1100-342-10-294-000-0-000	-
Precinct #4				1100-342-10-295-000-0-000	305.00
Precinct #5				1100-341-10-060-007-0-000	400.00
District Attorney Fees				1100-342-10-060-002-0-000	-
Tax Assessor Fraud Investigators				1100-342-10-060-003-0-000	-
School District Arrest Fee				1100-342-20-060-001-0-000	-
Fire Marshal Fee					-
Due to Others					
Warrant Fees/Out of County Service Fees DTO: Law Enforcement Agencies		C.C.P. Art. 102.011 (a) 2 (A)		1100-207-30-000-003-0-000	-
Refund - Overpayments				1100-202-00-000-015-0-000	-
Restitution				1100-202-00-000-015-0-000	-
Failure to Appear- OmniBase (\$6)		TRC 706.006/TRC 706.007(d)(2)		1100-202-00-000-019-0-000	-
Delinquent Attorney Fee		C.C.P. Art. 103.0031 (b)		1100-202-00-000-004-0-000	-
Justice Fees (Local Fees)					
Small Claims Court Filing Fee (\$25)		LGC 118.121/118.122	-	1100-341-10-060-001-0-000	310.00
Debt Claim Fee (Justice Court Filing Fee) (\$25)		LGC 118.121/118.122	250.00		
Landlord & Tenant Eviction Filing Fee (Forcible Entry & Detainer Court) (\$25)		LGC 118.121/118.122	50.00		
Transcript Fees (\$10)		LGC 118.121/118.123 (b)	-		
Abstract Fees (\$3)		LGC 118.121/118.123 (e)	-		
Writ Filing Fee (\$3)		LGC 118.121/118.123 (d)	10.00		
Issuing other Document (\$1 1st pg., .25 for each add'l pg)		LGC 118.121/118.123 (e)	-		
Certified Copies of Court Papers (\$2 1st pg., .25 for each add'l pg)		LGC 118.121	-		
Probable Cause Tow Hearing Fee (\$20)		LGC 101.141(a)	-		
Birth Certificates (\$22 each \$9.20 local)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Denth Certificates (\$20 each, each add'l \$3)		HSC 191.0045 (3)(d)		1100-341-10-060-001-0-000	-
Preservation of Vital Statistics Fee (\$1 each)		HSC Sec 191.0045 (h)		1100-341-10-060-008-0-000	-
Jury Fees (Civil \$22, Criminal \$3)		Rules of Civil Proc., Rule 504.1(b)/CCP 102.004		1100-341-10-060-006-0-000	-

TOTAL AMOUNT DUE TO THE COUNTY TREASURER:

\$ 9,353.20

AUDITED BY: THE HIDALGO
COUNTY AUDITOR'S OFFICE
DATE: En 11/27/2018
47 12/14/18

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, 2018

The Honorable Laura Hinojosa
Hidalgo County District Clerk
100 N. Clossner, 1st Floor
Edinburg, Texas 78540

Re: *Monthly Fees Report* for October 2018

Dear Ms. Hinojosa:

We conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the month of October 2018 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 fines, fees, and court costs collected were properly accounted and reported. 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.

Scope:

The scope of our review was limited to collections reported by your office on the *Monthly Fees Report* for the month of October 2018. 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 improvement could be made.

Methodology:

In conducting our review, 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.
- Verified that collections per the *Monthly Fees Report* agreed to: 1.) total receipts issued per *Odyssey's* Receipt Journal Report, 2.) total collections per *Odyssey's* Fee Distribution Reports, 3.) total deposits made with the County Treasurer, and 4.) total deposits posted to *alio's* Undistributed Receipts general ledger account.
- Verified that the jail time ordered to be served by the defendant as stated on the Judgment Order agreed to the jail time reported on the Sheriff's "D" Monthly Report.
- Verified the sequence of receipts per the *Monthly Fees Report* agreed to *Odyssey's* Receipt Journal Report for civil and criminal collections. In addition, verified that receipts followed sequential order.
- Reviewed randomly selected receipts to determine if fines, fees, and court costs were allocated and reported in the proper amounts.
- Reviewed *Cashier's Daily Fund Report* and bank deposit slips to verify proper completion and accuracy.
- Reviewed *Revenue Remittance Reports* and County Treasurer receipts to determine if fees collected were deposited with the County Treasurer in a timely manner.

HIDALGO COUNTY DISTRICT JUDGES

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

JAMIE E. TIJERINA
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.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

- Reviewed receipts, *Revenue Remittance Reports*, *Monthly Fees Report*, and mail logs to verify proper completion.
- Reviewed and verified randomly selected receipts per method of payment for 5 days to determine if money orders, checks, credit cards, E-files, and cash were properly receipted and deposited.
- Reviewed and verified that the number of cases and motions for civil filing fees were correctly reported on the *Monthly Fees Report*.

Conclusion:

Total collections for the month of October 2018 were \$460,442.33. Based on the results of our review, we have concluded that fines, fees, and court costs collected were generally properly accounted and reported.

If you have any questions, please contact Marissa Castillo, Internal Auditor II, at 318-2511 ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, Linda Fong, First Assistant Auditor, at ext. 4668 or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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

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JUDGE, 206TH D.C.

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

RENEE R. BETANCOURT
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 3, 2018

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney
Hidalgo County Office of Criminal District Attorney
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

Re: *Hot Checks Processing Fees Reports* for January 2018 through May 2018

Dear Mr. Rodriguez:

We conducted a limited scope review of the *Hot Checks Processing Fees Report (Processing Fees Report)* and supporting documentation for the months of January 2018 through May 2018 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. 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.

Scope:

The scope of the review was limited to collections reported by your office on the *Processing Fees Report* for the months of January 2018 through May 2018. 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.

Methodology:

In conducting our review, 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.
- 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.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 266TH D.C.

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

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

L. KENO VASQUEZ
JUDGE, 388TH D.C.

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

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

- Reviewed a random sample of receipts to ensure processing and merchant fees were properly collected and reported as required by Code of Criminal Procedure §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 January 2018 through May 2018 were \$95,308.72, \$80,754.53, \$142,602.78, \$108,252.26, and \$159,691.32, respectively. Based on the results of the review, we concluded that collections were 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 randomly selected 91 of 899 receipts issued during the months of January 2018 through May 2018 to determine if processing and merchant fees were properly collected and reported as required by the Code of Criminal Procedures §102.007 and Business and Commerce Code § 3.506 (b) . The results of our review revealed that processing fees and merchant fees for 89 of 91 receipts were properly collected and reported. However, receipt copies and back-up documentation were not provided by the department for two receipts issued during the period in review. According to the Check Fraud Division Supervisor, staff was unable to locate the files pertaining to these two receipts. In addition, we noted in one instance that the restitution amount assessed and collected was \$63.00 instead of \$63.50 as stated on the hot check and documentation submitted.

The Hot Checks Division is required to maintain a copy of the returned check, chargeback reason by the financial institution, copy of the ten day notice letter, affidavit, and check intake questionnaire for each check ID filed in Odyssey. The District Attorney's Office is required to collect restitution in the amount of the hot check.

In addition, according to the 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 processing fee of \$30.

Failure to ensure that the restitution is properly assessed may result in the loss of County revenues. In addition, if the returned check files are not maintained, the County Auditor's Office will not be able to determine if the restitution fee was properly collected.

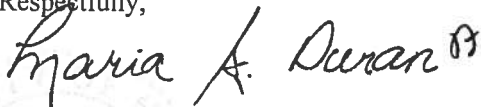
Recommendation:

Management should implement formal monitoring procedures to ensure that restitution fees are properly collected and the returned check files are maintained to determine that restitution, merchant, and processing fees are collected in accordance with the Code of Criminal Procedures §102.007 and Business and Commerce Code § 3.506 (b).

Please provide a written management response to the observation noted above by December 14, 2018.

If you have any questions, please contact Corina Martinez, Internal Auditor I, at (956) 318-2511, ext. 4624, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



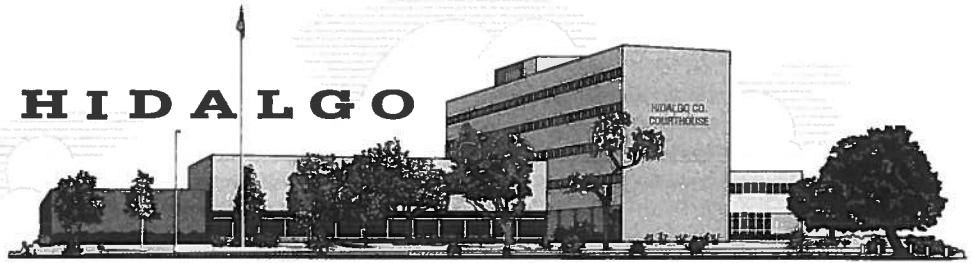
Maria Arcilia Duran, CPA
Hidalgo County Auditor

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

November 30, 2018

The Honorable Ricardo Rodriguez, Jr., Criminal District Attorney
Hidalgo County Office of Criminal District Attorney
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

Re: *Hot Checks Processing Fees Reports* for June 2018 through August 2018

Dear Mr. Rodriguez:

We conducted a limited scope review of the *Hot Checks Processing Fees Report (Processing Fees Report)* and supporting documentation for the months of June 2018 through August 2018 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. 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.

Scope:

The scope of the review was limited to collections reported by your office on the *Processing Fees Report* for the months of June 2018 through August 2018. 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.

Methodology:

In conducting our review, 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.
- 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.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIERINA
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.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

The Honorable Ricardo Rodriguez, Jr.
November 30, 2018
Page 2 of 2

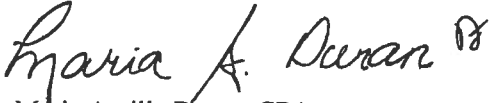
- Reviewed a random sample of receipts to determine if court costs collected were remitted to the applicable Justice of the Peace courts.

Conclusion:

Total collections for the months of June 2018, July 2018, and August 2018 were \$73,774.12, \$84,907.03, and \$111,333.49, respectively. Based on the results of the review, we have concluded that collections were properly accounted and reported.

If you have any questions, please contact Corina Martinez, Internal Auditor I, at (956) 318-2511, ext. 4624, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 52 ND D.C.	JAIME E. TIJERINA 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, 379 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 396 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.
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COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

December 7, 2018

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

Re: Regular Trust Financial Statements for April 2018 through June 2018

Dear Sheriff Guerra:

We conducted a limited scope review of the Regular Trust Fund financial statements for the months ended April 30, 2018 through June 30, 2018 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 observations:

Observation No. 1:

We noted that check numbers 8164, 8165, 8167, 8168, and 8169 issued in April 2018 and May 2018 were not on the "Check Register" report generated from *Odyssey*. The checks were manually prepared. In addition, we noted that check number 8163 was voided in *Quickbooks*; however, the check was not voided in *Odyssey*. According to the Sheriff's Office staff, the checks were manually prepared since they were having issues preparing the checks in *Odyssey*. In addition, check number 8163 was not voided in *Odyssey* since they did not know how to void the check. The assistance of the Information Technology Department and Tyler Technologies was requested.

All checks should be issued through *Odyssey*. In addition, the "Check Register" report generated from *Odyssey* should agree to the *Quickbooks* ledger of issued and voided checks.

Failure to ensure that the "Check Register" report generated from *Odyssey* agrees to the checks issued and voided on the financial statements may result in the improper reporting of County funds.

Recommendation:

We recommend that the Sheriff's Office continue to communicate with the IT Department and Tyler Technologies to ensure that the issues regarding the issuing of checks through *Odyssey* is resolved. In addition, the Sheriff's Office should request that the IT Department train staff on how to void checks in *Odyssey*.

HIDALGO COUNTY DISTRICT JUDGES

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

JAMIE E. TIJERINA
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
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JUDGE, 275TH D.C.

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

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L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

Observation No. 2

We noted that the Sheriff's Office conducted tax sales of foreclosed properties during the months of April 2018 and May 2018. The Sheriff's Office distributed the proceeds from the tax sales and tax re-sales 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 the Sheriff's fees were deducted, to the delinquent tax attorney firm for them to distribute the proceeds to the proper entities. In addition, if the proceeds were generated from a tax re-sale, Odyssey is programmed to automatically issue the check for all proceeds, including the Sheriff's fees, to the delinquent tax attorney firm.

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."

Recommendation:

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.

Please provide a management response to the observations noted above by December 21, 2018 using the attached Management Response Forms.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Management Response Forms

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
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JUDGE, 398TH D.C.

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JUDGE, 438TH D.C.

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



**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Sheriff's Office AUDIT NO.: _____
Regular Trust Financial
AUDIT: Statements for April 2018 MANAGEMENT
through June 2018 RESPONSE DUE: December 21, 2018
FINDING No.: 1 RECOMMENDATION: 1

We recommend that the Sheriff's Office continue to communicate with the IT Department and Tyler Technologies to ensure that the issues regarding the issuing of checks through Odyssey is resolved. In addition, the Sheriff's Office should request that the IT Department train staff on how to void checks in Odyssey.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Sheriff's Office AUDIT NO.: _____
 Regular Trust Financial
 Statements for April 2018 MANAGEMENT
AUDIT: through June 2018 RESPONSE DUE: December 21, 2018
FINDING No.: 2 RECOMMENDATION: 2

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.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
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EDINBURG, TEXAS 78539

December 4, 2018

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

Re: Asset Forfeiture Audit Report FYE August 31, 2018 Audit No. 2018-69

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, 2018 pursuant to Code of Criminal Procedure §59.06 (g)(1), Local Government Code §115.001 and §15.0035, 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, 2018, the District Attorney's Office had no Chapter 59 seizures. However, the District Attorney's Office was awarded (forfeited) funds totaling \$712,455.92.

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.

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

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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.

The District Attorney's Office entered into local agreements with the following LEAs: Alamo PD, Alton PD, Donna PD, Edcouch PD, Edinburg PD, Elsa PD, La Villa PD, La Joya PD, McAllen PD, Mercedes PD, Mission PD, Palmview PD, Palmhurst PD, Peñitas PD, Pharr PD, Progreso PD, Hidalgo PD, Weslaco PD, San Juan PD, and Sullivan City PD; Constable Precinct 1, Constable Precinct 2, Constable Precinct 3, Constable Precinct 4, Constable Precinct 5, 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 other related costs in the forfeiture of vehicles and all other 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.

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 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

HIDALGO COUNTY DISTRICT JUDGES

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 and after the forfeited judgment becomes final (30 days after the judgment was signed), 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 deposits the proceeds with the Hidalgo County Treasurer. The Purchasing Department prepares a "Purchasing Department/ Fixed Asset Division Auction Report" that details the amount of proceeds to be receipted to each 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.

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, 2018.

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.

In conducting our review, the following procedures were performed:

1. Verified if 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.

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3. Generated "Case Index" (Petition/Seizures/Forfeitures) reports for the fiscal year ended August 31, 2018 from *Odyssey*, the County's justice information system, to determine if all seizures and forfeitures were reported on the Asset Forfeiture Report.
4. Sent confirmation letters to 23 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.
5. 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, 2018 to determine if all CDs were properly accounted by the District Attorney's Office.
6. 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).
7. Obtained a list of the District Attorney's Office vehicles and property to determine if the list agreed to the County Auditor's Office lists of seized and forfeited assets.
8. 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.
9. Reviewed *alio* revenue reports and confirmation letters received from 10 of 23 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.
10. 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.

Conclusion:

Based on the results of our audit, we determined that generally Chapter 59 seizures, forfeitures, receipts, and expenditures were properly accounted and reported, as follows.

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. All seized and forfeited assets listed on the "Case Index" (Petition/Seizures/Forfeitures) reports for the District Attorney's Office were included on the Asset Forfeiture Report.
4. 10 LEAs responded to the confirmation request (Edinburg PD, Elsa PD, La Joya PD, Mercedes PD, Mission PD, Pharr PD, Progreso PD, Sullivan City PD, Weslaco PD, and DPS) and 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.
5. There were 121 CDs related to Chapter 59 totaling \$2,963,580.15 held as of August 31, 2018 at the county depository. All 121 CDs were properly accounted by the District Attorney's Office on the financial statements.
6. All 286 petitions filed by the District Attorney's Office during the period of review were filed within 30 days after the date of seizure as required by CCP § 59.04 (a) & (b).
7. All vehicles on the District Attorney's Office list of property held were on the lists of seized and forfeited assets maintained by the County Auditor's Office.

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However, improvements could be made to the system of internal controls for the accounting and reporting of Chapter 59 seizures, forfeitures, receipts, and expenditures as noted below.

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.

8. The County conducted auctions on September 6, 2017, December 6, 2017, March 7, 2018, and June 6, 2018. The auctions generated proceeds of \$80,310.00, \$114,275.00, \$68,150.00, and \$71,610.00, respectively. The proceeds for the March 7, 2018 and June 6, 2018 auction were not apportioned to the District Attorney's Forfeiture Fund within the 30 days of the sale as required by the local agreement. The funds were apportioned to the District Attorney's Chapter 59 Fund 177 days and 86 days, respectively, after the auction. All other auctions were appropriated within 30 days of the sale as required by the local agreement.
9. Of the 10 confirmation letters received:
 - 4 LEAs (Edinburg PD, Sullivan City PD, DPS, and Mission PD) confirmed proceeds totaling \$6,600.00, \$4,700.00, \$8,500.00, and \$20,468.40, 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, auction proceeds were not always forwarded to the County Treasurer's Office within 30 days of the auction.
 - 2 LEAs (Pharr PD and Weslaco PD) stated auctions had not been held during the period in review.
 - 4 LEAs (Mercedes PD, La Joya PD, Progreso PD, and Elsa PD) did not include a response on the confirmation letter regarding auction proceeds.

On an annual bases, a formal request is made by the District Attorney's Office to all LEAs requesting that the District Attorney's portion of any auction proceeds be forwarded to the County Treasurer's Office within 30 days of the auction.

10. 92 CDs were opened for the cash seizures made by LEAs and the District Attorney's Office during the period of review. Of the 92 CDs:
 - All the petitions filed by the District Attorney's Office were in the amount of the CDs and the seizing officer's affidavit.
 - 42 CDs were opened within 72 hours of seizure as required by CCP § 59.03 (c).
 - 50 CDs were not opened within 72 hours of seizure. The CDs were opened 1 to 25 days late.

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. Coordinate with the Purchasing Department to ensure that auction proceeds generated from the sale of forfeited assets are apportioned to the District Attorney's Forfeiture Fund within 30 days of the auction.
2. 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.
3. 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 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.

Please provide management responses to findings 8 through 10 noted in the conclusion section of the report by December 18, 2018.

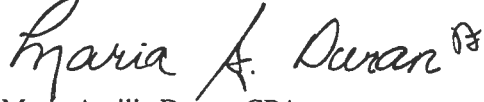
HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETERRY JUDGE, 92 ND D.C.	JAIME E. TUERINA 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, 312 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C.	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KEND VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.
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Honorable Ricardo Rodriguez
December 4, 2018
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If you have any questions or would like to schedule a meeting to discuss the above noted recommendations, contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer
Mr. Kent Richardson, Assistant Attorney General



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FUDGE

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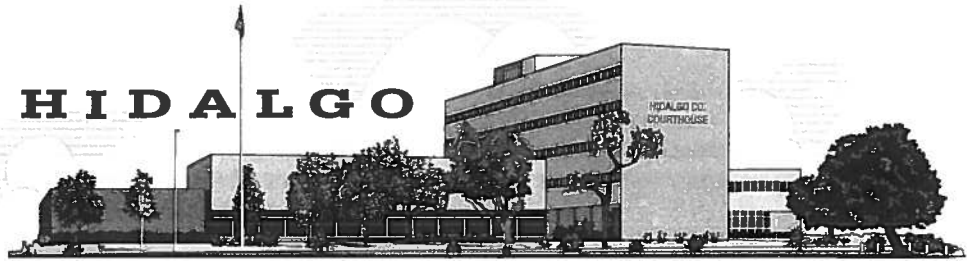
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COUNTY *of* HIDALGO

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EDINBURG, TEXAS 78539

December 10, 2018

The Honorable Norma G. Garcia
Hidalgo County Treasurer's Office
2810 South Business Hwy 281
Edinburg, Texas 78539

Re: Hidalgo County Treasurer's Office Asset Inventory Listing Audit No. 2018-79

Dear Ms. Garcia:

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 County Treasurer's 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 the County Treasurer.

BACKGROUND:

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

- Verifying the receipt of all assets purchased and/or assigned to the County Treasurer;
- 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;
- Preparing an asset transfer form when transferring assets to or from other departments; and
- 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 County Treasurer's Office 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 19, 2018, the County Treasurer's Office asset inventory listing consisted of 68 assets with a total acquisition cost of \$67,955.07.

SCOPE AND METHODOLOGY:

The scope of our audit was limited to the asset inventory listing as of November 19, 2018. 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.

HIDALGO COUNTY DISTRICT JUDGES

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OVERSEER

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

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 conducting our audit, the following procedures were performed:

- Selected all 68 assets on the asset inventory listing for physical identification to determine whether the assets were properly tagged; and
- Compared assets located at the County Treasurer's Office premises to the asset inventory listing to determine whether the asset inventory listing was complete.

CONCLUSION:

Based on the results of our review, we concluded that the County Treasurer's Office inventory listing per *alio* was generally accurate and complete. More specifically, the following was noted:

- 65 (96%) assets were physically located. Of the 65 assets:
 - 63 contained an asset tag;
 - 1 asset (printer - asset tag number 40676) was located at the County Auditor's Office. An "Asset Transfer Form" was provided to the Purchasing Department; however, the asset had not been removed from the County Treasurer's Office asset inventory listing.
 - 2 (perforator - asset tag number 000039 and dimm module - asset tag number 38268) did not contain an asset tag. The assets were traced to the asset inventory listing utilizing the physical description.
- 3 (4%) were not physically located. Of the 3 assets:
 - 1 asset (printer – asset tag number 42746) was declared surplus. A copy of the "Asset Transfer Form" was provided; however, the asset has not been removed from the asset inventory listing;
 - 1 asset (dimm module - asset tag number 38269) was inadvertently left in a printer (asset tag number 38110) that was surplus for auction on March 8, 2017, according to staff; and
 - 1 asset (table-asset tag number 17041 (purchased in 1986)) was probably surplus, according to staff; however, a copy of the "Asset Transfer Form" was not maintained on file.

In addition, we physically located 4 assets that were on the asset inventory listing of other County departments, as follows:

- Asset tag numbers 54620, 54619, and 54616, all computers, were listed in the 389th District Court asset inventory listing; and
- Asset tag number 51200 (television) was listed in the District Clerk's asset inventory listing.

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 transfer asset tag number 40676 from the County Treasurer's Office asset inventory listing to the County Auditor's Office asset inventory listing.
2. Purchasing Department should affix an asset tag number on the assets (perforator and dimm module) that did not contain an asset tag.
3. Purchasing Department should remove asset tag number 42746, declared surplus, from the County Treasurer's Office asset inventory listing.
4. County Treasurer's Office should prepare an incident report for the asset (table- asset tag number 17041) not located. In addition, an affidavit should be prepared for the asset (dim module- tag numbers 38269) inadvertently left in a printer that was surplus. The documents should be provided to the Purchasing Department and placed on Commissioners Court for approval to remove the assets from the County Treasurer's Office asset inventory listing.

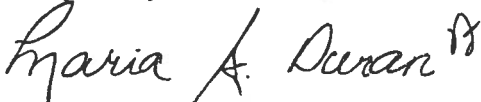
HIDALGO COUNTY DISTRICT JUDGES

5. An asset transfer form should be prepared to transfer the assets (54620, 54619, 54616, and 51200) to the County Treasurer's Office asset inventory listing. Please contact the Purchasing Department for assistance.

Please ensure that corrective action is finalized and an updated asset inventory listing is submitted to the County Auditor's Office by Friday, December 21, 2018. Your prompt response is greatly appreciated.

If you have any questions, please contact Michael Ramos, Internal Auditor, at 318-2511, ext. 4644, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer
Martha Salazar, Hidalgo County Purchasing Agent

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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JUDGE, 139TH D.C.

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JUDGE, 206TH D.C.

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

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

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OVERSEER

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L. KENO VASQUEZ
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ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

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JUDGE, 449TH D.C.

COUNTY of HIDALGO

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



December 4, 2018

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

Re: October 2018 DTA Payment Request Report No. 2018-92

Dear Mr. Villarreal:

We completed a limited scope review of the October 2018 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 the 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 12 (RD12), Road District 14 (RD14), Road District 15 (RD15), State of Texas (TEX); and the payment request prepared by your office for the month ended October 31, 2018. 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.

In conducting our review, 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 2018."
- 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 agreed to the amount transferred to the Hidalgo County Treasurer's Office.

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 2018."
- Although DTA fees for 186 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 (180 tax accounts), small amounts collected (5 tax accounts), and multiple payments (1 tax account) that

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needed to be added to calculate the 15% (see Exhibit A). The small amounts collected on the tax accounts resulted in a net overage of \$0.01.

We will proceed to process the October 2018 DTA payment request in the amount of \$147,792.64 to LGBS.

If you have any questions, please contact Reynaldo Cantu III, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures

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

HIDALGO COUNTY DISTRICT JUDGES

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Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2017	S135200000002000	0.85	0.18	1.03	0.16
2	1	2017	S025000007001700	-9.07	-4.09	-13.16	-3.68
3	1	2016	W731000000009000	42.13	10.75	52.88	7.46
4	1	2016	B157006000002400	39.36	10.43	49.79	7.15
5	1	2016	R365000000000100	30.03	4.55	34.58	5
6	1	2016	E503597000003201	13.01	3.4	16.41	2.34
7	1	2016	W185000000000304	11.32	2.89	14.21	2
8	1	2016	V057501000009800	0.76	0.22	0.98	0.14
9	1	2016	T730000000007800	0.58	0.19	0.77	0.11
10	1	2015	L212101000000300	26.48	10.29	36.77	5.33
11	1	2015	E650000006001000	17.15	6.55	23.7	3.4
12	1	2015	W185000000000304	16.11	6.04	22.15	3.14
13	1	2015	N785000000007800	12.21	4.63	16.84	2.4
14	1	2015	C535300000009100	0.7	0.33	1.03	0.16
15	1	2014	L075001000002200	47.13	20.82	67.95	8.91
16	1	2014	G756500000037500	35.94	17.42	53.36	7.49
17	1	2014	O300004002001200	20.28	10.04	30.32	4.32
18	1	2014	C290000000000900	16.14	7.73	23.87	3.32
19	1	2014	G880000011000400	13.97	5.93	19.9	2.54
20	1	2014	S359302000005300	9.61	4.19	13.8	1.79
21	1	2014	S359302000005300	9.62	4.18	13.8	1.79
22	1	2014	C030000196002300	8.46	4.11	12.57	1.76
23	1	2014	B158504000007600	0.61	0.27	0.88	0.11
24	1	2014	S359302000005300	-9.61	-4.19	-13.8	-1.79
25	1	2013	N340000000225508	257.03	128.09	385.12	45.88
26	1	2013	S367500007001200	253.13	126.14	379.27	45.18
27	1	2013	L075001000002200	191.46	107.53	298.99	39.63
28	1	2013	R418000000000500	183.98	103.34	287.32	38.09
29	1	2013	C290000000000900	56.45	33.77	90.22	12.62
30	1	2013	R142003000002200	57.17	30.2	87.37	10.98
31	1	2013	S520000000001100	47.58	23.72	71.3	8.5
32	1	2013	T210000239001530	33.6	18.87	52.47	6.96
33	1	2013	W01000044001035	0.61	0.42	1.03	0.16
34	1	2013	B158504000007600	0.45	0.26	0.71	0.1
35	1	2012	S170002034001611	381.36	226.91	608.27	70.93
36	1	2012	L075001000002200	193.53	131.92	325.45	43.55
37	1	2012	A036004000005700	61.48	43.34	104.82	14.48
38	1	2012	S367500007001200	71.27	44.07	115.34	14
39	1	2012	N340000000225508	45.61	28.2	73.81	8.96
40	1	2012	S367500007001200	44.57	27.56	72.13	8.76
41	1	2012	A180000029000525	20.4	12.68	33.08	4.04
42	1	2012	W340000000000800	16.7	11.37	28.07	3.75
43	1	2012	L473500004004000	16.57	10.91	27.48	3.56
44	1	2012	W370000001001000	15.56	9.21	24.77	2.87
45	1	2012	A210000048001001	11.31	7.26	18.57	2.34
46	1	2012	A210000048001001	-5.67	-3.62	-9.29	-1.17
47	1	2011	M62500000K000700	155.8	129.57	285.37	39.96
48	1	2011	L075001000002200	81.25	65.15	146.4	19.74

49	1	2011	W010000034000405	61.56	52.44	114	16.35
50	1	2011	G120001000002600	47.54	37.31	84.85	11.19
51	1	2011	G120001000002600	31.7	24.87	56.57	7.46
52	1	2011	M520000050000100	31.96	23.93	55.89	7
53	1	2011	N840000004002000	22.27	14.58	36.85	3.94
54	1	2011	L106902000005300	18.63	12.87	31.5	3.6
55	1	2011	E330000359001000	13.65	9.22	22.87	2.54
56	1	2011	R457002000006400	6.17	4.72	10.89	1.4
57	1	2011	G400000000002000	5.87	4.11	9.98	1.16
58	1	2010	M593000000002700	101.03	76.27	177.3	18.79
59	1	2010	N340000000303513	34.56	28.86	63.42	7.67
60	1	2010	L505000000016600	28.04	23.52	51.56	6.27
61	1	2010	K240000000007305	23.56	18.66	42.22	4.77
62	1	2010	N480000004000203	18.18	16.03	34.21	4.42
63	1	2010	B505197000016500	14.45	12.61	27.06	3.45
64	1	2010	B190040000004900	14.13	10.85	24.98	2.71
65	1	2010	H302000000000700	13.77	10.35	24.12	2.54
66	1	2010	G590098004000101	2.27	1.88	4.15	0.5
67	1	2010	L505000000016600	-28.04	-23.52	-51.56	-6.27
68	1	2009	S350000000001405	67.16	71.31	138.47	19.34
69	1	2009	L502500000005520	72.79	66.12	138.91	15.94
70	1	2009	E583002000000100	31.28	31.11	62.39	8.07
71	1	2009	H345000000006700	14.88	16.01	30.89	4.38
72	1	2009	M059002000001100	14.6	13.41	28.01	3.26
73	1	2008	E330000110001200	133.82	138.06	271.88	31.92
74	1	2008	W010000055000206	89.78	95.31	185.09	22.62
75	1	2008	M520000050000100	24.11	26.72	50.83	6.58
76	1	2008	M520000050000100	20.25	22.45	42.7	5.53
77	1	2008	P640000026000400	22.63	20.87	43.5	4.28
78	1	2008	E810000003003000	19.11	19.08	38.19	4.27
79	1	2008	N580000004001500	5.83	5.81	11.64	1.3
80	1	2007	C910000000004500	57.08	65.17	122.25	14.39
81	1	2007	V382000000006900	34.05	40.81	74.86	9.45
82	1	2007	G450000000000900	47.11	47.05	94.16	8.84
83	1	2007	T570002000001400	33.26	32.98	66.24	6.14
84	1	2007	E330000110001200	23.05	26.55	49.6	5.91
85	1	2007	S740000000000100	19.25	22.75	42	5.2
86	1	2007	N325000000001400	16.24	19.96	36.2	4.73
87	1	2007	L672500000014000	14.1	16.96	31.06	3.97
88	1	2007	A555000000000300	11.78	13.68	25.46	3.08
89	1	2007	T475002000001700	8.12	10.07	18.19	2.4
90	1	2007	B156007000004400	11.27	11.58	22.85	2.26
91	1	2007	B505000015001100	6.72	7.12	13.84	1.44
92	1	2007	H135000001001100	2.8	3.39	6.19	0.79
93	1	2006	B190018000002800	169.53	181.67	351.2	31.28
94	1	2006	I708000000006800	123.74	145.4	269.14	28.58
95	1	2006	N325000000001400	78.32	105.6	183.92	24.2
96	1	2006	I708000000006800	100.85	118.49	219.34	23.3
97	1	2006	A300000020001200	31.48	37.71	69.19	7.65
98	1	2006	A300000020001200	31.48	37.71	69.19	7.65
99	1	2006	A300000020001200	31.48	37.71	69.19	7.65
100	1	2006	S52500144A000900	18.64	20.74	39.38	3.78

101	1	2006	H135000001001100	12.41	16.52	28.93	3.74
102	1	2006	C500000004002500	10.48	13.5	23.98	2.95
103	1	2006	H135000001001100	8.51	11.33	19.84	2.57
104	1	2006	D320000110000000	11.39	12.65	24.04	2.3
105	1	2006	E850002008000600	9.32	9.99	19.31	1.72
106	1	2006	F675008000003800	6.33	6.78	13.11	1.17
107	1	2006	V382000000006900	0.28	0.37	0.65	0.08
108	1	2005	C733000003000900	94.54	139.15	233.69	31.06
109	1	2005	S52500144A000900	129.05	158.96	288.01	28.46
110	1	2005	B190018000002800	138.63	165.21	303.84	28.07
111	1	2005	S52500144A000900	68.94	84.9	153.84	15.2
112	1	2005	F675008000003800	63.45	75.61	139.06	12.85
113	1	2005	C140000033000317	48.68	56.07	104.75	8.98
114	1	2005	S477000000040600	24.3	34.65	58.95	7.48
115	1	2005	E750000000001500	7.85	12.28	20.13	2.91
116	1	2005	E750000000001500	7.84	12.28	20.12	2.91
117	1	2005	V380002010000500	12.31	14.69	27	2.5
118	1	2005	S245000000001200	7.38	9.98	17.36	2.03
119	1	2005	V382000000006900	1.67	2.4	4.07	0.52
120	1	2005	L505000000012200	0.14	0.23	0.37	0.05
121	1	2004	J570000008001420	93.29	119.88	213.17	19.45
122	1	2004	S52500144A000900	67.53	91.27	158.8	16.11
123	1	2004	S52500144A000900	55.72	75.33	131.05	13.29
124	1	2004	H365003000001100	23.43	33.16	56.59	6.26
125	1	2004	E405002016000400	15.96	26.53	42.49	6.03
126	1	2004	T210000250001521	24.86	31.61	56.47	5.03
127	1	2004	E330000123000100	19.3	26.1	45.4	4.6
128	1	2004	M015000062000401	12.54	20.23	32.77	4.46
129	1	2004	S110000002002400	13.52	20.44	33.96	4.2
130	1	2004	R470000013000100	13.91	18.25	32.16	3.07
131	1	2004	E540000045000300	3.78	6.09	9.87	1.34
132	1	2004	M355000150002100	3.31	5.05	8.36	1.05
133	1	2004	B203500000001800	5.05	6.22	11.27	0.93
134	1	2003	S705000000003700	130.1	203.6	333.7	38.83
135	1	2003	H345003000002000	69.58	94.05	163.63	14.09
136	1	2003	B203500000001800	31.69	42.83	74.52	6.42
137	1	2003	H265000010000500	31.96	41.91	73.87	5.9
138	1	2003	M515000000004700	17.9	27.05	44.95	4.91
139	1	2003	M265095005000100	8.25	14.43	22.68	3.15
140	1	2003	W230000052000300	8.08	13.59	21.67	2.84
141	1	2003	B505000015000600	10.55	14.24	24.79	2.13
142	1	2003	B505000015000600	2.24	3.02	5.26	0.45
143	1	2003	S244002000003500	1.37	1.84	3.21	0.28
144	1	2002	S080000016000100	75.53	123.74	199.27	22.32
145	1	2002	J570000008001420	52.26	79.7	131.96	12.78
146	1	2002	G805000000013100	39.04	60.56	99.6	10.01
147	1	2002	M190001000003200	25.17	38.05	63.22	6
148	1	2002	S100000004001400	11.45	16.33	27.78	2.32
149	1	2002	C690000001000700	2.63	4.08	6.71	0.67
150	1	2001	R026300000001100	15.56	28.88	44.44	5.56
151	1	2001	S100000004001400	22.2	34.35	56.55	4.89
152	1	2001	J570000008001420	17.47	28.74	46.21	4.59

153	1	2001	F555000000000300	9.38	19.13	28.51	4.12
154	1	2001	B240002005000B00	10.88	18.21	29.09	2.99
155	1	2001	T706000000000200	4.66	7.16	11.82	0.99
156	1	2000	W010000023000416	18.72	39.2	57.92	8.03
157	1	2000	W010000023000416	18.72	39.2	57.92	8.03
158	1	2000	H120000068001000	14.26	26.79	41.05	4.73
159	1	2000	G040000006000100	4.8	9.75	14.55	1.92
160	1	2000	G040000006000100	4.8	9.75	14.55	1.92
161	1	2000	M687000000002600	2.35	4.12	6.47	0.65
162	1	2000	G040000006000100	-4.8	-9.75	-14.55	-1.92
163	1	2000	W010000023000416	-18.72	-39.2	-57.92	-8.03
164	1	1999	G205000000001600	17.44	32.63	50.07	5.1
165	1	1999	H419500000006600	6.66	12.2	18.86	1.83
166	1	1999	H419500000006600	3.33	6.1	9.43	0.91
167	1	1999	H419500000006600	3.33	6.1	9.43	0.91
168	1	1998	S165000000001600	7.4	13.77	21.17	1.86
169	1	1998	O330000024001500	3.84	8.13	11.97	1.41
170	1	1997	A036004000007900	17.17	34.88	52.05	5.02
171	1	1997	M490000000009302	12.3	28.12	40.42	5
172	1	1997	E140000001000600	10.07	22.08	32.15	3.67
173	1	1996	M290000005000700	12.44	31.3	43.74	5.91
174	1	1996	M368000000004100	5.43	14.12	19.55	2.78
175	1	1996	R26500000000602	5.89	14.12	20.01	2.48
176	1	1995	E810000007000800	10.51	25.13	35.64	4.02
177	1	1994	C120002000002600	4.33	11.08	15.41	1.82
178	1	1982	G080000003002100	35.8	137.13	172.93	20.13
179	12	1999	G205000000001600	0.43	0.79	1.22	0.12
180	12	1997	M490000000009302	0.6	1.35	1.95	0.24
181	12	1997	A036004000007900	0.83	1.69	2.52	0.24
182	1	2007	L473500004000100	52.63	69.93	122.56	17.69
183	1	2007	L473500004000100	38.67	51.36	90.03	12.99
184	1	2006	L473500004000100	76.79	111.2	187.99	27.18
185	1	2011	L670000004001800	4.97	4.15	9.12	1.28
186	1	2009	H284000000013400	21.06	18.5	39.56	4.33

COUNTY OF HIDALGO

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



EDINBURG, TEXAS 78539

December 6, 2018

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

Re: Cash Count - Report No. 2018-86

Dear Sheriff Guerra:

We conducted a surprise cash count of the cash held at the Sheriff's Office for the Bond "B" and "D" Trust account on October 23, 2018, 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. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on December 21, 2017. 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.

Conclusion:

Cash on hand at the time of the cash count for the "B" account totaled \$465.00. At the time of the cash count, collections had not been made for the "D" account. Based on the results of our review, we 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.

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.

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" and "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 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.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
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.
CVPRSPFR

LETICIA LOPEZ
JUDGE, 389TH D.C.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

Recommendation:

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

Please provide a written management response to the observation noted above by December 21, 2018.

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, Compliance Audit Supervisor, at 318-2511 ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Valde Guerra, County Executive Officer
Roy Quintanilha, Chief, Adult Detention Division



HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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

MARIO E. RAMIREZ, JR.
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JUDGE, 398TH D.C.

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

RENEE R. BETANCOURT
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 12, 2018

Mr. Arnold K. Patrick, Director
Community Supervision and Corrections Department
3100 South Business Highway 281
Edinburg, TX 78539

Re: Cash Count Report No. 2018-559

Dear Mr. Patrick:

We conducted a surprise cash count of the cash held at the Community Supervision and Corrections Department-Court Services (Old Administration) Building on September 26, 2018 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. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on November 14, 2017. 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.

Conclusion:

Total cash on hand at the time of the cash count was \$332.00. Based on the results of our review, we concluded that total cash on hand reconciled to total receipts issued for the day up to the time of the cash count and the 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.

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.

Observation No. 1:

We noted that a *Daily Money Recap* form is used to reconcile collections instead of the *Cashier's Daily Close-out Report* (see attached report) prescribed by the County Auditor's Office. The *Daily Money Recap* form does not document the reconciliation of credit card collections. According to Management, the Accountant reconciles all credit card collections to the *Hamer Enterprises*' online payment report for each cashier as part of the daily cash reconciliation process; however, the reconciliation is not formally documented. In addition, according to staff, the *Cashier's Daily Close-out Report* is not used since it has not been approved by Management.

The County Auditor's Office requires that cashiers reconcile collections to all receipts issued and the approved change fund, if any, on a daily basis by utilizing the *Cashier's Daily Close-out Report*. The reconciliation of credit card payments must be documented on the *Cashier's Daily Close-out Report*.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 33RD 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.

L. KENO VASQUEZ
JUDGE, 398TH D.C.

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

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

Failure to ensure that the reconciliation of credit card payments is documented may increase the risk that discrepancies between actual credit card collections and recorded amounts are not discovered in a timely manner.

Recommendation:

Management should ensure that the *Cashier's Daily Close-out Report* is used to reconcile all collections; including credit card payments.

Observation No. 2:

Passwords to gain access to *Hamer Enterprises*, the credit card processing system, are not changed at least every 90 days. According to staff, passwords to *Hamer Enterprises* have never been changed since the system does not prompt them to change the password.

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 Enterprises*.

Recommendation:

Management should ensure that passwords are changed at least every 90 days.

Observation No. 3:

We noted that a security camera is not installed in the area where collections are safeguarded overnight. According to staff, funding has not been provided for the purchase of security cameras.

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

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

Recommendation:

Management should follow up with the Budget Office to ensure that security cameras are installed and utilized in all areas where cash collections are received and safeguarded.

Observation No. 4:

We noted that prior day collections had been picked up for transfer to Community Supervision and Corrections Department-Main Office; however, the "Court Service Collection Bag Transfer" log had not been updated. The "Court Service Collection Bag Transfer" log is utilized to document the date, time, and initials of the employees that are transferring possession and taking possession of the prior's day collections. We also noted that the "Court Service Collection Bag Transfer" log is completed and initialed by the Clerk instead of by the employees transferring possession and taking possession of the prior's day collections. According to staff, the "Court Service Collection Bag Transfer" log had not been completed due to an oversight.

To establish individual responsibility for cash receipts, the County Auditor's Office requires that if collections are transferred from one individual/location to another, the "Court Service Collection Bag Transfer" log must be filled out and signed by the individual accepting custody in order to establish responsibility in case of a shortage.

Formal procedures have not been developed and implemented to ensure the proper documentation of the transfer of custody of collections. This may result in loss of County funds.

Recommendation:

Management should ensure that the "Court Service Collection Bag Transfer" log is initialed by the individual accepting custody of the collection every time the collections are transferred to the Community Supervision and Corrections Department-Main Office.

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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

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JUDGE, 398TH D.C.

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JUDGE, 430TH D.C.

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

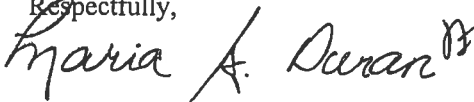
Recommendation:

Management should ensure that the "Court Service Collection Bag Transfer" log is initialed by the individual accepting custody of the collection every time the collections are transferred to the Community Supervision and Corrections Department-Main Office.

Please provide a written management response to the observations noted above by December 21, 2018 using the attached Management Response Forms.

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 meet regarding this cash count, please contact Araceli A. Guillen, Internal Auditor I, at ext. 4649, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, or Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosure: *Cashier's Daily Close-out Report* and Management Response Forms

cc: Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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JUDGE, 449TH D.C.

**COUNTY OF HIDALGO, TEXAS
CASHIER'S DAILY CLOSE-OUT REPORT
COMMUNITY SUPERVISION AND CORRECTIONS DEPARTMENT
COURT SERVICES (OLD ADMIN)**

DATE OF COLLECTION: _____

CASH HELD BY: _____

TODAY'S DATE: _____

Time Started: _____

Time Completed: _____

PART I: CASH ON HAND BY ACTUAL COUNT

A.) TOTAL MONEY ORDERS (In Person) \$ _____

B.) TOTAL MONEY ORDERS (By Mail) \$ _____

C.) TOTAL CREDIT/DEBIT CARD TRANSACTIONS (In-House) \$ _____

D.) TOTAL CREDIT/DEBIT CARD TRANSACTIONS (Online) \$ _____

E.) CURRENCY F.) COINS

_____ ONES \$ _____ PENNIES \$ _____

_____ FIVES \$ _____ NICKELS \$ _____

_____ TENS \$ _____ DIMES \$ _____

_____ TWENTIES \$ _____ QUARTERS \$ _____

_____ FIFTIES \$ _____ HALF DOLLARS \$ _____

_____ HUNDREDS \$ _____ SILVER DOLLARS \$ _____

_____ OTHER \$ _____

TOTAL \$ _____ TOTAL \$ _____

TOTAL (A) - (F) \$ _____

LESS: CHANGE FUND \$ _____

TOTAL FUNDS RECEIVED \$ _____

VARIANCE- OVERAGE/ (SHORTAGE) \$ _____

*ATTACH TAPE OR LIST OF MONEY ORDERS

COMMENTS: _____

PART II: ACKNOWLEDGMENT AND APPROVAL

I have counted and acknowledge receipt of all cash collected.

COUNTED BY: _____ WITNESSED BY: _____

Cash was transferred to the possession of: _____

-Form to be completed by each cashier daily prior to the preparation of the Cashier's Daily Close-Out Report

-Form to be maintained on file as per your records retention schedule



Management should ensure that the Cashier's Daily Close-out Report is used to reconcile all collections; including credit card payments.

Signature: _____ **Date:** _____



Management should ensure that passwords are changed at least every 90 days.

Signature: _____ **Date:** _____



Management should follow up with the Budget Office to ensure that security cameras are installed and utilized in all areas where cash collections are received and safeguarded.

Management Comments (Attach additional page(s) if necessary):

Signature: _____ **Date:** _____



**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Community Supervision and Corrections Department AUDIT NO.: 2018-559

AUDIT: Cash Count MANAGEMENT RESPONSE DUE: December 21, 2018

FINDING No.: 4 RECOMMENDATION: 4

Management should ensure that the "Court Service Collection Bag Transfer" log is initialed by the individual accepting custody of the collection every time the collections are transferred to the Community Supervision and Corrections Department-Main Office.

Management Response (Choose One):

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**

_____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**

_____ **DISAGREE THAT RISK EXISTS (Specify below)**

Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

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

December 4, 2018

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. 2018-563

Dear Judge Morales:

We conducted a surprise cash count of the cash held at your office on September 4, 2018, 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. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on October 5, 2017. In addition, we evaluated the procedures in place related to documenting the authorization of dismissed criminal cases for the period of July 1, 2018 through July 31, 2018. 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.

Conclusion:

Total collections at the time of the cash count were \$3,260.60. 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 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.

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.

Observation No. 1:

Total cash on hand at the time of the cash count exceeded receipts issued by \$1,895.00 due to 20 checks that had not been receipted. The date on the checks ranged from August 27, 2018 to August 30, 2018. All 20 checks were subsequently receipted and deposited on September 5, 2018 (7), September 6, 2018 (3), September 7, 2018 (9), and September 10, 2018 (1). According to staff, the drop-off checks were receipted late due to heavy workload and increase of constituents appearing in court.

The County Auditor's Office requires that all payments, including drop-off 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., check made out to the incorrect person, check made out for the incorrect amount, case filed in the wrong court, 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.

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. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

We noted that 14 of 20 drop-off checks were not recorded on the mail log. According to the Court Coordinator, they were not aware that the checks needed to be recorded on the mail log.

The County Auditor's Office requires that mail-in and drop-off checks be listed on a daily mail log. The mail log should include the following information for each mail-in check received: date received, the name of the payer, the amount of the remittance, the form of the remittance (e.g., check or money order), and the check or money order number.

Failure to ensure that all mail-in and drop-off checks are recorded on a mail log increases the risk that payments could be lost or misappropriated without detection.

Recommendation:

Management should ensure that all mail-in and drop-off checks are recorded daily on a mail log. 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 payments received through the mail.

Observation No. 3:

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, balances copies of receipts against cash drawer, and maintains a cash drawer
- o Recording: Has access to dismiss cases in *Odyssey* and prepares the monthly report
- o Authorization: Verifies that voided original receipts are kept and reviewed

In addition, the Assistant Court Coordinators and Clerks perform the following incompatible duties:

- o Custody: Receive money, issue receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and have access to inventory of unused cash receipts
- o Recording: Account for the numerical sequence of receipts, have access to dismiss cases in *Odyssey* and prepare reports of cash received

According to the Court Coordinator, all staff has been cross trained in the event that they are limited in staff.

Segregation of duties is a basic, key internal control in any organization. Segregation of duties prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for receiving money, issuing receipts, balancing copies of receipts against the cash drawer, maintaining a cash drawer, and having access to inventory of unused cash receipts should be different from the individual responsible for accounting for the numerical sequence of receipts, dismissing cases in *Odyssey*, preparing reports of cash received, 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. 4:

The notices stating “Make sure you receive an official county receipt when making payments at this office”, “A \$ _ fee will be collected on all returned checks”, and “Gifts, gratuities, and tips will not be accepted” were not posted in a conspicuous location for the public’s view. According to the Court Coordinator, they failed to post the notices when they were relocated to Precinct 1 Constable’s Office due to flooding that occurred earlier in the year.

The County Auditor’s Office requires that notices stating “Make sure you receive an official County receipt when making payments at this office”, “A \$ _ fee will be collected on all returned checks”, and “Gifts, gratuities, and tips will not be accepted” be posted in a place visible to the public near cashiers. Furthermore, 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 increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that these notices are posted in a conspicuous location for the public’s view.

Observation No. 5:

We randomly selected 10 of 96 (10%) dismissed criminal cases for the month ended July 31, 2018 to determine if authorization for dismissal of the cases was properly documented. The results of the review revealed the following:

1. 2 cases did not contain proper documentation authorizing dismissal of the case. The case file lacked the “Motion to Dismiss” and “Order to Dismiss” signed by the Justice of the Peace and the District Attorney. The Motions and Orders were subsequently signed and uploaded to *Odyssey* in September 2018 and October 2018.
2. 2 cases did not contain proper documentation authorizing dismissal of the case. The case file lacked the “Motion to Dismiss” and “Order to Dismiss” signed by the Justice of the Peace and the District Attorney. In addition, the cases did not have the reason for the dismissal noted in *Odyssey*. The Motions and Orders were subsequently signed and uploaded to *Odyssey* in October 2018; however, the reasons for the dismissals have not been entered.
3. 1 case was not properly documented. The case did not have the reason for the dismissal noted in *Odyssey*. The reason for the dismissal has not been entered.
4. 5 cases did contain the proper documentation authorizing dismissal of the cases. The cases had the “Order Following Show Cause Hearing for Deferred/DSC Disposition” signed by the Justice of the Peace and uploaded to *Odyssey*. In addition, the reason for the dismissals were noted in *Odyssey*.

According to the Court Coordinator the cases did not contain proper documentation or the reason for dismissal noted in *Odyssey* due to an oversight.

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.

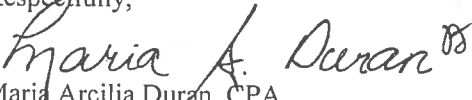
Recommendation:

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

Please provide written management responses to the observations noted above by December 21, 2018 using the attached Management Response Forms.

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 Edgar Alan Escobedo, Internal Auditor II, at 318-2511 ext. 4650, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,


Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
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FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

December 12, 2018

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. 2018-564

Dear Judge Contreras:

We conducted a surprise cash count of the cash held at your office on September 17, 2018 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. We also conducted a follow-up review of the internal control weaknesses identified in the cash count conducted on November 9, 2017. In addition, we evaluated the procedures in place related to documenting the authorization of dismissed criminal cases for the period of July 1, 2018 through July 31, 2018. 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.

Conclusion:

Total cash on hand at the time of the cash count was \$2,650.35. Based on the results of our review, we 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.

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.

Observation No. 1:

Total cash on hand at the time of the cash count exceeded receipts issued by \$2,008.00 due to 39 mail-in payments that had not been receipted at the time of the cash count. Of the 39 mail-in payments:

- 1 was receipted on September 17, 2018;
- 4 were receipted on October 2, 2018 (16 days after payment was received);
- 5 were receipted on October 3, 2018 (17 days after payment was received); and
- 29 were receipted on October 4, 2018 (18 days after payment was received).

According to the Court Coordinator, the mail-in payments were not receipted timely due to a heavy workload and limited staff.

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

HIDALGO COUNTY DISTRICT JUDGES

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

JAIME E. TIJERINA
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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

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

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JUDGE, 398TH D.C.

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

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

the amount collected is less than \$100.00. If a payment discrepancy occurs (i.e. check made out to the incorrect person, check made out for the incorrect amount, 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.

Failure to ensure that all mail-in payments are promptly receipted may result in the loss or misuse of County funds.

Recommendation:

Management should ensure that all mail-in payments are promptly receipted. At a minimum, the procedures noted above should be implemented.

Observation No. 2:

Procedures for the accounting of citations received from law enforcement agencies and civil cases filed with the court require improvement as follows:

1. Citations received from law enforcement agencies, except for Department of Public Safety (DPS), and civil cases were not recorded on a log. DPS automatically uploads the citations into *Odyssey*.
2. A reconciliation of citations and civil cases filed at the court to those recorded on *Odyssey*, the case management system, was not conducted and formally documented; and
3. Duties related to citations and civil cases are not properly segregated. Individuals responsible for issuing receipts (custody responsibility) are also responsible for entering citations into *Odyssey* (recording responsibility).

According to the Court Coordinator, due to a heavy case load and limited staff, procedures for the accounting of citations and civil case filings have not been implemented.

The County Auditor's Office requires that a reconciliation of citations and civil cases filed at the court be conducted and formally documented. This reconciliation may be conducted and formally documented by completing a citation/civil cases filed log (log). Citations/civil cases should be entered into *Odyssey*, the case management system, the same day they are received. Any exceptions should be brought to the attention of the Supervisor, placed in a locked area, and processed on the next business day. The following procedures should be followed when processing citations:

- a. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should immediately list citations/civil cases on the log before distribution to the person responsible for entering them into *Odyssey*. Since the person responsible for entering the citations/civil cases into *Odyssey* has recording responsibilities, he/she should not be responsible for accepting payments.
- b. The person responsible for opening the mail and/or accepting the delivery of citations/civil cases should note, at a minimum, the following on the log: date received, citation number, name of violator/plaintiff, and name of officer who issued the citation, as applicable. The person responsible for noting this information should provide his/her signature on the "Prepared by" line of the log.
- c. The person responsible for entering the citations into *Odyssey* should enter the date of entry and docket number assigned to the citation/civil case on the log and provide his/her signature on the "Entered by" line of the log.
- d. The "New Cases" and "Cases Filed" reports for the specified date should be generated from *Odyssey* and reconciled to the log by a person other than the person responsible for entering the citations into *Odyssey*. Any variances should be noted on the log, with a detailed explanation, and immediately brought up to the attention of the Justice of the Peace. In addition, the person conducting this reconciliation should provide his/her signature on the log as acknowledgment of the reconciliation.
- e. Citations should be placed in the applicable file.
- f. The Justice of the Peace should request periodic reports regarding the citations filed with the courts from law enforcement agencies and reconcile the reports to the citations recorded in *Odyssey*.
- g. Copies of the citation logs and periodic reports received from law enforcement agencies shall be maintained by the Justice of the Peace Office. This documentation shall be made available to the County Auditor's Office for review upon request.

HIDALGO COUNTY DISTRICT JUDGES

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

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

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JUDGE, 430TH D.C.

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

Maintaining adequate internal controls over citations is especially challenging for units with a small number of employees. In these cases, it is important that management institute compensating controls to cover for the lack of a basic control. In an environment with a limited number of clerical and administrative personnel, management needs to be involved in documenting, reviewing, and approving transactions, reports, and reconciliations.

Failure to ensure that citations and civil cases are properly accounted and reconciled or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted above should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Observation No. 3:

Although security cameras are utilized, the security cameras are not utilized where cash is received and safeguarded. According to the Court Coordinator, the Justice of the Peace does not want cameras in the receiving area to give the cashiers privacy.

The use of security cameras act as a crime deterrent; therefore, 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.

The use of security cameras acts as a crime deterrent. 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.

Observation No. 4:

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 large 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., check or money order), and the check or money order number.

Failure to ensure that mail-in payments are recorded on a daily mail log increases the risk that payments could be lost or misappropriated without detection.

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.

Observation No. 5:

We noted during our review that collections are not consistently transported to the bank in a locked cash bag. According to the Court Coordinator, they occasionally forget to use the bag to transport the collections to the bank.

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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 secure collections in a locked cash bag increases the risk of loss or misuse 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. 6:

We noted during our review that segregation of duties over the handling of collections requires improvement. The Court Coordinator performs the following incompatible duties:

- Custody: Receives money, issues receipts, opens mail receipts, balances copies of receipts against cash drawer, maintains a cash drawer, and prepares bank deposits
- Recording: Accounts for numerical sequence of cash receipts, has access to dismiss cases in *Odyssey*, and prepares daily and monthly reports

In addition, the Assistant Court Coordinators and Clerks perform the following incompatible duties:

- Custody: Receive money, issue receipts, open mail receipts, balance copies of receipts against cash drawer, maintain a cash drawer, and prepare bank deposits
- Recording: Account for numerical sequence of cash receipts and have access to dismiss cases in *Odyssey*

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.

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 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*, and preparing daily and monthly reports.

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. 7:

Passwords to gain access to *Hamer*, the County's credit card system, are not changed at least every 90 days. According to court coordinator, *Hamer* prompts them to change passwords every six months.

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

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JUDGE, 449TH D.C.

Failure to change passwords may increase the risk of unauthorized access to *Hamer*.

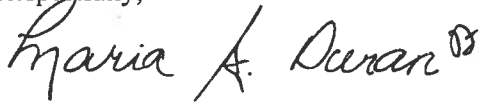
Recommendation:

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 28, 2018 using the attached Management Response Forms.

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 Edgar Alan Escobedo, Internal Auditor I, at 318-2511 ext. 4655, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Management Response Forms

cc: Mr. Valde Guerra, County Executive Officer

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Management should ensure that all mail-in payments are promptly receipted. At a minimum, the procedures noted above should be implemented.

Signature: _____ **Date:** _____



Management should ensure that citations and civil cases are properly accounted and reconciled. The procedures noted above should be implemented. If the procedures cannot be implemented, management should ensure that compensating controls are implemented.

Signature: _____ **Date:** _____



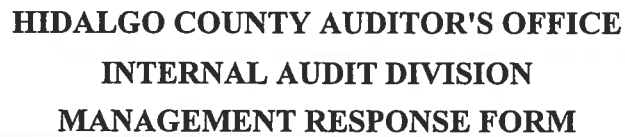
Management should ensure that the security cameras are installed in areas where cash collections are received and safeguarded.

Signature: _____ **Date:** _____



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.

Signature: _____ **Date:** _____



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.

Signature: _____ **Date:** _____



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.

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
 _____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
 _____ **DISAGREE THAT RISK EXISTS (Specify below)**

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____



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.

_____ **AGREE TO TAKE REMEDIAL ACTION (Action Plan attached)**
 _____ **AGREE TO ACCEPT RISK OF NOT TAKING REMEDIAL ACTION**
 _____ **DISAGREE THAT RISK EXISTS (Specify below)**

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____