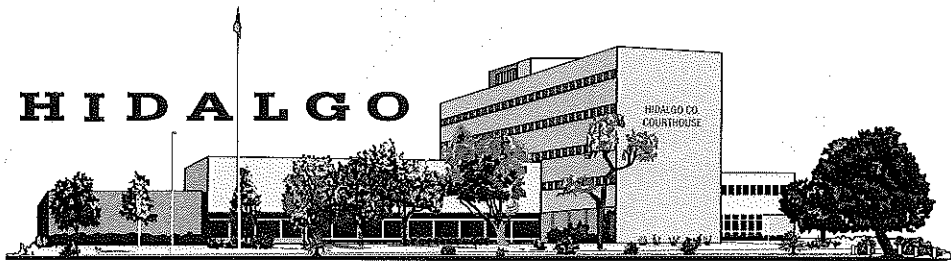


COUNTY of HIDALGO

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

May 3, 2019

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

Re: Sanitation Program *Monthly Fee Report* for March 2019

Dear Commissioner Torres:

We conducted a limited scope review of the Sanitation Program *Monthly Fee Report* and supporting documentation for the month of March 2019 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 Fee Report* for the month of March 2019. 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:

- Verified that *Monthly Fee Report* and supporting documentation were submitted to the County Auditor's Office within five days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Fee Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fee Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts and permits were issued in sequential order.
- Verified that procedures for voided receipts and voided permits were properly followed.
- Reviewed *Cashier's Daily Close-out Reports/Daily Remittance Forms (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 Fee Report* agreed to: 1.) total receipts issued by the Precinct; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts, *Close-out Reports*, and the *Monthly Fee Report* were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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

NOE GONZALEZ
JUDGE, 379TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 381TH D.C.

L. KEINO VASQUEZ
JUDGE, 381TH D.C.

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

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

JAIME TIJERINA
JUDGE, 464TH D.C.

Observation No. 2:

We noted that the shortage of \$100.00 on July 23, 2018 and unaccounted permit numbers 60385 and 62502 for \$25.00 each have not been replenished and deposited with the County Treasurer, as previously requested by the County Auditor's Office.

Shortages should be replenished, or a request for indemnification should be made to Commissioners Court pursuant to Local Government Code §157.903. Local Government Code §157.903 authorizes a Commissioners Court to indemnify an elected or appointed county officer against personal liability for the loss of county funds, or loss of or damage to personal property, if the loss was not the result of the officer's negligence or criminal action. Failure to implement internal controls may be considered negligence.

Failure to ensure that that the shortages are replenished results in the loss of revenue.

Recommendation:

Management should request indemnification from Commissioners Court for the \$150.00.

Please provide a written management response to the observations noted above by May 17, 2019.

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: Mr. Valde Guerra, County Executive Officer



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 388 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JAIIME TIJERINA JUDGE, 464 TH D.C.
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**HIDALGO COUNTY AUDITOR'S OFFICE
INTERNAL AUDIT DIVISION
MANAGEMENT RESPONSE FORM**

AUDITEE: Commissioner Precinct 4 AUDIT NO.: _____
Sanitation Program
AUDIT: Monthly Fee Report for MANAGEMENT
March 2019 RESPONSE DUE: May 17, 2019
FINDING No.: 1 RECOMMENDATION: 1

Management should request indemnification from Commissioners Court for the \$150.00.

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: _____
