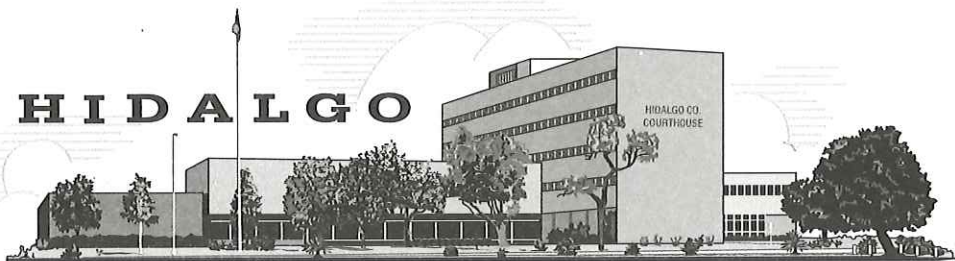


COUNTY of HIDALGO

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

March 30, 2021

The Honorable Richard F. Cortez, Hidalgo County Judge
 The Honorable David L. Fuentes, Commissioner Precinct No. 1
 The Honorable Eduardo Cantu, Commissioner Precinct No. 2
 The Honorable Everardo Villarreal, Commissioner Precinct No. 3
 The Honorable Ellie Torres, 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:

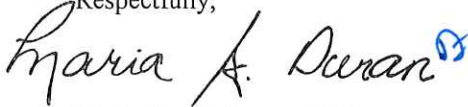
Department	Description
Mr. Homero Garza, Fire Marshal	Monthly Fees Report for December 2020 and January 2021
Mr. Eduardo Olivarez, Director Hidalgo County Department of Health and Human Services	Environmental Health Division Monthly Fees Report for December 2020 and January 2021
Ms. Angie Chapa, Law Librarian	Monthly Fees Report for December 2020 and January 2021
The Hon. Eduardo Cantu, Commissioner Precinct No. 2	Sanitation Program Monthly Fee Report for December 2020 and January 2021
The Hon. Everardo Villarreal, Commissioner Precinct No. 3	Anzalduas Park Monthly Fee Report for December 2020 and January 2021
The Hon. Daniel Marichalar, Constable Precinct No. 5	Monthly Fees Report for December 2020 and January 2021
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	January 2021 DTA Payment Request Report No. 2021-44
Mr. Roy Rodriguez, City Manager City of McAllen	McAllen TIRZ No. 2 Report No. 2018-34, 2019-36, and 2020-40
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	City of La Joya TIRZ No. 1 – Report No. 2020-41
Mr. Rolando Garza, Chief Appraiser Hidalgo County Appraisal District	City of La Joya TIRZ No. 1 – Report No. 2020-41
Ms. Yvonne Ramon, Elections Administrator	Monthly Fees Report for January 2021
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Fee Monthly Report for October 2020 through December 2020
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Civil and Probate Court Cost Monthly Reports for October 2020 through December 2020
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Criminal Fees Monthly Report for July 2020 through December 2020
The Hon. Laura Hinojosa, Hidalgo County District Clerk	Monthly Fees Report for October 2020 through December 2020
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Hidalgo County Tax Collected Reports for November 2020 and December 2020
The Hon. Gilberto Saenz, Justice of the Peace Pct. 1 Pl. 1	Monthly Fines and Fees Reports for October 2020 through December 2020

HIDALGO COUNTY DISTRICT JUDGES

LUIS 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, 338TH D.C. OVERSEER LETICIA LOPEZ JUDGE, 389TH D.C. L. KEHO VASQUEZ JUDGE, 394TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

The Hon. Jesus Morales, Justice of the Peace Pct. 1 Pl. 2	Monthly Fines and Fees Reports for October 2020 through December 2020
The Hon. Jaime J. Munoz, Justice of the Peace Pct. 2 Pl. 2	Monthly Fines and Fees Reports for October 2020 through December 2020
The Hon. Sonia "Dr." Trevino, Justice of the Peace Pct. 3 Pl. 1	Monthly Fines and Fees Reports for October 2020 through December 2020
The Hon. Juan "J.J." Pena, Justice of the Peace Pct. 3 Pl. 2	Monthly Fines and Fees Reports for October 2020 through December 2020
The Hon. Charlie Espinoza, Justice of the Peace Pct. 4 Pl. 1	Monthly Fines and Fees Reports for October 2020 through December 2020
The Hon. Homero A. Jasso, Justice of the Peace Pct. 4 Pl. 2	Monthly Fines and Fees Reports for October 2020 through December 2020
The Hon. Jason Pena, Justice of the Peace Pct. 5, Pl. 1	Monthly Fines and Fees Reports for October 2020 through December 2020
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Texas Parks and Wildlife Financial Statements for October 2020
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Registry Financial Statements for May 2020 through October 2020

Respectfully,



Maria Arcilia Duran, CPA
 Hidalgo County Auditor

Attachments



HIDALGO COUNTY DISTRICT JUDGES

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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

March 24, 2021

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

Re: *Monthly Fees Report* for December 2020 and January 2021

Dear Mr. Garza:

We conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the months of December 2020 and January 2021 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.

Conclusion:

Collections for the months of December 2020 and January 2021 totaled \$12,127.80 and \$10,978.50, respectively. Based on the review, we concluded that fees were generally properly accounted and reported. The system of internal controls for the accounting and reporting of fees required improvement as noted in the observation 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 no 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.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of December 2020 and January 2021. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Fees Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Fees 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 2 ND D.C.	FERNANDO MANCIA JUDGE, 3 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 13 TH D.C.	ROSE GUERRA REYNA JUDGE, 20 TH D.C.	MARLA CUELLAR JUDGE, 27 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 37 TH D.C.	NOE GONZALEZ JUDGE, 37 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 38 TH D.C.	L. KENO VASQUEZ JUDGE, 38 TH D.C.	ISRAEL RAMON, JR. JUDGE, 43 RD D.C.	RENEE R. BETANCOURT JUDGE, 44 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 46 TH D.C.
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- 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 voiding receipts were properly followed.
- Reviewed *Daily Remittance* forms to determine if fees collected were properly accounted and deposited with the County Treasurer on or before the fifth day after the day on which the funds were received.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.
- Verified that receipts, *Daily Remittance* forms, and the *Monthly Fees Report* were properly completed.

Observation No. 1:

We noted that the December 9, 2020 collections were short \$25.00. Collections totaled \$2,500.00; however, only \$2,475.00 was deposited. According to staff, the \$25.00 burn permit collection fee was not collected, in error. On January 26, 2021, Commissioners Court approved the indemnification of \$25.00.

In addition, we noted that the *Daily Close-out Report* was completed and all signatures of acknowledgment and approval were documented; however, the remittance was made for the wrong amount. It appears that the individuals signing the form are not verifying that the *Daily Close-out Report* remittance agrees to the amount of receipts/collections. The *Daily Close-out Report* was later corrected.

The County Auditor's Office requires that the *Daily Close-out Reports* be reconciled on a daily basis prior to making a deposit in order to reconcile receipts issued to collections daily. Cashiers should confirm the numeric amounts listed on money orders agree to the receipt issued and are for the exact amount due. The check/money order information must be documented on the *Daily Close-out Reports*. Both the cashier and the witness must verify that the *Daily Close-out Report* is completed in its entirety and must sign to document their responsibility for this verification. After the deposit has been made, the County official or his/her designee must verify that the total amount on the bank validated deposit and County Treasurer receipt agrees to the total amount on the *Daily Close-out Report*. The County official or his/her designee must sign the *Daily Close-out Report* to document responsibility for reviewing and approving the *Daily Close-Out Report*.

Failure to ensure that collections agree to deposits may increase the risk of loss of County funds.

Recommendation:

Management should ensure that staff understands the importance of completing the *Daily Close-out Reports*. The employees signing the reports should verify that collections agree to deposits. At a minimum, the procedures noted above should be implemented.

Please provide a written management response to the observation noted above by April 2, 2021.

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,



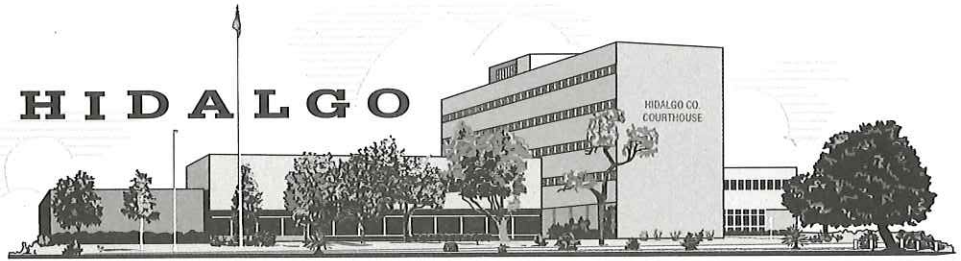
Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

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



EDINBURG, TEXAS 78539

March 5, 2021

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 December 2020 and January 2021

Dear Mr. Olivarez:

We conducted a limited scope review of the Environmental Health Division *Monthly Fees Report* and supporting documentation for the months of December 2020 and January 2021 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.

Conclusion:

Collections for the months of December 2020 and January 2021 totaled \$16,560.00 and \$23,015.00, respectively. Based on the review, we concluded that fees were not generally properly accounted and reported. The system of internal controls for the accounting and reporting of fees requires improvement as noted in the observation 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 no 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.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of December 2020 and January 2021. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Fees Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001(b).
- Verified that the *Monthly Fees 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.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 319TH D.C.

L. KENO VASQUEZ
JUDGE, 318TH D.C.

ISRAEL RAMON, JR.
JUDGE, 450TH D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts were issued in sequential order.
- Verified that procedures for voiding 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; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts issued, Close-out Reports, and the *Monthly Fees Report* were properly completed.

Observation No. 1:

We noted that the December 18, 2020 collections were short \$25.00. Receipts totaled \$625.00; however, only \$600 was deposited. According to staff, the bank was presented with checks totaling \$625.00; however, the bank teller returned \$25.00, in cash, since the deposit slip was made for \$600.00. The \$25.00 were deposited on January 11, 2021, after the County Auditor's Office inquired about the shortage.

In addition, we noted that the *Daily Close-out Report* was completed and all signatures of acknowledgment and approval were documented; however, the deposit was made for the wrong amount. It appears that the individuals signing the form are not verifying that the validated deposit slip agrees to the totals on the *Daily Close-out Report*.

The County Auditor's Office requires that collections be reconciled to receipts on a daily basis. The reconciliation must be documented on the *Daily Close-out Reports* prior to making a deposit. Both the cashier and the witness must verify that the *Daily Close-out Report* agrees to deposit slip. After the deposit has been made, the County official or his/her designee must verify that the total amount on the bank validated deposit and County Treasurer receipt agrees to the total amount on the *Daily Close-out Report*. The County official or his/her designee must sign the *Daily Close-out Report* to document responsibility for reviewing and approving the *Daily Close-out Report*.

Failure to ensure that collections agree to deposits may increase the risk of loss of County funds.

Recommendation:

Management should ensure that staff understands the importance of completing the *Daily Close-out Reports*. The employees signing the reports should verify that collections agree to deposits. At a minimum, the procedures noted above should be implemented.

Please provide a written management response to the observation noted above by March 19, 2021 using the attached Management Response Form.

If you have any questions, please contact Karen Ramirez, Internal Auditor I, at 318-2511, at ext. 4606, 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

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES



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

AUDITEE: Department of Health & Human Services AUDIT NO.: _____
Environmental Health Division-Monthly Fees
AUDIT: Report for December 2020 and January 2021 MANAGEMENT RESPONSE DUE: March 19, 2021
FINDING No.: 1 RECOMMENDATION: 1

Management should ensure that the Daily Close-out Reports and deposits are properly completed. In addition, management should ensure collections are deposited intact and timely. At a minimum, the procedures noted above should be implemented.

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)**

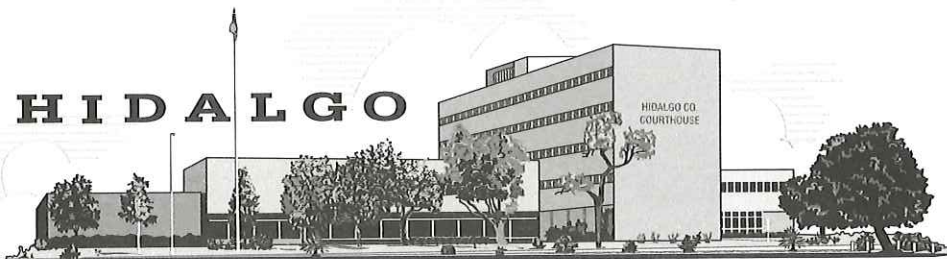
Management Comments (Attach additional page(s) if necessary):

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
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FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

March 5, 2021

Ms. Angie Chapa, Law Librarian
Hidalgo County Law Library
100 N. Clossner
Edinburg, Texas 78539

Re: *Monthly Fees Report* for December 2020 and January 2021

Dear Ms. Chapa:

We conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the months of December 2020 and January 2021 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.

Conclusion:

Collections for the months of December 2020 and January 2021 totaled \$247.50 and \$361.00, respectively. Based on the review, we concluded that fees collected were properly accounted and reported.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of December 2020 and January 2021. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Fees Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Daily Remittances/Close-out Forms* to determine whether fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Verified that the collections per the *Monthly Fees Report* agreed to total receipts issued and the deposits made with the County Treasurer.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

MARLA CUELLAR
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.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

Ms. Angie Chapa
March 5, 2021
Page 2 of 2

- Verified that receipts, *Daily Remittance/Close-out Forms*, and the *Monthly Fees Report* were properly completed.

If you have any questions, please contact Karen Ramirez, at 318-2511 ext. 4606, 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 Officer



HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

MARLA CUELLAR
JUDGE, 215TH D.C.

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

NOE GONZALEZ
JUDGE, 379TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

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

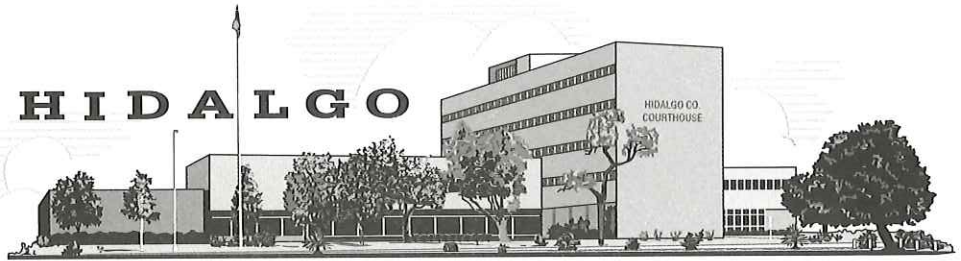
ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

RENEE R. BETANCOURT
JUDGE, 441TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 441TH D.C.

COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

March 5, 2021

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

Re: Sanitation Program *Monthly Fee Report* for December 2020 and January 2021

Dear Commissioner Cantu:

We conducted a limited scope review of the Sanitation Program *Monthly Fee Report* and supporting documentation for the months of December 2020 and January 2021 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.

Conclusion:

Collections for the months of December 2020 and January 2021 totaled \$7,775.00 and \$9,575.00, respectively. Based on the review, we concluded that fees collected were generally properly accounted and reported.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fee Report* for the months of December 2020 and January 2021. The 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 the review, the following procedures were performed:

- Verified that the *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 voiding receipts and 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.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 91ST 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, 376TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

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

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

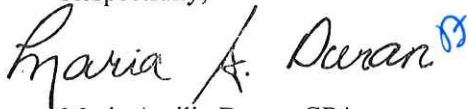
RENEE R. BETANCOURT
JUDGE, 449TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

- 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.

If you have any questions, please contact Karen Ramirez, Internal Auditor I, at 318-2511 ext. 4606, 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 Officer



HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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JUDGE, 332ND D.C.

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JUDGE, 370TH D.C.
OVERSEER

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JUDGE, 389TH D.C.

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

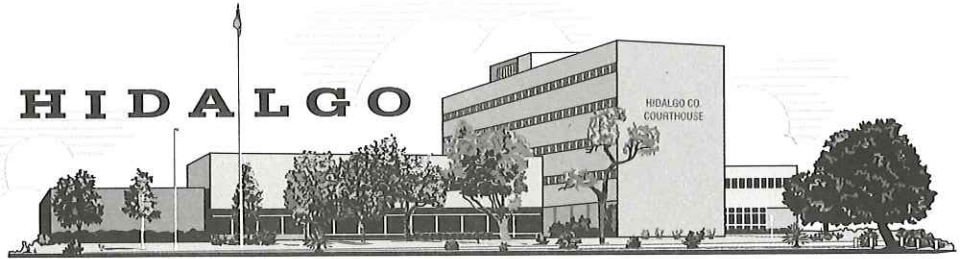
ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 464TH 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

March 5, 2021

The Honorable Everado "Ever" Villarreal, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle Rd.
Mission, Texas 78572

Re: Anzalduas Park *Monthly Fee Report* for December 2020 and January 2021

Dear Commissioner Villarreal:

We conducted a limited scope review of the Anzalduas Park *Monthly Fee Report* and supporting documentation for the months of December 2020 and January 2021 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.

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.

Conclusion:

There were no collections for the months of December 2020 and January 2021 since the park was closed.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fee Report* for the months of December 2020 and January 2021. The 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 the review, the following procedures were performed:

- Verified that the *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."

HIDALGO COUNTY DISTRICT JUDGES

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

FERJANDO MANICAS
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

MARLA CUELLAR
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, 448TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

The Honorable Everado "Ever" Villarreal
March 5, 2021
Page 2 of 2

If you have any questions, please contact Karen Ramirez, Internal Auditor I, at 318-2511, ext. 4606, 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 Officer

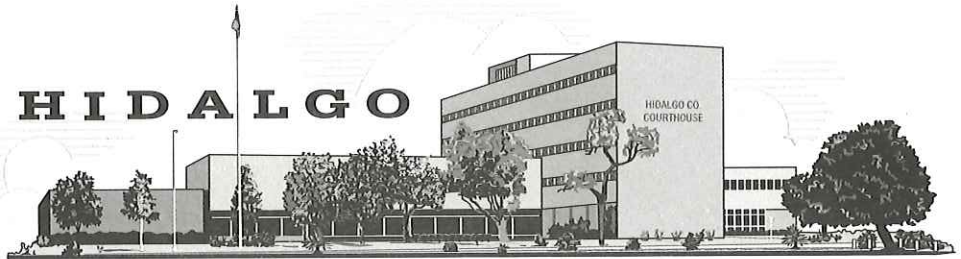


HIDALGO COUNTY DISTRICT JUDGES

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, 379 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 388 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 447 TH D.C.
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COUNTY OF HIDALGO

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Edinburg, Texas 78539-6243
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

March 5, 2021

The Honorable Daniel Marichalar, Constable
Hidalgo County Precinct No. 5
P.O. Box 1279
Elsa, TX 78543

Re: *Monthly Fees Report* for December 2020 and January 2021

Dear Constable Marichalar:

We conducted a limited scope review of the Constable Precinct No. 5 *Monthly Fees Report* and supporting documentation for the months of December 2020 and January 2021 pursuant to Local Government Code §115.002 (a) and (b) and Code of Criminal Procedure Article 103.011. The objective of the review was to determine if fees collected were properly accounted and reported. 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.

Conclusion:

Collections for the months of December 2020 and January 2021 totaled \$100.00 and \$400.00, respectively. Based on the review, we concluded that fees collected were generally properly accounted and reported.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of December 2020 and January 2021. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Fees 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 Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Fees Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified receipts were issued in sequential order.
- Verified that procedures for voiding receipts 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 in a timely manner.
- Verified that the collections per the *Monthly Fees Report* agreed to: 1.) total receipts issued by the Constable; 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 Fees Report* were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH 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, 389TH D.C.

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

ISRAEL RAMON, JR.
JUDGE, 439TH D.C.

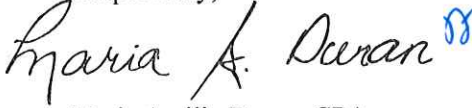
RENEE R. BETANCOURT
JUDGE, 448TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

Honorable Daniel Marichalar
March 5, 2021
Page 2 of 2

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

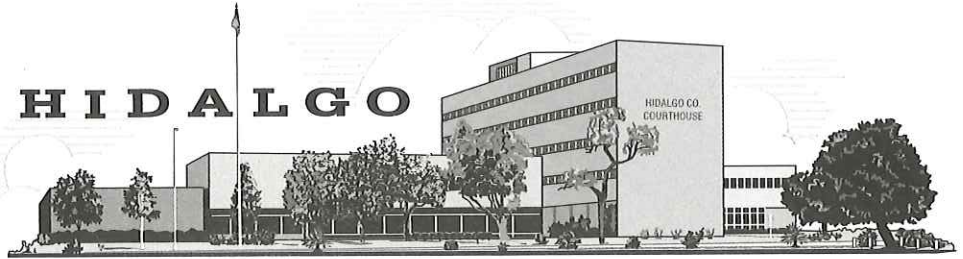


HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82 ND D.C.	FERNANDO MANCIAS JUDGE, 83 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 204 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, 388 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.
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COUNTY of HIDALGO

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PHONE: (956) 318-2511
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

March 2, 2021

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

Re: January 2021 DTA Payment Request Report No. 2021-44

Dear Mr. Villarreal:

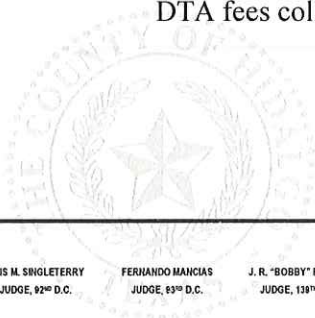
We completed a limited scope review of the January 2021 payment request prepared by your office for delinquent tax attorney (DTA) fees due to Linebarger, Goggan, Blair, and Sampson LLP ("LGBS") and related supporting documentation. The objective of the review was to determine if the payment request was accurate and properly authorized.

The results of the review revealed that the payment request was generally accurate and properly authorized. We will proceed to process the January 2021 DTA payment request in the amount of \$176,501.12 to LGBS.

The scope of the 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 January 31, 2021. The 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 the 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 January 2021."
- Reviewed the "Hidalgo County Tax Office Collection Reports" to determine if the DTA fees were collected at the 15% rate specified in the contract.
- Reviewed the "Hidalgo County Tax Office Collection Reports" to determine if the total amount of DTA fees collected agreed to the amount transferred to the Hidalgo County Treasurer's Office.



HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD D.C.

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JUDGE, 139TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

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JUDGE, 388TH D.C.

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JUDGE, 430TH D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

Based on the review, 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 January 2021."
- Although DTA fees for 269 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 (261 tax accounts) and small amounts collected (8 tax accounts) (see Exhibit A). The small amounts collected on the tax accounts resulted in a net overage of \$0.08
- The total amount of DTA fees collected on the "Hidalgo County Tax Office Collection Reports" agreed to the amount transferred to the Hidalgo County Treasurer's Office.

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: Exhibit A

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

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD D.C.

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JUDGE, 449TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2019	V105002000014700	0.61	0.15	0.76	0.12
2	1	2019	S397501000004600	0.24	0.06	0.3	0.05
3	1	2019	A036008000005500	0.03	0	0.03	0.01
4	1	2019	M195000054000501	0.03	0.01	0.04	0.01
5	1	2018	M594300000000400	222.18	57.95	280.13	39.66
6	1	2018	B158003003002600	127.02	36.83	163.85	23.63
7	1	2018	N660000000004300	101.91	29.13	131.04	18.96
8	1	2018	H345003000001300	67.24	18.72	85.96	12.31
9	1	2018	G595001001003400	43.76	12.44	56.2	8.08
10	1	2018	W380000771000080	34.74	9.47	44.21	6.31
11	1	2018	Q200002008002600	28.74	8.5	37.24	5.39
12	1	2018	G595001001003400	8.09	2.3	10.39	1.49
13	1	2018	V056002000016600	0.44	0.17	0.61	0.1
14	1	2018	0010490330000835	0.07	0.03	0.1	0.02
15	1	2017	A265200000000100	138.93	47.24	186.17	25.84
16	1	2017	E400000007000800	108.88	41.48	150.36	21.4
17	1	2017	S244000000005400	103.42	35.77	139.19	19.39
18	1	2017	L136500000004300	84.17	26.16	110.33	15.02
19	1	2017	T525002018003900	19.13	7.72	26.85	3.87
20	1	2017	V380002010001000	14.62	5.13	19.75	2.76
21	1	2017	W689601000003000	10.06	3.42	13.48	1.87
22	1	2017	M319700000010800	9.37	3.45	12.82	1.81
23	1	2017	M195099020000138	0.06	0.04	0.1	0.02
24	1	2017	S244000000005400	-103.42	-35.77	-139.19	-19.39
25	1	2016	G410000005000500	353.25	137.77	491.02	65.7
26	1	2016	E486000000002200	122.55	59.22	181.77	25.73
27	1	2016	V368504000015600	96.78	41.7	138.48	19.02
28	1	2016	C885000024000500	77.34	22.23	99.57	13.34
29	1	2016	T210000254001625	62.38	23.76	86.14	11.41
30	1	2016	L505000000006500	34.46	13.64	48.1	6.46
31	1	2016	C162300000002000	25.86	12.19	38.05	5.35
32	1	2016	P779000000006000	26.98	11	37.98	5.14
33	1	2016	L136500000004300	18.09	7.8	25.89	3.56
34	1	2016	P779000000006000	8.44	3.43	11.87	1.61
35	1	2015	P311201000000400	355.59	159.13	514.72	62.94
36	1	2015	V089000000002700	154.82	73.93	228.75	29.49
37	1	2015	T220000008001814	76.54	43.5	120.04	16.76
38	1	2015	E540000048002500	37.45	17.5	54.95	6.97
39	1	2015	E540000048002500	36.79	17.2	53.99	6.85
40	1	2015	G410000005000500	10.78	5.5	16.28	2.2
41	1	2015	T610000001000200	6.88	3.51	10.39	1.41
42	1	2015	W230000058000700	3.16	1.5	4.66	0.6
43	1	2015	E540000048002500	-37.45	-17.5	-54.95	-6.97
44	1	2014	P311201000000400	323.26	183.46	506.72	63.04
45	1	2014	R095000000001600	181.28	120.55	301.83	41.88
46	1	2014	V089000000002700	109.52	65.45	174.97	22.84
47	1	2014	T220000008001814	66.33	45.66	111.99	15.72
48	1	2014	S240000000009215	29.3	21.88	51.18	7.38
49	1	2014	C161802000001500	16.02	10.19	26.21	3.58
50	1	2014	R410000001001400	9.7	5.35	15.05	1.82
51	1	2014	V089500000006500	8.1	4.27	12.37	1.43
52	1	2014	W380000695000001	5.5	3.01	8.51	1.02
53	1	2014	W230000058000700	4.61	2.74	7.35	0.96
54	1	2014	C470000013001100	2.87	2.11	4.98	0.72
55	1	2014	B190031000003400	3.37	2.02	5.39	0.71
56	1	2014	B158504000007600	0.57	0.31	0.88	0.11
57	1	2014	B158504000007600	-0.57	-0.31	-0.88	-0.11
58	1	2013	P311201000000400	293.87	202.05	495.92	62.6
59	1	2013	R418000000000500	115.33	77.75	193.08	23.87
60	1	2013	C137000000001600	116.81	72.52	189.33	21.38
61	1	2013	V089500000006500	93.43	60.49	153.92	18.22
62	1	2013	V368503000001000	80.06	50.23	130.29	14.89
63	1	2013	O210000005000035	66.79	40.79	107.58	11.92
64	1	2013	L625501001008000	50.79	31.69	82.48	9.37
65	1	2013	R297701000006100	29.95	21.89	51.84	6.96

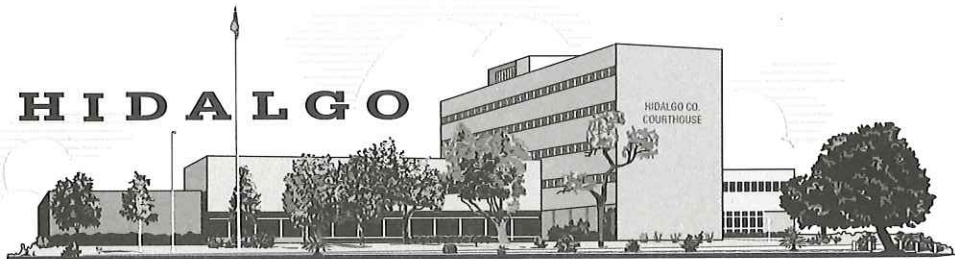
66	1	2013	R095000000001600	16.97	13.32	30.29	4.23
67	1	2013	H284000000016500	7.79	5	12.79	1.51
68	1	2013	H284000000016500	7.79	5.01	12.8	1.51
69	1	2013	N340098000204504	7.15	4.87	12.02	1.5
70	1	2013	C137000000001600	5.51	3.42	8.93	1.01
71	1	2013	B158504000007600	0.43	0.29	0.72	0.09
72	1	2013	B158504000007600	-0.43	-0.29	-0.72	-0.09
73	1	2013	R418000000000500	-115.33	-77.75	-193.08	-23.87
74	1	2012	P311201000000400	298.92	241.38	540.3	69.05
75	1	2012	S44701A000005600	124.77	89.11	213.88	23.58
76	1	2012	C137000000001600	76.68	56.8	133.48	15.41
77	1	2012	L670000003000400	37.76	35.72	73.48	10.48
78	1	2012	V368503000001000	47.39	35.43	82.82	9.67
79	1	2012	P927701000001600	25.38	18.73	44.11	5.07
80	1	2012	N861302000005600	19.92	15.16	35.08	4.18
81	1	2012	D380001000012605	6.98	5.43	12.41	1.54
82	1	2011	P311201000000400	317.47	294.45	611.92	79.05
83	1	2011	E840000019000800	94.34	90.64	184.98	24.91
84	1	2011	P927701000001600	113.9	97.67	211.57	24.77
85	1	2011	P320002008000400	83.03	80.25	163.28	22.29
86	1	2011	C180000035002000	60.05	65.76	125.81	18.2
87	1	2011	J183901000001700	79.3	65.63	144.93	16.18
88	1	2011	C470000005002500	61.66	58.63	120.29	16
89	1	2011	W010000034000405	43.84	42.27	86.11	11.64
90	1	2011	K240000000007305	33.24	26.06	59.3	6.13
91	1	2011	C470000005002500	21.91	20.84	42.75	5.69
92	1	2011	C070000101001523	22.75	17.54	40.29	4.06
93	1	2011	N861301000009900	17.99	15.43	33.42	3.91
94	1	2011	N861301000009900	17.99	15.43	33.42	3.91
95	1	2011	G590098004000101	15.29	12.57	27.86	3.08
96	1	2011	C505000000009715	15.26	12.32	27.58	2.97
97	1	2011	C535300000007900	11.49	9.09	20.58	2.15
98	1	2011	C740000003002600	6.15	6.41	12.56	1.78
99	1	2011	R457002000006400	5.85	5.12	10.97	1.32
100	1	2011	D460000118000700	3.55	3.88	7.43	1.07
101	1	2011	H120000052000500	2.62	2.48	5.1	0.67
102	1	2011	G120081008590000	0.11	0.12	0.23	0.04
103	1	2010	P311201000000400	322.86	338.19	661.05	86.2
104	1	2010	J183901000001700	180.7	171.22	351.92	40.12
105	1	2010	C740000003002600	121.41	141.14	262.55	37.33
106	1	2010	C470000005002500	83.57	89.48	173.05	23.19
107	1	2010	E810000003003000	114.73	99.92	214.65	21.51
108	1	2010	C180000035002000	46.21	56.15	102.36	14.83
109	1	2010	D460000118000700	36.75	44.66	81.41	11.8
110	1	2010	L505000000016600	45.14	42.91	88.05	10.09
111	1	2010	S357000000001000	37.51	32.63	70.14	7.09
112	1	2010	H347500149000004	26.81	22.8	49.61	4.79
113	1	2010	H120000052000500	9.93	10.53	20.46	2.71
114	1	2010	H302000000000700	13.01	11.25	24.26	2.4
115	1	2010	P320002008000400	0.15	0.16	0.31	0.04
116	1	2009	C740000003002600	121.41	155.71	277.12	39.52
117	1	2009	B158504000006100	59.98	66.04	126.02	15.3
118	1	2009	V365000002000100	63.25	59.93	123.18	11.76
119	1	2009	L120000003001100	49.09	46.02	95.11	8.91
120	1	2009	V380002010000500	22.12	28.49	50.61	7.23
121	1	2009	P320002008000400	20.09	24.25	44.34	6.12
122	1	2008	D700000000000800	104.41	115.64	220.05	23.18
123	1	2008	V365000002000100	57.5	61.38	118.88	11.73
124	1	2008	E810000007003005	45.81	47.53	93.34	8.73
125	1	2008	L672500000014000	13.96	16.7	30.66	3.68
126	1	2008	G130000001000200	14.73	15.73	30.46	3.01
127	1	2008	S740000000000100	11.8	13.87	25.67	2.98
128	1	2008	G840000000000100	1.83	2.2	4.03	0.49
129	1	2007	C740000003002600	121.41	184.85	306.26	43.89
130	1	2007	B395002000001800	93.52	134.75	228.27	31.42
131	1	2007	G520002000001000	148.87	169.81	318.68	29.92
132	1	2007	M035000003003000	136.23	157.23	293.46	28.2
133	1	2007	P934000000002700	99.95	119.01	218.96	22.34
134	1	2007	D700000000000800	76.81	94.29	171.1	18.44

135	1	2007	H140000000001100	38.95	56.23	95.18	13.14
136	1	2007	M167002000001600	46.18	55.77	101.95	10.67
137	1	2007	E810000007003005	45.81	53.03	98.84	9.55
138	1	2007	M515000000004700	42.05	48.12	90.17	8.51
139	1	2007	V365000002000100	27.93	33.17	61.1	6.2
140	1	2007	H135000001001100	8.55	11.33	19.88	2.43
141	1	2007	B156007000004400	10.74	12.23	22.97	2.16
142	1	2006	M035000003003000	139.39	177.61	317	31.36
143	1	2006	S735000006002200	147.76	174.97	322.73	27.26
144	1	2006	L108502000002700	83.24	110.5	193.74	20.72
145	1	2006	R470000012001300	102.85	121.78	224.63	18.97
146	1	2006	G910000004001000	31.56	47.27	78.83	10.27
147	1	2006	B157006000000500	37.22	49.54	86.76	9.32
148	1	2006	E810000007003005	40.45	51.66	92.11	9.16
149	1	2006	S010002001000900	47.01	55.67	102.68	8.67
150	1	2006	S477000000003000	30.21	35.78	65.99	5.57
151	1	2006	M0150000062000401	15.13	22.47	37.6	4.84
152	1	2006	L205000052001000	25.18	29.81	54.99	4.65
153	1	2006	L473500004001400	9.22	10.92	20.14	1.7
154	1	2006	L670000017000300	4.04	5.78	9.82	1.19
155	1	2005	L473500004001400	143.48	187.11	330.59	29.06
156	1	2005	C096002000001700	56.11	99.54	155.65	22.47
157	1	2005	S735000006002200	107.49	140.18	247.67	21.77
158	1	2005	L43500000G000502	67.99	92.09	160.08	15.3
159	1	2005	R284805000001000	37.46	66.88	104.34	15.11
160	1	2005	M62500000K000700	32.49	54.07	86.56	11.84
161	1	2005	J570000008002073	21.02	27.41	48.43	4.26
162	1	2005	E310000036001600	14.59	19.57	34.16	3.2
163	1	2005	D320000088000031	7.42	11.82	19.24	2.47
164	1	2005	L181000000028500	1.89	2.78	4.67	0.52
165	1	2005	L181000000028500	1.89	2.78	4.67	0.52
166	1	2004	E456000000003000	135	181.46	316.46	24.91
167	1	2004	R466001000001000	118.74	159.61	278.35	21.91
168	1	2004	B190016000000400	42.94	60.42	103.36	9.14
169	1	2004	S477000000040600	22.18	36.75	58.93	7.22
170	1	2004	R134002000002400	10.76	19.05	29.81	4.05
171	1	2004	C190001002000200	19.66	26.35	46.01	3.63
172	1	2004	W230000052000300	8.06	13.51	21.57	2.69
173	1	2004	M520000049001100	3.18	5.36	8.54	1.08
174	1	2004	R470000013000100	1.82	2.59	4.41	0.4
175	1	2003	C005000000002302	79.63	154.82	234.45	33.33
176	1	2003	W380000650000005	146.01	213.77	359.78	29.56
177	1	2003	E456000000003000	126.73	185.56	312.29	25.66
178	1	2003	V057700000002600	107.23	165.6	272.83	25.58
179	1	2003	M035000003003000	86.43	141.24	227.67	24.11
180	1	2003	D320000088000031	65.16	119.52	184.68	24.04
181	1	2003	G040000006000100	8.07	14.4	22.47	2.8
182	1	2003	W010000044001052	6.99	10.25	17.24	1.42
183	1	2003	B496504000032900	3.37	6.18	9.55	1.25
184	1	2002	W380000650000005	288.44	456.94	745.38	63.6
185	1	2002	E456000000003000	125.29	198.49	323.78	27.63
186	1	2002	V057700000002600	73.7	122.65	196.35	18.9
187	1	2002	D320000088000031	15.79	30.84	46.63	6.11
188	1	2002	D320000088000031	10.47	20.45	30.92	4.05
189	1	2002	G040000006000100	1.53	2.92	4.45	0.56
190	1	2002	A265500000002800	0.57	1.07	1.64	0.2
191	1	2001	M583003000000200	144.83	259.85	404.68	40.41
192	1	2001	O330000024001500	45.3	84.59	129.89	14.13
193	1	2001	O330000024001500	24.74	46.2	70.94	7.72
194	1	2001	H265000003000900	11.49	20.74	32.23	3.26
195	1	2000	S300000000002850	67.3	153.74	221.04	31.2
196	1	2000	L314000000003500	23.31	40.83	64.14	5.21
197	1	2000	B010000003000300	17.05	32.59	49.64	5.04
198	1	2000	O330000024001500	4.25	8.45	12.7	1.4
199	1	2000	D290000000001300	6.3	10.72	17.02	1.27
200	1	1999	E140000001000600	108.65	224.27	332.92	35.69
201	1	1999	T543501000000800	11.56	22.46	34.02	3.17
202	1	1999	D290000000001300	5.82	10.62	16.44	1.28
203	1	1999	L060001002001100	3.7	7.71	11.41	1.25

204	1	1999	T62000000001300	4.2	7.9	12.1	1.04
205	1	1998	L060001002001100	99.05	218.32	317.37	35.21
206	1	1998	L155002002001300	44.39	91.61	136	12.98
207	1	1998	E140000001000600	24.04	52.51	76.55	8.33
208	1	1998	T543501000000800	26.14	53.94	80.08	7.64
209	1	1998	H495000004000300	7.09	18.26	25.35	3.66
210	1	1998	E720000009000600	6.96	15.63	22.59	2.6
211	1	1998	T543501000000800	6.9	14.24	21.14	2.02
212	1	1998	T620000000001300	7.04	14.11	21.15	1.87
213	1	1998	R021502000006500	0.34	0.84	1.18	0.16
214	1	1997	L060001002001100	95.69	222.4	318.09	35.74
215	1	1997	G080000004001200	26.16	64.37	90.53	11.38
216	1	1997	L155002002001300	7.92	17.29	25.21	2.46
217	1	1996	S683000000020800	39.2	91.87	131.07	13.58
218	1	1996	S356700000006700	30.47	77.24	107.71	13.16
219	1	1996	G080000004001200	25.64	66.17	91.81	11.61
220	1	1996	L060001002001100	19.26	47.08	66.34	7.54
221	1	1996	W010000030000728	12.38	32.71	45.09	5.95
222	1	1996	E810000007000800	15.02	35.8	50.82	5.47
223	1	1996	C955000001001800	13.99	31.69	45.68	4.35
224	1	1996	M703000000004100	5.74	13.22	18.96	1.89
225	1	1995	C955000001001800	52.89	126.1	178.99	17.37
226	1	1995	G080000004001200	21.73	58.69	80.42	10.23
227	1	1995	W010000030000728	5.08	14.03	19.11	2.53
228	1	1994	L670000016000900	9.52	25	34.52	3.82
229	1	1994	C120002000002600	4.22	11.25	15.47	1.77
230	1	1991	A080000000114909	9.41	30.04	39.45	5.15
231	1	1990	K240000000008026	70.6	202.19	272.79	25.73
232	1	1989	K240000000008026	5.12	15.28	20.4	1.96
233	1	1988	W010000042000839	0.13	0.51	0.64	0.09
234	1	1987	W010000042000839	53.97	206.75	260.72	37.32
235	1	1986	W010000042000839	52.32	206.71	259.03	37.12
236	1	1985	W010000042000839	45.65	185.83	231.48	33.21
237	1	1984	W010000042000839	6.47	27.12	33.59	4.82
238	1	1984	B505000007000100	2.32	8.7	11.02	1.27
239	1	1983	W010000042000839	3.6	15.52	19.12	2.75
240	1	1983	B505000007000100	0.85	3.29	4.14	0.48
241	1	1982	W010000042000839	3.41	15.12	18.53	2.67
242	12	1999	D290000000001300	0.14	0.26	0.4	0.03
243	12	1999	L060001002001100	0.09	0.19	0.28	0.03
244	12	1998	L060001002001100	4.32	9.53	13.85	1.54
245	12	1997	L060001002001100	4.64	10.79	15.43	1.73
246	12	1996	L060001002001100	1.05	2.56	3.61	0.41
247	12	1996	W010000030000728	0.66	1.76	2.42	0.32
248	12	1995	W010000030000728	0.3	0.84	1.14	0.15
249	12	1988	W010000042000839	0	0.03	0.03	0.01
250	12	1987	W010000042000839	7.77	29.77	37.54	5.37
251	12	1986	W010000042000839	9.71	38.37	48.08	6.89
252	12	1985	W010000042000839	9.71	39.53	49.24	7.06
253	12	1984	W010000042000839	1.06	4.44	5.5	0.79
254	12	1983	W010000042000839	0.77	3.32	4.09	0.59
255	12	1982	W010000042000839	1.02	4.52	5.54	0.8
256	17	1984	B505000007000100	0.37	1.43	1.8	0.21
257	17	1983	B505000007000100	0.08	0.31	0.39	0.05
258	1	2001	W010000031000205	10.38	22.44	32.82	4.61
259	1	2018	E850002008000705	0.37	0.13	0.5	0.08
260	1	2017	S170002017000412	80.68	32.61	113.29	16.34
261	1	2015	G695502000008300	10.12	5.75	15.87	2.22
262	1	2015	A180000038000219	10.73	5.41	16.14	2.17
263	1	2014	A080000000107609	45.75	26.68	72.43	9.33
264	1	2010	S477000000011600	94.26	88.05	182.31	20.36
265	1	2008	C610000000000400	21.2	25.53	46.73	5.63
266	1	2007	C610000000000400	7.88	10.43	18.31	2.23
267	1	2005	E540000045000300	3.68	5.91	9.59	1.24
268	1	2003	T820000000000800	0.01	0.03	0.04	0.01
269	1	1998	F510000000000704	22.45	54.05	76.5	10.04

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

March 5, 2021

Roy Rodriguez, City Manager
City of McAllen
1300 Houston Avenue
McAllen, TX 78501

Re: McAllen TIRZ No. 2 Report No. 2018-34, 2019-36, and 2020-40

Dear Mr. Rodriguez:

We conducted a limited scope review of the interlocal agreement between the City of McAllen, Hidalgo County, and the City of McAllen TIRZ No. 2. The objectives of the review were to determine the accuracy of the McAllen TIRZ No. 2 payment requests for tax years 2017, 2018, and 2019, compliance with Section IV (B)(2) and VII (J) of the interlocal agreement, and Tax Code § 311.016.

The scope of the review was limited to the property tax accounts within McAllen TIRZ No. 2 for tax years 2017, 2018, and 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made.

The results of the review revealed the following:

1. A payment requests was submitted for tax years 2017, 2018, and 2019 in the amounts of \$128,591.47, \$289,282.71, and \$482,272.18, respectively; however, we determined that the payments amount should be \$54,297.94, \$671,542.53, and \$910,739.56, respectively (see Exhibit A); and
2. The annual report and annual financial review were submitted in compliance with Tax Code § 311.016 and Section IV (B)(2) and VII (J) of the interlocal agreement.

We will proceed to process the 2017, 2018, and 2019 McAllen TIRZ No. 2 payment in the amount of \$1,636,580.03.

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: Exhibit A

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

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

BERNANDO MANCIAS
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

MARLA CUELLAR
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.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

EXHIBIT A

2017-2018 McAllen TIRZ No. 2 Payment

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	McAllen TIRZ No. 2 Calculation 2017	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.58/100)</i>	\$ 711,954,127.00 0.0058	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 4,129,333.94	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 711,954,127.00	
<i>(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)</i>	\$ 661,253,238.00	
Captured Appraised Value	\$ 50,700,889.00	
Captured Appraised Value <i>(multiplied by) 50% of M&O Rate (Per agreement s/b the lesser of .5186 or actual)</i>	\$ 50,700,889.00 0.002556	
Tax Levy Due to TIRZ	\$ 129,591.47	
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office	\$ 4,010,140.69	
<i>(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ</i>	\$ 4,047,236.00	
Percent Collected of Actual Levy	100.0000%	
Tax Levy Due to TIRZ <i>(Multiplied by) Percent Collected of Actual Levy</i>	\$ 129,591.47 100.0000%	
<i>(Less) Administration costs **</i>	\$ 129,591.47	
<i>(Less) Adjustments **</i>	\$ (1,000.00)	
2017-2018 TIRZ PAYMENT AMOUNT	\$ 128,591.47	\$ 128,591.47

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	County Auditor's Calculation for Tax Year 2017	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.58/100)</i>	\$ 515,197,557.00 0.0058	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 2,988,145.83	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 515,197,557.00	
<i>(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)</i>	\$ 489,631,316.00	
Captured Appraised Value	\$ 25,566,241.00	
Captured Appraised Value <i>(multiplied by) 50% of M&O Rate (Per agreement s/b the lesser of .5186 or actual)</i>	\$ 25,566,241.00 0.002556	
Tax Levy Due to TIRZ	\$ 65,347.31	
TIRZ Collections (for Feb 1 through Jan 31) as per Collections Reports provided by Hidalgo County Tax Office	\$ 2,528,615.72	
<i>(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ</i>	\$ 2,988,145.83	
Percent Collected of Actual Levy	84.6216%	
Tax Levy Due to TIRZ <i>(Multiplied by) Percent Collected of Actual Levy</i>	\$ 65,347.31 84.6216%	
<i>(Less) Administrative Cost</i>	\$ 55,297.94	
<i>(Less) Adjustments **</i>	\$ (1,000.00)	
2017-2018 TIRZ PAYMENT AMOUNT	\$ 54,297.94	\$ 54,297.94

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy
\$ (74,293.53)

EXHIBIT A

2018-2019 McAllen TIRZ No. 2 Payment

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	McAllen TIRZ No. 2 Calculation 2018	McAllen TIRZ No. 2 Calculation 2017	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.58/100)</i>	\$ 775,089,594.00 0.0058		
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 4,495,519.65	\$ -	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 775,089,594.00	\$ -	
<i>(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)</i>	\$ 661,253,238.00		
Captured Appraised Value	\$ 113,836,356.00	\$ -	
Captured Appraised Value <i>(multiplied by) 50% of M&O Rate (Per agreement s/b the lesser of .5186 or actual)</i>	0.002550		
Tax Levy Due to TIRZ	\$ 290,282.71	\$ -	
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office	\$ 2,953,481.02		
<i>(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ</i>	\$ 2,878,786.42		
Percent Collected of Actual Levy	100.0000%		
Tax Levy Due to TIRZ <i>(Multiplied by) Percent Collected of Actual Levy</i>	\$ 290,282.71 100.0000%	\$ -	
<i>(Less) Administration costs **</i>	\$ 1,000.00		
<i>(Less) Adjustments **</i>	\$ -	\$ -	
2018-2019 TIRZ PAYMENT AMOUNT	\$ 289,282.71	\$ -	\$ 289,282.71

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	County Auditor's Calculation for Tax Year 2018	County Auditor's Calculation for Tax Year 2017	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.58/100)</i>	\$ 781,542,312.00 0.0058	\$ 515,197,557.00 0.0058	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 4,532,945.41	\$ 2,988,145.83	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 781,542,312.00	\$ 515,197,557.00	
<i>(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)</i>	\$ 489,631,316.00	\$ 489,631,316.00	
Captured Appraised Value	\$ 291,910,996.00	\$ 25,566,241.00	
Captured Appraised Value <i>(multiplied by) 50% of M&O Rate (Per agreement s/b the lesser of .5186 or actual)</i>	0.002550	0.002556	
Tax Levy Due to TIRZ	\$ 744,373.04	\$ 65,347.31	
TIRZ Collections (for Feb 1 through Jan 31) as per Collections Reports provided by Hidalgo County Tax Office	\$ 4,039,327.88	\$ 422,005.36	
<i>(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ</i>	\$ 4,532,945.41	\$ 2,988,145.83	
Percent Collected of Actual Levy	89.1104%	14.1226%	
Tax Levy Due to TIRZ <i>(Multiplied by) Percent Collected of Actual Levy</i>	\$ 744,373.04 89.1104%	\$ 65,347.31 14.1226%	
<i>(Less) Administrative Cost</i>	\$ 663,313.79	\$ 9,228.74	
<i>(Less) Adjustments **</i>	\$ (1,000.00)	\$ -	
2018-2019 TIRZ PAYMENT AMOUNT	\$ 662,313.79	\$ 9,228.74	\$ 671,542.53

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy

\$ 382,259.82

EXHIBIT A

2019-2020 McAllen TIRZ No. 2 Payment

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	McAllenn TIRZ No. 2 Calculation 2019	McAllenn TIRZ No. 2 Calculation 2018	McAllen TIRZ No. 2 Calculation 2017	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)</i>	\$ 881,050,535.00 0.0058			
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 5,110,093.10	\$ -	\$ -	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)</i>	\$ 881,050,535.00 \$ 661,253,238.00	\$ -	\$ -	
Captured Appraised Value	\$ 219,797,297.00	\$ -	\$ -	
Captured Appraised Value <i>(multiplied by) 50% of M&O Rate (Per agreement s/b the lesser of .5186 or actual)</i>	0.002518			
Tax Levy Due to TIRZ	\$ 553,449.59	\$ -	\$ -	
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office <i>(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ</i>	\$ 4,321,586.50 \$ 4,949,254.68	\$ -	\$ -	
Percent Collected of Actual Levy	87.3200%			
Tax Levy Due to TIRZ <i>(Multiplied by) Percent Collected of Actual Levy</i>	\$ 553,449.59 87.3200%	\$ -	\$ -	
<i>(Less) Administration costs **</i>	\$ 483,272.18	\$ -	\$ -	
<i>(Less) Adjustments **</i>	\$ (1,000.00)	\$ -	\$ -	
2019-2020 TIRZ PAYMENT AMOUNT	\$ 482,272.18	\$ -	\$ -	\$ 482,272.18

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy

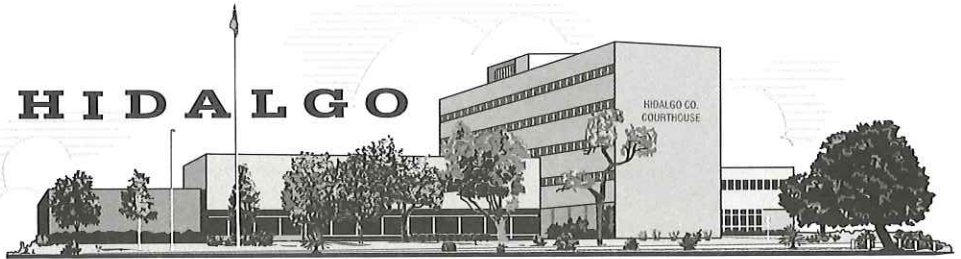
Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	County Auditor's Calculation for Tax Year 2019	County Auditor's Calculation for Tax Year 2018	County Auditor's Calculation for Tax Year 2017	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)</i>	\$ 872,346,033.00 0.00575	\$ 781,542,312.00 0.0058	\$ 515,197,557.00 0.0058	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	\$ 5,015,989.69	\$ 4,532,945.41	\$ 2,988,145.83	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD)) <i>(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)</i>	\$ 872,346,033.00 \$ 489,631,316.00	\$ 781,542,312.00 \$ 489,631,316.00	\$ 515,197,557.00 \$ 489,631,316.00	
Captured Appraised Value	\$ 382,714,717.00	\$ 291,910,996.00	\$ 25,566,241.00	
Captured Appraised Value <i>(multiplied by) 50% of M&O Rate (Per agreement s/b the lesser of .5186 or actual)</i>	0.002518	0.002550	0.002556	
Tax Levy Due to TIRZ	\$ 963,675.66	\$ 744,373.04	\$ 65,347.31	
TIRZ Collections (for Feb 1 through Jan 31) as per Collections Reports provided by Hidalgo County Tax Office <i>(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ</i>	\$ 4,363,725.54 \$ 5,015,989.69	\$ 445,274.16 \$ 4,532,945.41	\$ 11,746.31 \$ 2,988,145.83	
Percent Collected of Actual Levy	86.9963%	9.8231%	0.3931%	
Tax Levy Due to TIRZ <i>(Multiplied by) Percent Collected of Actual Levy</i>	\$ 963,675.66 86.9963%	\$ 744,373.04 9.8231%	\$ 65,347.31 0.3931%	
<i>(Less) Administrative Cost</i>	\$ 838,362.17	\$ 73,120.51	\$ 256.88	
<i>(Less) Adjustments **</i>	\$ (1,000.00)	\$ -	\$ -	
2019-2020 TIRZ PAYMENT AMOUNT	\$ 837,362.17	\$ 73,120.51	\$ 256.88	\$ 910,739.56

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy

\$ 428,467.38

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

March 19, 2021

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

Re: City of La Joya TIRZ No. 1 - Report No. 2020-41

Dear Mr. Villarreal:

We conducted a limited scope review of collections for the City of La Joya Tax Increment Reinvestment Zone No. 1 (TIRZ). The objective of the review was to determine if TIRZ collection reports prepared by the Tax Office included collections received for all tax accounts located within the TIRZ.

The scope of the review was limited to tax accounts located within the TIRZ for tax roll 2013 (base year) and 2019. The review was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvements could be made. The responsibility for sound internal controls rests with management.

As part of the review, we reviewed TIRZ collection reports and City of La Joya TIRZ No. 1 list of accounts provided by the Tax Office and list of tax accounts coded THLJ1 and the TIRZ map provided by the Hidalgo County Appraisal District.

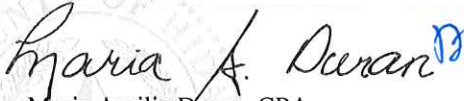
The results of the review revealed the following:

1. Tax account number 610605 is not located within the TIRZ boundaries; however, the tax account was included in the City of La Joya's TIRZ No. 1 list of accounts for base year 2013.
2. Tax account number 1101775 is not located within the TIRZ boundaries; however, the tax account was included in the City of La Joya's TIRZ No. 1 list of accounts and collection reports for tax roll 2019.
3. Tax account numbers 178200, 514948, 521560, and 700041 are located within the TIRZ boundaries; however, the tax account numbers were not included in the City of La Joya's TIRZ No. 1 list of accounts for base year 2013.

Please make the necessary corrections and submit revised lists and collection reports to the County Auditor's Office by March 31, 2021.

If you have any questions, feel free to call 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,



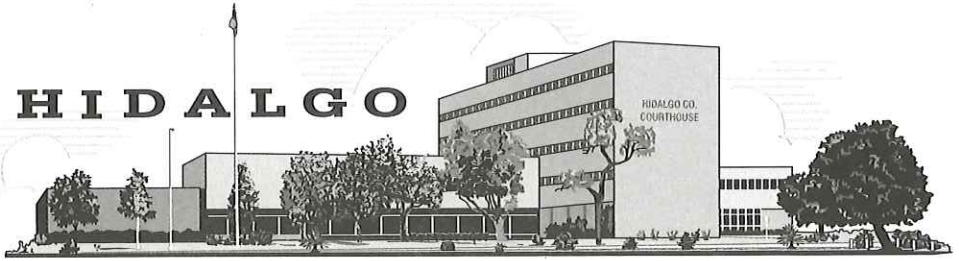
Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: The Honorable Richard Cortez, Hidalgo County Judge

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 93 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 138 TH D.C.	ROSE GUERRA REYNA JUDGE, 204 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, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.
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COUNTY of HIDALGO
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

March 22, 2021

Rolando Garza, Chief Appraiser
Hidalgo County Appraisal District
4405 S. Professional Dr.
Edinburg, Texas 78540

Re: City of La Joya TIRZ No. 1 Report No. 2020-41

Dear Mr. Garza:

We conducted a limited scope review of the list of tax accounts coded THLJ1 by the Hidalgo County Appraisal District (HCAD) for tax years 2013 (Base Year) and 2019. The objective of the review was to determine if the list of tax accounts coded THLJ1 only included real property tax accounts located within the TIRZ boundaries as noted on the TIRZ map provided by the HCAD.

The scope of the review was limited to tax accounts located within the TIRZ for tax roll 2013 and 2019. The 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.

As part of the review, we reviewed the agreement between Hidalgo County and the City of La Joya TIRZ No. 1, the list of tax accounts coded THLJ1 and the TIRZ map provided by the HCAD.

The results of the review revealed the following:

1. The 2013 list of tax accounts coded THLJ1 included tax account 610605 which is not located within the TIRZ boundary.
2. The 2019 list of tax accounts coded THLJ1 included tax account 1101775 which is not located within the TIRZ boundary.
3. Tax accounts 178200, 514948, 521560, and 700041 located within the TIRZ boundary were not included on the 2013 list of tax accounts coded THLJ1.

Please make the necessary corrections and submit a revised list of tax accounts for years 2013 and 2019 coded THLJ1 to the Hidalgo County Auditor's Office and Tax Assessor's-Collectors Office by March 31, 2021.

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: The Honorable Richard Cortez, Hidalgo County Judge
The Honorable Pablo Villarreal, Hidalgo County Tax Assessor-Collector
Ms. Jacqueline Bazan, City Administrator, City of La Joya

HIDALGO COUNTY DISTRICT JUDGES

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

BERNARDO MANCIAS
JUDGE, 83RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 133RD D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

MARLA CUELLAR
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, 448TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

COUNTY of HIDALGO
HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
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Edinburg, Texas 78539-6243
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WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

March 5, 2021

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

Re: *Monthly Fees Report* for January 2021

Dear Ms. Ramon:

We conducted a limited scope review of the *Monthly Fees Report (Monthly Report)* and supporting documentation for the month of January 2021 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 Report* for the month of January 2021. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Monthly Report* by footing and cross-footing the report.
- Reviewed receipts issued to determine if fees were allocated and reported in the proper amounts.
- Verified that procedures for voiding receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued; and 2.) total deposits made with the County Treasurer.
- Reviewed *Cashier's Daily Close-out Reports/Daily Remittance Reports (Close-out Reports)* and County Treasurer receipts to determine if collections were properly accounted and deposited with the County Treasurer on a timely basis.
- Verified that receipts were properly completed and issued in sequential order.
- Verified that *Close-out Reports* were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCANA
JUDGE, 17th D.C.

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

ROSE GUERRA REYNA
JUDGE, 208th D.C.

MARLA CUELLAR
JUDGE, 275th D.C.

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

NOE GONZALEZ
JUDGE, 376th D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389th D.C.

L. KENO VASQUEZ
JUDGE, 389th D.C.

ISRAEL RAMON, JR.
JUDGE, 424th D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 484th D.C.

Ms. Yvonne Ramon
March 5, 2021
Page 2 of 2

Conclusion:

Collections for the month of January 2021 totaled \$136.00. Based on the review, we have concluded that fees were properly accounted and reported.

If you have any questions, please contact Araceli A. Guillen, Internal Auditor I, at (956) 318-2511 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

cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

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

BERNARD MAMIAS
JUDGE, 87TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 159TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

MARLA CUELLAR
JUDGE, 278TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 352ND D.C.

HOE GONZALEZ
JUDGE, 379TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

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

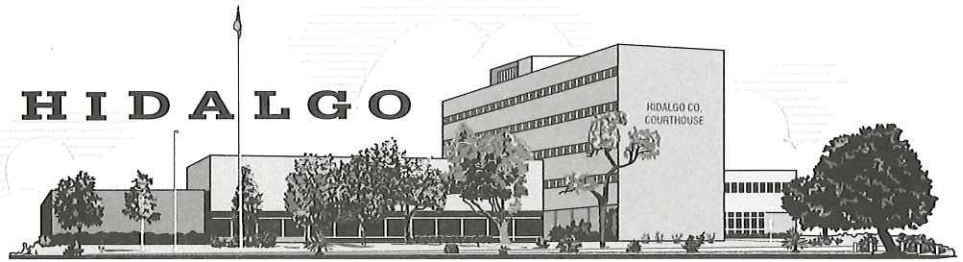
ISRAEL RAMON, JR.
JUDGE, 450TH D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 484TH D.C.

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
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Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

March 3, 2021

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

Re: *Fee Monthly Report* for October 2020 through December 2020

Dear Mr. Guajardo:

We conducted a limited scope review of the *Fee Monthly Report (Monthly Report)* for the months of October 2020 through December 2020 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 Report* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code § 114.001 (b).
- Verified that the *Monthly 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 voiding receipts were properly followed.
- Verified that collections per the *Monthly Report* agreed to: 1.) total receipts issued, 2.) total deposits made with the County Treasurer, and 3.) total deposits posted to *Alio's* Undistributed Receipts general ledger account.
- Verified the sequence of order numbers per the *Monthly Report* agreed to order numbers issued in *Kofile*. In addition, verified that order numbers were issued in sequential order.
- Reviewed *Revenue Remittance Reports* and County Treasurer receipts to determine if fees collected were properly accounted and deposited with the County Treasurer on a daily basis.
- Verified that receipts, *Revenue Remittance Reports*, *Company Accounts Summary Report*, and a sample of bank deposit slips were properly completed.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$532,745.45, \$469,987.58, and \$504,341.69, respectively. Based on the review, we concluded that fees 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 observation below.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93rd D.C.

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

ROSE GUERRA REYNA
JUDGE, 204th D.C.

MARLA CUELLAR
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, 399th D.C.

ISRAEL RAMON, JR.
JUDGE, 450th D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 464th 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.

Observation No. 1:

We noted that 31 of 60 Close-out Reports submitted to the County Treasurer's Office for the months of October 2020 through December 2020 were submitted 6 to 17 days after the bank deposit was made. According to staff, the Close-out Reports were not submitted to the County Treasurer's Office timely as department was working on a rotational schedule and the approval of the daily remittances were delayed.

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 a management response for the observation noted above by March 19, 2021.

If you have any questions or would like to schedule a meeting, 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

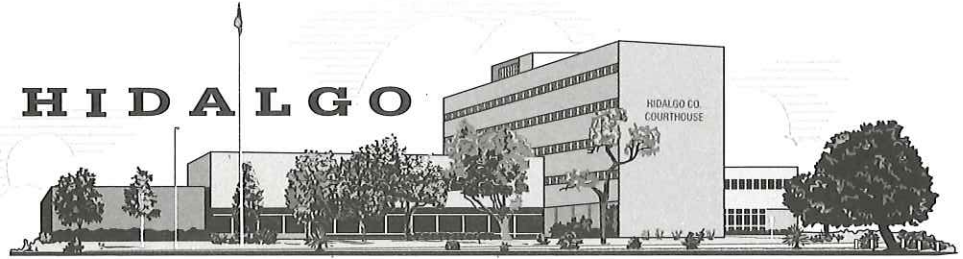
cc: Mr. Valde Guerra, County Executive Officer
Ms. Annette Muniz, Hidalgo County Clerk Chief Deputy
Ms. Berenize Alvarado, Hidalgo County Clerk Internal Auditor



HIDALGO COUNTY DISTRICT JUDGES

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
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EDINBURG, TEXAS 78539

March 3, 2021

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

Re: *Civil and Probate Court Cost Monthly Reports* for October 2020 through December 2020

Dear Mr. Guajardo:

We conducted a limited scope review of the *Civil and Probate Court Cost Monthly Report (Monthly Report)* for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Report* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly 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 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 voiding 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 were issued in sequential order.
- Reviewed randomly selected receipts to determine if fees and court costs were properly allocated and reported.
- Verified that the *Cashier's Daily Fund Reports* and bank deposit slips were properly completed and accurate.
- Reviewed *Revenue Remittance Reports* and County Treasurer receipts to determine if collections were deposited with the County Treasurer in a timely manner.
- Verified that receipts, *Revenue Remittance Reports*, the *Monthly Report*, and mail logs were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92nd D.C. FERNANDO MANCIAS JUDGE, 83rd D.C. J. R. "BOBBY" FLORES JUDGE, 139th D.C. ROSE GUERRA REYNA JUDGE, 204th D.C. MARLA CUELLAR JUDGE, 275th D.C. MARIO E. RAMIREZ, JR. JUDGE, 312th 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, 400th D.C. RENEE R. BETANCOURT JUDGE, 449th D.C. JOSE "JOE" RAMIREZ JUDGE, 464th D.C.

- 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.
- Verified that the number of civil cases and motions were correctly reported on the *Monthly Report*.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$137,668.55, \$135,257.85, and \$143,034.67, respectively. Based on the 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 fines, fees, and court costs requires improvement as noted in the observation 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.

Observation No. 1:

We noted that 38 of 61 Close-out Reports submitted to the County Treasurer's Office for the months of October 2020 through December 2020 were submitted 6 to 14 days after the bank deposit was made. According to staff, the Close-out Reports were not submitted to the County Treasurer's Office timely as department was working on a rotational schedule and the approval of the daily remittances were delayed.

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 a written management response to the observation noted above by March 19, 2020.

If you have any questions, 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,



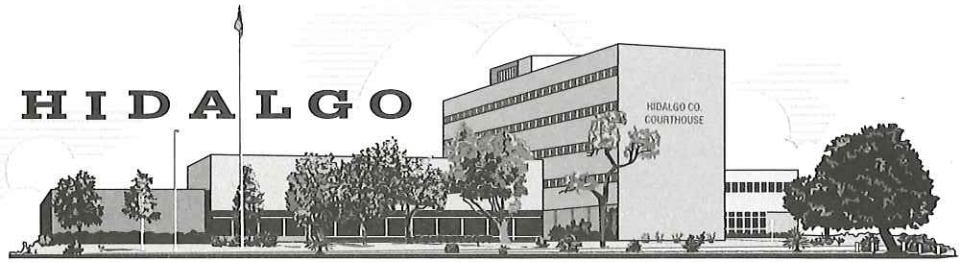
Maria Arcilia Duran, CPA
Hidalgo County Auditor

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

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

March 3, 2021

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

Re: *Criminal Fees Monthly Report* for July 2020 through December 2020

Dear Mr. Guajardo:

We conducted a limited scope review of the *Criminal Fees Monthly Report (Monthly Report)* for the months of July 2020 through December 2020 pursuant to Local Government Code §115.002 (a), §115.002 (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 the review was limited to collections reported by your office on the *Monthly Report* for the months of July 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly 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 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 voiding 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 that 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 Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts were issued in sequential order.
- Reviewed randomly selected receipts to determine if fines, fees, and court costs were allocated and reported in the proper amounts.
- Verified that the *Cashier's Daily Fund Reports* and bank deposit slips were properly completed and accurate.
- Reviewed *Revenue Remittance Reports* and County Treasurer receipts to determine if collections were deposited with the County Treasurer in a timely manner.
- Verified that receipts, *Revenue Remittance Reports*, the *Monthly Report*, and mail logs were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82ND D.C. FERNANDO MANCIAS JUDGE, 83RD D.C. J. R. "BOBBY" FLORES JUDGE, 138TH D.C. ROSE GUERRA REYNA JUDGE, 208TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. NOE GONZALEZ JUDGE, 376TH 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. JOSE "JOE" RAMIREZ JUDGE, 466TH D.C.

- 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.

Conclusion:

Collections for the months of July 2020 through December 2020 totaled \$73,870.18, \$70,256.31, \$73,322.43, \$88,104.71, \$75,575.16, and \$62,951.69 respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 92 of 321 randomly selected receipts during the months of July 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. The County Clerk's Office was notified of the required adjustments (see Exhibit A); however, the adjustments have not been completed. According to the County Clerk's Office Internal Auditor, the review of the adjustments was delayed since the department was working on a rotational schedule. However, adjustments will be reviewed as time permits.

There are numerous statutes that require the County Clerk 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.
- 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*.
- The bill of costs should be revised through a court order to reflect the correct fines, fees, and court costs.
- Staff should ensure that adjustments are entered in *Odyssey* within three days of notification.

Observation No. 2:

We noted that 69 of 124 Close-out Reports submitted to the County Treasurer's Office for the months of July 2020 through December 2020 were submitted 6 to 16 days after the bank deposit was made. According to staff, the Close-out Reports were not submitted to the County Treasurer's Office timely due to the department working on a rotational schedule causing the approval of the Close-out Reports to be delayed.

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.

HIDALGO COUNTY DISTRICT JUDGES

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 a written management response to the observations noted above by March 19, 2021.

If you have any questions or would like to schedule a meeting to discuss the above noted observation, 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: Exhibit A

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



HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

MARLA CUELLAR
JUDGE, 215TH 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, 448TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

Case was cleared for Omnibase on 7/7/20, however, fees were not assessed. Please provide a reason for not assessing the fees.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Disp/Judgment Date	Received Amount	DEL-RF	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	TROC	VIDEO	VRF-RF
COL-2020-10419	7/6/2020	CR-15-04224-G	2/27/2015	DRIVING WHILE INTOXICATED	9/21/2015	1,217.10	-	-	-	-	-	-	2.50	-	10.00	12.50	-	-	-

Delinquent fees were assessed, however, case was not referred to Perdue. Delinquent fees collected should be refunded.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Disp/Judgment Date	Received Amount	DEL-RF	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	TROC	VIDEO	VRF-RF
COL-2020-10815	7/15/2020	CR-16-13282-B	9/2/2016	DRIVING WHILE INTOXICATED 2ND	5/9/2017	1,315.73	303.63	-	-	-	-	-	2.50	-	10.00	12.50	-	-	-

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged fro convictions on or after January 1, 2020. If the conviction is for an offense that occurred before January 1, 2020,

VRF fee should not be assessed for the following cases.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Disp/Judgment Date	Received Amount	DEL-RF	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	TROC	VIDEO	VRF-RF
COL-2020-10983	7/17/2020	CR-19-07729-A	3/3/2019	DRIVING WHILE INTOXICATED BAC >= 0.1	2/11/2020	500.00	-	-	4.00	-	-	6.00	-	15.00	-	-	-	-	30.00
COL-2020-11001	7/20/2020	CR-19-13114-B	8/24/2019	DRIVING WHILE INTOXICATED	1/22/2020	30.00	-	-	-	-	-	-	-	1.11	-	-	-	-	2.21
COL-2020-10473	7/7/2020	CR-19-14616-D	8/17/2019	DRIVING WHILE INTOXICATED	1/24/2020	60.00	-	-	0.48	-	-	0.71	-	1.24	-	-	-	-	2.47
COL-2020-11050	7/21/2020	CR-19-14064-B	10/1/2019	DRIVING WHILE INTOXICATED 2ND	2/13/2020	100.00	-	-	-	-	-	-	-	3.74	-	-	-	-	7.48
COL-2020-11351	7/30/2020	CR-20-00181-D	2/15/2019	DRIVING WHILE INTOXICATED	2/21/2020	200.00	-	-	4.00	-	-	6.00	-	3.79	-	-	-	-	1.91
COL-2020-11231	7/24/2020	CR-19-14616-D	8/17/2019	DRIVING WHILE INTOXICATED	1/24/2020	60.00	-	-	0.48	-	-	0.71	-	1.24	-	-	-	-	2.48
COL-2020-10540	7/8/2020	CR-17-12338-D	6/11/2017	DRIVING WHILE INTOXICATED	1/23/2020	100.00	-	-	1.09	-	-	1.64	-	2.88	-	-	-	-	2.20
COL-2020-10917	7/17/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED	1/28/2020	15.00	-	-	0.15	-	-	0.23	-	0.51	-	-	-	-	0.53
COL-2020-10399	7/6/2020	CR-19-11051-A	7/1/2019	DRIVING WHILE INTOXICATED 2ND	3/12/2020	32.00	-	-	-	-	-	-	-	1.25	-	-	-	-	2.50
COL-2020-10636	7/10/2020	CR-18-00544-D	10/4/2017	DRIVING WHILE INTOXICATED	2/6/2020	300.00	-	-	4.00	-	-	6.00	-	15.00	-	-	-	-	30.00
COL-2020-11212	7/24/2020	CR-19-02979-G	1/2/2019	DRIVING WHILE INTOXICATED	3/9/2020	50.00	-	-	-	-	-	-	-	1.95	-	-	-	-	3.89
COL-2020-11224	7/24/2020	CR-19-07453-A	5/21/2019	DRIVING WHILE INTOXICATED	1/24/2020	75.00	-	-	0.90	-	-	1.35	-	2.78	-	-	-	-	2.78
COL-2020-10908	7/17/2020	CR-19-13224-H	10/12/2019	DRIVING WHILE INTOXICATED	1/29/2020	50.00	-	-	0.51	-	-	0.76	-	1.90	-	-	-	-	1.90
COL-2020-10259	7/1/2020	CR-19-15176-A	10/6/2019	DRIVING WHILE INTOXICATED BAC >= 0.1	3/12/2020	82.00	-	-	-	-	-	-	-	3.34	-	-	-	-	6.66
COL-2020-11161	7/23/2020	CR-19-11065-A	7/7/2019	DRIVING WHILE INTOXICATED 2ND	2/6/2020	132.00	-	-	2.94	-	-	4.41	-	11.02	-	-	-	-	4.41
COL-2020-10409	7/16/2020	CR-18-09909-H	5/11/2018	DRIVING WHILE INTOXICATED	1/15/2020	102.00	-	-	0.53	-	-	0.80	-	2.00	-	-	-	-	2.00
COL-2020-10863	7/16/2020	CR-19-15983-B	9/15/2019	DRIVING WHILE INTOXICATED BAC >= 0.1	2/13/2020	100.00	-	-	-	-	-	-	-	5.21	-	-	-	-	7.48
COL-2020-10936	7/17/2020	CR-18-05924-G	1/20/2018	DRIVING WHILE INTOXICATED	1/29/2020	340.00	-	-	2.30	-	-	3.45	-	8.62	-	-	-	-	8.62

Based on judgment date, TP should be assessed at \$25.00. Please use fee codes TP, TPST, and TPCO to properly assessed the time payment.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Disp/Judgment Date	Received Amount	DEL-RF	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	TROC	VIDEO	VRF-RF
COL-2020-10885	7/16/2020	CR-19-14195-A	1/18/2018	POSS GAMBLING DEVICE/EQUIPMENT/Pf	11/21/2019	101.00	-	-	-	-	-	-	-	5.04	-	-	-	-	-
COL-2020-11374	7/30/2020	CR-18-03992-G	2/13/2017	DRIVING WHILE INTOXICATED	5/23/2018	200.00	-	-	-	-	-	-	-	6.06	-	-	-	-	-
COL-2020-10296	7/2/2020	CR-19-08083-H	6/7/2019	BURGLARY OF VEHICLE	6/19/2019	50.00	-	-	-	-	-	-	-	2.44	-	-	-	-	-
COL-2020-10542	7/8/2020	CR-18-16372-B	10/14/2018	DRIVING WHILE INTOXICATED	10/10/2019	84.10	-	-	1.14	13.45	-	1.71	-	4.29	-	-	-	-	-
COL-2020-10972	7/17/2020	CR-18-11586-F	6/29/2018	FAIL TO IDENTIFY FUGITIVE FROM JUSTIC	2/27/2019	113.00	-	-	4.00	-	-	6.00	-	15.00	-	-	-	-	-
COL-2020-10773	7/14/2020	CR-19-03636-A	3/9/2019	DRIVING WHILE INTOXICATED	4/25/2019	51.00	-	-	-	-	-	-	-	3.87	-	-	-	-	-

Based on judgment date, TP should be assessed at \$25.00. Please use fee codes TP, TPST, and TPCO to properly assessed the time payment.

In addition, delinquent fees were assessed on 2/21/2020, however, case was not referred to Perdue. Delinquent fees collected after 3/13/2020 should not be assessed for this case.

Please applied collections to the case balance.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Disp/Judgment Date	Received Amount	DEL-RF	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	TROC	VIDEO	VRF-RF
COL-2020-10573	7/9/2020	CR-16-13269-E	9/8/2016	FAIL TO IDENTIFY FUGITIVE INTENT GIVE I	5/24/2017	83.20	18.50	-	-	-	-	-	-	2.35	-	-	-	-	-

Based on judgment date, TP (15.00) should have been assessed.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-11710	8/7/2020	CR-20-03171-H	1/26/2020	DRIVING WHILE INTOXICATED BAC >= 0.15	convicted	5/5/2020	480.00	-	-	-	-	-	-

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged fro convictions on or after January 1, 2020. If the conviction is for an offense that occurred before January 1, 2020, VRF fee should not be assessed for the following cases.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-11995	8/17/2020	CR-19-13114-B	8/24/2019	DRIVING WHILE INTOXICATED		1/22/2020	20.00	-	0.71	-	-	1.42	-
COL-2020-11515	8/3/2020	CR-19-15176-A	10/6/2019	DRIVING WHILE INTOXICATED BAC >= 0.15		3/12/2020	82.00	-	3.33	-	-	6.67	-
COL-2020-12398	8/26/2020	CR-18-15108-E	9/23/2018	DRIVING WHILE INTOXICATED		3/5/2020	150.00	-	5.92	-	-	5.92	-
COL-2020-12286	8/24/2020	CR-19-04284-B	12/28/2018	DRIVING WHILE INTOXICATED 2ND		2/27/2020	100.00	-	4.47	-	-	6.40	-
2020-008235	8/12/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED		1/28/2020	15.00	0.08	-	0.33	0.42	0.50	-
COL-2020-12115	8/18/2020	CR-19-14616-D	8/17/2019	DRIVING WHILE INTOXICATED		1/24/2020	60.00	-	1.23	-	-	2.47	-
COL-2020-12459	8/28/2020	CR-17-12338-D	6/11/2017	DRIVING WHILE INTOXICATED		1/23/2020	112.00	-	2.52	-	-	1.93	-
COL-2020-11605	8/5/2020	CR-19-11051-A	7/1/2019	DRIVING WHILE INTOXICATED 2ND		3/12/2020	32.00	-	1.25	-	-	2.50	-
COL-2020-11628	8/6/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED		1/28/2020	15.00	-	0.52	-	-	0.51	-
COL-2020-11862	8/12/2020	CR-19-07453-A	5/21/2019	DRIVING WHILE INTOXICATED		1/24/2020	50.00	-	1.82	-	-	1.82	-
2020-008234	8/12/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED		1/28/2020	15.00	0.08	-	0.33	0.42	0.50	-
2020-008233	8/12/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED		1/28/2020	40.00	0.27	-	1.07	1.34	1.61	-
COL-2020-12114	8/18/2020	CR-18-05924-G	1/20/2018	DRIVING WHILE INTOXICATED		1/29/2020	102.00	-	2.55	-	-	2.55	-
COL-2020-11433	8/3/2020	CR-19-13114-B	8/24/2019	DRIVING WHILE INTOXICATED		1/22/2020	30.00	-	1.11	-	-	2.21	-

Based on judgment date, TP should be assessed at \$25.00. Please use fee codes TP, TPST, and TPCO to properly assessed the time payment.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-12000	8/17/2020	CR-13-08243-E	3/19/2013	THEFT PROP>=\$50<\$500		10/23/2013	200.00	-	6.01	-	-	-	-
COL-2020-12360	8/25/2020	CR-19-03636-A	3/9/2019	DRIVING WHILE INTOXICATED		4/25/2019	51.00	-	3.87	-	-	-	-
COL-2020-11908	8/13/2020	CR-19-00066-G	12/23/2018	ASSAULT CAUSES BODILY INJURY FAMILY MEMBER		1/7/2019	317.00	-	15.00	-	-	-	-
COL-2020-12276	8/24/2020	CR-19-00314-A	1/2/2019	POSS CS PG 2-A <= 20Z		1/10/2019	50.00	-	1.97	-	-	-	-
COL-2020-11999	8/17/2020	CR-14-1766-E	12/23/2013	THEFT PROP>=\$50<\$500		9/12/2016	93.00	-	5.17	-	-	-	-

Hidalgo County Clerk
 Schedule of Adjustments
 For the month of September 30, 2020

Case was assessed \$255.00 for visual recording fee. Please provide a copy of the documents indicating the number of visual recording submitted.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	DA	FAP	JSF	LTF	LTF-RF	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-12688	9/3/2020	CR-18-12775-A	7/28/2018	DRIVING WHILE INTOXICATED	Convicted	3/25/2019	999.10	-	-	4.00	-	2.00	2.50	-	10.00	12.50	-	255.00

LTF was over assessed \$2.00

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	DA	FAP	JSF	LTF	LTF-RF	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-12760	9/4/2020	CR-09-4423-G	2/27/2009	DRIVING WHILE INTOXICATED	Convicted	8/26/2016	1,114.10	-	-	4.00	2.00	2.00	2.50	-	10.00	12.50	-	15.00

The case has a deferred disposition and therefore DA (\$25.00) and JSF (\$4.00) should not be assessed

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	DA	FAP	JSF	LTF	LTF-RF	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-13411	9/23/2020	CR-19-00146-H	10/20/2018	POSS CS PG 3 < 28G	deferred	9/9/2019	664.00	-	-	4.00	-	2.00	2.50	-	10.00	12.50	-	-

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged for convictions on or after January 1, 2020. If the conviction is for an offense that occurred before January 1, 2020, VRF fee should not be assessed for the following cases.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	DA	FAP	JSF	LTF	LTF-RF	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-12620	9/1/2020	CR-19-15176-A	10/6/2019	DRIVING WHILE INTOXICATED B/	Convicted	3/12/2020	82.00	-	-	-	-	2.00	-	1.67	-	-	3.33	-
COL-2020-12742	9/4/2020	CR-19-04605-A	2/21/2019	DRIVING WHILE INTOXICATED	Convicted	1/23/2020	150.00	-	-	-	-	2.00	-	0.21	-	-	0.21	-
COL-2020-12763	9/4/2020	CR-19-11051-A	7/1/2019	DRIVING WHILE INTOXICATED 2N	Convicted	3/12/2020	32.00	-	-	-	-	2.00	-	1.25	-	-	2.50	-
COL-2020-13032	9/14/2020	CR-19-13114-B	8/24/2019	DRIVING WHILE INTOXICATED	Convicted	1/22/2020	30.00	-	-	-	-	2.00	-	1.11	-	-	2.21	-
COL-2020-13153	9/16/2020	CR-18-05924-G	1/20/2018	DRIVING WHILE INTOXICATED	Convicted	1/29/2020	104.00	-	-	-	-	2.00	-	0.05	-	-	0.05	-
COL-2020-13201	9/17/2020	CR-19-11065-A	7/7/2019	DRIVING WHILE INTOXICATED 2N	Convicted	2/6/2020	96.00	-	-	-	-	2.00	-	3.98	-	-	1.59	-
COL-2020-13205	9/17/2020	CR-19-02487-D	11/1/2018	DRIVING WHILE INTOXICATED B/	Convicted	2/19/2020	50.00	-	-	-	-	2.00	-	1.06	-	-	1.06	-
COL-2020-13221	9/17/2020	CR-19-14616-D	8/17/2019	DRIVING WHILE INTOXICATED	Convicted	1/24/2020	60.00	-	-	-	-	2.00	-	0.13	-	-	0.26	-
COL-2020-13279	9/21/2020	CR-19-02828-F	12/2/2018	DRIVING WHILE INTOXICATED	Convicted	2/4/2020	100.00	-	-	-	-	2.00	-	3.77	-	-	7.54	-
COL-2020-13414	9/23/2020	CR-19-07453-A	5/21/2019	DRIVING WHILE INTOXICATED	Convicted	1/24/2020	50.00	-	-	-	-	2.00	-	1.82	-	-	1.80	-

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged for convictions on or after January 1, 2020. If the conviction is for an offense that occurred before January 1, 2020, VRF fee should not be assessed for the following cases. In addition, TP should be assessed at \$15.00

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	DA	FAP	JSF	LTF	LTF-RF	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-12733	9/4/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED	Convicted	1/28/2020	15.00	-	-	-	-	2.00	0.08	-	0.33	0.42	0.50	-

Based on judgment date, TP should be assessed at \$25.00. Please use fee codes TP, TPST, and TPCO to properly assessed the time payment.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date	Disp/Judgment D	Received Amount	DA	FAP	JSF	LTF	LTF-RF	TP	TP-RF	TPCO	TPST	VRF-RF	VRFr
COL-2020-12902	9/9/2020	CR-19-05024-G	4/5/2019	POSS CS PG 3 < 28G	Convicted	7/15/2019	10.00	-	-	0.08	-	2.00	-	0.31	-	-	-	-

Based on the type of disposition and the judgment date, Judicial Fund of \$15.00 and Drug Court Cost Fee of \$60.00 should had been assessed.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date Disp/Judgment Da	Received Amount	DDCF	JUD	JUDr	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	VRF-RF	
COL-2020-14074	10/13/2020	CR-19-09301-H	4/26/2019	POSS MARIJ <2OZ	DEFERRED	10/7/2019	150.00	-	-	-	-	-	-	-	-	-	-	-	-	-
COL-2020-13874	10/5/2020	CR-19-01509-H	9/29/2018	POSS MARIJ <2OZ	deferred	3/8/2019	36.00	-	-	-	-	-	-	-	-	-	-	-	-	-

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged for convictions on or after January1, 2020. If the conviction is for an offense that occurred before January 1, 2020,

VRF fee should not be assessed for the following cases.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date Disp/Judgment Da	Received Amount	DDCF	JUD	JUDr	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	VRF-RF	
COL-2020-14331	10/19/2020	CR-19-13114-B	8/24/2019	DRIVING WHILE INTOXICATED		1/22/2020	30.00	-	-	-	-	-	-	-	-	-	1.11	-	-	2.21
COL-2020-14765	10/29/2020	CR-19-06466-H	3/31/2019	DRIVING WHILE INTOXICATED		2/24/2020	300.00	-	-	-	1.86	-	-	2.79	-	6.97	-	-	13.95	
COL-2020-14541	10/23/2020	CR-19-07453-A	5/21/2019	DRIVING WHILE INTOXICATED		1/24/2020	50.00	-	-	-	0.59	-	-	0.88	-	1.83	-	-	1.84	
COL-2020-14313	10/16/2020	CR-18-15108-E	9/23/2018	DRIVING WHILE INTOXICATED		3/5/2020	50.00	-	-	-	0.51	-	-	0.77	-	1.92	-	-	1.92	
COL-2020-13847	10/5/2020	CR-19-11051-A	7/1/2019	DRIVING WHILE INTOXICATED 2ND		3/12/2020	32.00	-	-	-	-	-	-	-	-	1.25	-	-	2.50	
COL-2020-13868	10/5/2020	CR-19-14082-A	8/25/2019	DRIVING WHILE INTOXICATED		1/16/2020	50.00	-	-	-	-	-	-	-	-	1.66	-	-	0.91	

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged for convictions on or after January1, 2020. If the conviction is for an offense that occurred before January 1, 2020,

VRF fee should not be assessed for the following cases. In addition, based on judgment date, TP should be assessed at \$15.00.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date Disp/Judgment Da	Received Amount	DDCF	JUD	JUDr	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	VRF-RF
COL-2020-13831	10/5/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED		1/28/2020	15.00	-	-	-	0.15	-	-	0.22	0.08	-	0.34	0.42	0.50

Based on Judgement date, TP should be assessed at \$25.00. Please use fee codes TP, TPST, and TPCO to properly assess the time payment. In addition, the case was cleared from Omnibase

on 2/3/2020, however, no Omni fees were assessed. Please provide a reason why fees were not assessed.

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Appear By Date Disp/Judgment Da	Received Amount	DDCF	JUD	JUDr	OMNIC	OMNIC-RF	OMNIS	OMNIV	OMNIV-RF	TP	TP-RF	TPCO	TPST	VRF-RF
COL-2020-14218	10/14/2020	CR-17-14397-A	8/29/2017	POSS MARIJ <2OZ	prob. Revok	2/1/2018	40.00	-	-	-	-	-	-	-	-	3.08	-	-	-

Hidalgo County Clerk
 Schedule of Adjustments
 For the month of November 2020

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged for convictions on or after January 1, 2020.

If the conviction is for an offense that occurred before January 1, 2020, VRF fee should not be assessed for the following cases

Receipt	Date	Cause #	Offense Date	Offense Code	Charge Offense Description	Disp/Judgment		TP	TP-RF	TPCO	TPST	VRF-RF
						Date	Amount					
COL-2020-14960	11/3/2020	CR-19-11051-A	7/1/2019	54040010	DRIVING WHILE INTOXICATED 2ND	3/12/2020	32	-	1.25	-	-	2.50
COL-2020-15037	11/4/2020	CR-18-13049-B	8/24/2018	54040014	DRIVING WHILE INTOXICATED BAC >=	1/14/2020	50	-	4.67	-	-	15.00
COL-2020-15118	11/6/2020	CR-19-15983-B	9/15/2019	54040014	DRIVING WHILE INTOXICATED BAC >=	2/13/2020	200	-	9.79	-	-	14.00
COL-2020-15150	11/9/2020	CR-18-11251-E	6/5/2018	54040009	DRIVING WHILE INTOXICATED	1/28/2020	15	0.08	-	0.33	0.42	0.50
COL-2020-15264	11/12/2020	CR-19-07618-F	7/5/2018	54040009	DRIVING WHILE INTOXICATED	3/17/2020	52	-	1.93	-	-	5.80
COL-2020-15297	11/13/2020	CR-19-13114-B	8/24/2019	54040009	DRIVING WHILE INTOXICATED	1/22/2020	30	-	1.10	-	-	2.21
COL-2020-15574	11/20/2020	CR-19-01986-E	12/9/2018	54040009	DRIVING WHILE INTOXICATED	1/16/2020	150	-	15.00	-	-	15.00

Based on judgment date, TP should be assessed at \$25.00. Please use fee codes TP, TPST, and TPCO to assess the time payment for the following cases

Receipt	Date	Cause #	Offense Date	Offense Code	Charge Offense Description	Disp/Judgment		TP	TP-RF	TPCO	TPST	VRF-RF
						Date	Amount					
COL-2020-15685	11/25/2020	CR-18-14242-G	8/17/2018	54040009	DRIVING WHILE INTOXICATED	10/21/2019	50	-	2.20	-	-	-
COL-2020-15401	11/16/2020	CR-19-14930-A	6/11/2019	29990042	Criminal Mischief >\$100<\$750	12/16/2019	25	-	1.17	-	-	-
COL-2020-14978	11/3/2020	CR-19-12175-B	9/13/2019	54040009	DRIVING WHILE INTOXICATED	12/4/2019	12	-	0.34	-	-	-

Based on judgment date, TP should be assessed at \$25.00. Please use fee codes TP, TPST, and TPCO to assess the time payment for the following cases

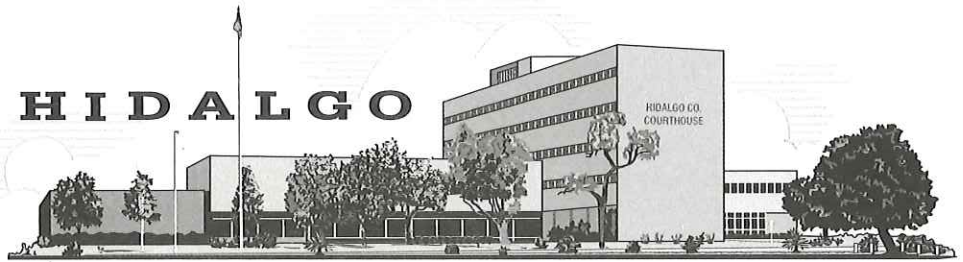
Receipt	Date	Cause #	Offense Date	Charge Offense Description	Disp/JudgmentDate	Received					
						Amount	TP	TP-RF	TPCO	TPST	VRF-RF
COL-2020-16315	12/14/2020	CR-18-16466-H	10/26/2018	POSS CS PG 3 < 28G	8/26/2019	217.00	-	15.00	-	-	-
COL-2020-16433	12/16/2020	CR-19-15432-B	12/8/2019	DRIVING WHILE INTOXICATED	12/19/2019	261.10	-	8.54	-	-	-
COL-2020-16525	12/18/2020	CR-19-00850-H	10/28/2018	DRIVING WHILE INTOXICATED BAC >= 0.15	12/18/2019	75.00	-	3.09	-	-	-
COL-2020-16606	12/22/2020	CR-17-09724-B	5/4/2017	DRIVING WHILE INTOXICATED	12/5/2019	449.10	-	14.51	-	-	-
COL-2020-16726	12/28/2020	CR-19-12175-B	9/13/2019	DRIVING WHILE INTOXICATED	12/4/2019	24.00	-	0.76	-	-	-

Persuant to Senate Bill 346, reimbursements fees that were labeled as court cost in 2019 may not be charged for convictions on or after January 1, 2020. If the conviction is for an offense that occurred before January 1, 2020, VRF fee should not be assessed for the following cases

Receipt	Date	Cause #	Offense Date	Charge Offense Description	Disp/JudgmentDate	Received					
						Amount	TP	TP-RF	TPCO	TPST	VRF-RF
COL-2020-15969	12/3/2020	CR-18-11251-E	6/5/2018	DRIVING WHILE INTOXICATED	1/28/2020	15.00	0.08	-	0.34	0.42	0.50
COL-2020-16017	12/4/2020	CR-19-11051-A	7/1/2019	DRIVING WHILE INTOXICATED 2ND	3/12/2020	32.00	-	1.25	-	-	2.50
COL-2020-16056	12/7/2020	CR-19-13114-B	8/24/2019	DRIVING WHILE INTOXICATED	1/22/2020	40.00	-	1.50	-	-	3.00
COL-2020-16109	12/7/2020	CR-19-02487-D	11/1/2018	DRIVING WHILE INTOXICATED BAC >= 0.15	2/19/2020	52.00	-	1.11	-	-	1.11
COL-2020-16160	12/8/2020	CR-19-07453-A	5/21/2019	DRIVING WHILE INTOXICATED	1/24/2020	50.00	-	1.71	-	-	1.72

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

March 3, 2021

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

Re: *Monthly Fees Reports* for October 2020 through December 2020

Dear Ms. Hinojosa:

We conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Fees 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 Fees 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 were issued in sequential order.
- Reviewed randomly selected receipts to determine if fines, fees, and court costs were allocated and reported in the proper amounts.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD 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, 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.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

- Verified that the *Cashier's Daily Fund Reports* and bank deposit slips were properly completed and accurate.
- Reviewed *Revenue Remittance Reports* and County Treasurer receipts to determine if fees collected were deposited with the County Treasurer in a timely manner.
- Verified that receipts, *Revenue Remittance Reports*, *Monthly Fees Report*, and mail logs were properly completed.
- Reviewed 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.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$367,134.71, \$304,553.97, and \$332,918.16, respectively. Based on the review, we 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, 82 ND D.C.	FERJANDO MANCIAS JUDGE, 83 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 138 TH D.C.	ROSE GUERRA REYNA JUDGE, 204 TH D.C.	MARLA CUELLAR 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, 388 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.
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COUNTY of HIDALGO



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

EDINBURG, TEXAS 78539

March 11, 2021

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

Re: Hidalgo County Tax Collected Reports for November 2020 and December 2020

Dear Mr. Villarreal:

We conducted a limited scope review of the *Hidalgo County Taxes Collected Reports* and supporting documentation for the County of Hidalgo (GHD), Road District No. 2 (RD2), Road District No. 5 (RD5), Road District No. 15 (RD15), and State District (TEX) taxing entities for the months of November 2020 and December 2020 pursuant to Local Government Code §115.002 (a) and (b) and Local Government Code §115.901.

The objective of the review was to determine if taxes, penalties, interest, and 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 *Hidalgo County Deposit Status Report – All Locations* and the *Hidalgo County Taxes Collected Reports* for the County of Hidalgo (GHD), Road District No. 2 (RD2), Road District No. 5 (RD5), Road District No. 15 (RD15), and State District (TEX) taxing entities for the months of November 2020 and December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Hidalgo County Taxes Collected Reports* and supporting documentation were submitted to the County Auditor's Office within fifteen or twenty-five days, as applicable, after the last day of the month pursuant to Tax Code §31.10(a).
- Verified that the *Hidalgo County Taxes Collected Reports* were signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Hidalgo County Taxes Collected Reports* by footing and cross-footing the reports.
- Verified that taxes collected per the *Hidalgo County Taxes Collected Reports* agreed to: 1.) total collections per ACT's Deposit Distribution Report (Report No. TC298-D); 2.) total deposits made with the County Treasurer; and 3.) total deposits posted to *Alio's* Undistributed Receipts general ledger account.
- Verified that modifications to the tax levy per the *Hidalgo County Taxes Collected Reports* agreed to modifications made to the tax levy per ACT's *Tax Collector Monthly Report* (Report No. TC168) for each entity.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERY JUDGE, 62ND D.C. FERNANDO MANCIAS JUDGE, 63RD D.C. J. R. "BOBBY" FLORES JUDGE, 119TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 322ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. LETICIA LOPEZ JUDGE, 382ND D.C. L. KENO VASQUEZ JUDGE, 388TH D.C. ISRAEL RAMON, JR. JUDGE, 407TH D.C. RENEE R. BETANCOURT JUDGE, 443RD D.C. JOSE "JOE" RAMIREZ JUDGE, 454TH D.C.

- Compared the *Hamer Enterprise* Online Credit Card Payment Report to the *Hidalgo County Deposit Status Report – All Locations* to determine if online credit card transactions were timely received.
- Compared the *Electronic Check BMI 147 Report* to the *Hidalgo County Deposit Status Report – All Locations* to determine if all online e-check transactions were timely received.
- Reviewed the *Hidalgo County Taxes Collected Reports* and County Treasurer receipts for the month of December 2020 to determine if collections were properly accounted and deposited with the County Treasurer in a timely manner.
- Reviewed deposits that did not agree to the *Hidalgo County Deposit Status Report – All Locations* to determine if the shortages were replenished and/if overages were deposited to the general fund as miscellaneous revenue.
- Reviewed selected validated deposit slips to determine if the deposit composition (cash, checks, credit card payments) agreed to the total of the applicable payment method listed on the *Hidalgo County Deposit Status Report – All Locations*.

Conclusion:

Collections for the months of November 2020 and December 2020 as reported on the *Hidalgo County Taxes Collected Report* for the County of Hidalgo (GHD), Road District No. 2 (RD2), Road District No. 5 (RD5), Road District No. 15 (RD15), and State District (TEX) taxing entities totaled \$32,776,900.07 and \$75,959,153.95, respectively. Based on the review, we concluded that taxes, penalties, interest, and fees collected were not properly accounted and reported (see Observation No. 1). In addition, the system of internal controls for the accounting of collections requires improvement as noted in the observation 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.

Observation No. 1:

We noted that total deposits did not agree to the amount collected per the *Deposit Status Report - All Locations*, as follows:

November 2020

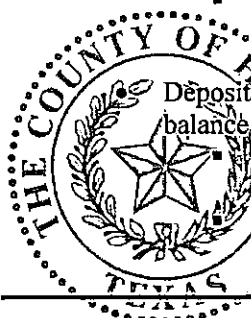
- Deposits were short a total of \$85.87. The shortage was replenished with funds in the Cashier Over/Short balance sheet account. Some of the significant shortages are as follows:
 - Cash shortage in the amount of \$45.00 at the Mission Substation.
- Deposits were over a total of \$89.03. The overage was deposited and recorded in the Cashier Over/Short balance sheet account. Overages are not remitted to the County Treasurer's Office. Instead, overages are recorded on the Cashier Over/Short balance sheet account. The funds are utilized to replenish collection shortages.

December 2020

- Deposits were short a total of \$808.83. The shortage was replenished with funds in the Cashier Over/Short balance sheet account. Some of the significant shortages are as follows:
 - Cash shortage in the amount of \$220.00 at the Mission Tax Office for collections made on December 23, 2020;
 - Cash shortage in the amount of \$200.01 and \$100.10 at the Edinburg Tax Office for collections made on December 8, 2020 and December 9, 2020, respectively; and
 - Check shortage in the amount of \$211.86 at the Mission Tax Office for collections made on December 4, 2020.

Deposits were over a total of \$2,667.87. The overage was deposited and recorded in the Cashier Over/Short balance sheet account. Some of the significant overages are as follows:

- Cash overage in the amount of \$2,000.00 and \$20.00 at the Pharr Tax Office for collections made on December 7, 2020 and December 11, 2020, respectively;
- Cash overage in the amount of \$450.00 at the Edinburg Tax Office for collections made on December 30, 2020 "A" batch; and



HIDALGO COUNTY DISTRICT JUDGES

- Credit card overage in the amount of \$100.00 for collections made on December 9, 2020.

Overages are not remitted to the County Treasurer's Office. Instead, overages are recorded on the Cashier Over/Short balance sheet account. The funds are utilized to replenish collection shortages.

The County Auditor's Office requires that cash receipts be deposited intact daily. In addition, overages should be remitted to the County Treasurer's Office as miscellaneous revenue. If a shortage occurs of \$100.00 or more, or criminal conduct is suspected, regardless of the amount, the shortage must be immediately reported to the County Auditor's Office and the Sheriff'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 Commissioners Court to indemnify an elected or appointed County officer against personal liability for the loss of County funds, if the loss was not the result of the officer's negligence or criminal action. Failure to implement internal controls may be considered negligence. Supervisors must monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action.

Failure to ensure that overages and shortages are properly accounted and reported may result in the loss or misuse of funds.

Recommendation:

Management should retrain cashiers to ensure they verify that the receipt agrees to the amount collected, prior to issuing a receipt. In addition, management should develop and implement formal monitoring procedures to ensure that overages and shortages are properly accounted and reported. At a minimum, procedures should include the following:

- Transfer overages to the County Treasurer's miscellaneous revenue;
- Replenish shortages or request indemnification from Commissioners Court pursuant to Local Government Code §157.903;
- Monitor all overages and shortages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action; and
- Immediately report shortages to the County Auditor's Office and the Sheriff's Office, regardless of the amount, if criminal conduct is suspected.

Please provide a written management response for the observation noted above by March 26, 2021.

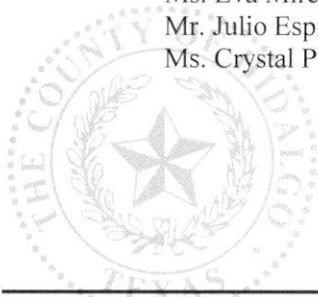
If you have any questions or would like to schedule a meeting to discuss the above noted observation, please contact Abigail Espinoza, MSA, Internal Auditor II, at 318-2511 ext. 4652, Yvonne Torres, Revenue Audit Supervisor, at ext. 4642, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



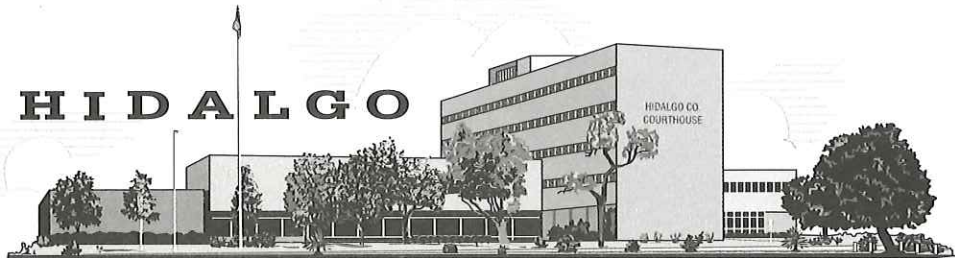
Maria Arcilia Duran, CPA
Hidalgo County Auditor

Cc: Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Tax Office Chief of Operations
Mr. Julio Espinosa, Property Tax Manager
Ms. Crystal Puente, Chief Accountant



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

March 3, 2021

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 Reports* for October 2020 through December 2020

Dear Judge Saenz:

We conducted a limited scope review of the *Monthly Fines and Fees Reports (Monthly Reports)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Reports* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly 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 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 voiding 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.
- Reviewed 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.

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

MARLA CUELLAR
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.

JOSE "JOE" RAMIREZ
JUDGE, 484TH D.C.

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Report. In addition, verified that receipts were issued in 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 received 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.
- Verified that receipts, 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 Reports*, among other reports, were properly completed.
- Verified that cash bonds posted by 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.
- Reviewed *Scofflaw Release Forms* submitted by the defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$53,070.90, \$57,561.25, and \$37,025.30, respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 49 of 1,039 transactions during the months of October 2020 through December 2020 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 in *Odyssey*. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. In addition, we noted that adjustments for prior months have not been completed. The lists of adjustments for prior months were previously provided. According to the Court Coordinator, she will make time to 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. 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. 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 in *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 2:

We randomly selected 10 of 11 *Scofflaw Release Forms* for the month of December 2020. We noted that procedures for the Scofflaw Program have not been properly implemented as follows:

1. For 4 of 10 forms, the outstanding balance noted on the *Scofflaw Release Form* did not agree to the amount in *Odyssey*.
2. For 4 of 10 forms, the new outstanding balance was not handwritten and the form was not signed by the Justice of the Peace approving the change.
3. For 2 of 10 forms, the case disposition in *Odyssey* did not agree with the disposition entered on the *Scofflaw Release Form*.
4. For 1 of 10 forms, the *Scofflaw Release Form* was not sealed by the authorized representative of the court.
5. For 3 of 10 forms, the official County receipt was not attached to the *Scofflaw Release Form*.
6. For 3 of 10 form, The *Scofflaw Release Form* was not signed and sealed by the authorized representative of the court after the receipt of the "motion/order to dismiss" form.
7. For 3 of 10 forms, a copy of the signed "Motion/Order to Dismiss" Form was not provided.
8. For 1 of 10 forms, the outstanding balance was not zeroed out and a case disposition entered in *Odyssey* prior to approving the *Scofflaw Release Form*.
9. For 2 of 10 forms, the *Scofflaw Release Form* was missing the payment type.
10. For 1 of 10 forms, the County receipt number was not entered on the *Scofflaw Release Form*.

According to the Court Coordinator, at the time the payments were made, the Justice of the Peace was not available to sign the *Scofflaw Release Form*. Staff confirms the reduction of the fine with events/notes entered in *Odyssey*, prior to taking the payment. In addition, the *Scofflaw Release Forms* missing the seal, county receipt, and payment type were all an oversight and will be brought to staff's attention.

On January 9, 2017, the County Auditor issued a letter to all the Justices of the Peace prescribing the procedures and implementing a revised *Scofflaw Release Form*. Individuals who are flagged "Scofflaw" are not able to register or renew their motor vehicle registration until a signed and sealed (approved) *Scofflaw Release Form* is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division and the outstanding balance is paid in full. The following procedures should be implemented:

- a. The *Scofflaw Release Form* must be completely filled.
- b. The amount receipted in *Odyssey* must agree to the outstanding balance noted on the *Scofflaw Release Form*.
- c. If the Justice of the Peace exercises his discretion to reduce the outstanding fine, the new outstanding balance must be handwritten by the Justice of the Peace and his signature provided on the *Scofflaw Release Form* as approval of the change.
- d. A copy of the official County receipt must be attached to the *Scofflaw Release Form*.
- e. The *Scofflaw Release Form* must be signed and sealed by the authorized representative of the court only after receipt of the "motion/order to dismiss" form.
- f. The "Motion/Order to Dismiss" form must be attached to the *Scofflaw Release Form*.
- g. The approved *Scofflaw Release Form* and proof of dismissal (i.e., insurance, inspection certificate, driver's license, motion/order to dismiss form, etc.) must be scanned and attached to *Odyssey*.
- h. Judge's notes need to be entered as an event in *Odyssey* along with the cases related, if applicable.

Failure to properly complete the *Scofflaw Release Form* and implement the procedures for the Scofflaw Program may result in the loss of County funds.

Recommendation:

Management should ensure that the *Scofflaw Release Forms* are properly completed and that the procedures for the Scofflaw Release program are properly followed. At a minimum, the procedures noted above should be implemented.

Observation No. 3:

We noted that 10 of 59 online credit card transactions for the month of November 2020 and 1 of 67 online credit card transactions for the month of December 2020 were receipted 2 to 6 days and 45 days, respectively, 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 office was closed a few days in November causing a delay in receipting the transactions. The December 2020 transactions were not receipted on time due to an oversight.

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. The Hamer Enterprises' Payment Report should be utilized to reconcile credit card payments receipted in *Odyssey* at the end of the day.

Observation No. 4:

We noted that 7 of 17 randomly selected receipts issued during the month of November 2020 did not contain the address that was noted on the check or money order. In addition, the docket number was not written on the face of the check. According to the Court Coordinator, the address was not noted on the receipts since the addresses are in *Odyssey*. In addition, the docket number was not noted on the check 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 with the correct and complete payor information.

Failure to ensure that the receipts contain the payor's address and docket number increases the risk of receipting errors not being identified.

Recommendation:

Management should ensure that receipts contain the payor's address and docket number. Staff should be re-trained on the proper way to prepare receipts. At a minimum, the procedures noted above should be implemented.

Observation No. 5:

We noted that the October 2020 and December 2020 *Monthly Reports* were submitted 20 days and 8 days, respectively after the fifth day following the end of the month. According to the Court Coordinator, the *Monthly Reports* were not submitted timely due to the Justice of the Peace being out of the office and 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 that the *Monthly Report* is submitted to the County Auditor's Office within five days after the last day of each month.

Observation No. 6:

We noted two cases in which the defendant satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail in the months of February 2020 (1) and November 2020 (1) did not have the jail time credit applied to the case, the case status was not closed, and Sheriff's "Discharge" receipt number was not referenced on the case. According to the Court Coordinator, the jail time credit has not been applied due to work scheduling and being short staffed.

The County Auditor's Office requires that case dispositions be promptly recorded in *Odyssey*. In addition, pursuant to Code of Criminal Procedure Article 45.017, docket books maintained by a justice of the peace court must contain the following information: (1) the style and file number of each criminal action; (2) the nature of the offense charged; (3) the plea offered by the defendant and the date the plea was entered; (4) the date the warrant, if any, was issued and the return made thereon; (5) the date the examination or trial was held, and if a trial was held, whether it was by a jury or by the justice; (6) the verdict of the jury, if any, and the date of the verdict; (7) the judgment and sentence of the court, and the

HIDALGO COUNTY DISTRICT JUDGES

date each was given; (8) the motion for new trial, if any, and the decision thereon; and (9) whether an appeal was taken and the date of that action. Pursuant to Code of Criminal Procedure Article 45.048, "a defendant placed in jail on account of failure to pay the fine and costs shall be discharged on habeas corpus by showing that the defendant:(1) is too poor to pay the fine and costs; or (2) has remained in jail a sufficient length of time to satisfy the fine and costs..."

Failure to timely enter proper case dispositions may result in the arrest of the defendant, in error.

Recommendation:

Management should enter the jail time credit and change the case status as soon as possible. Management should ensure that proper case dispositions are entered in a timely manner (i.e., warrants are recalled; jail time credits are timely applied; cases are timely closed; and Sheriff's "Discharge" receipt numbers are referenced) on cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and/or serving time in the Hidalgo County jail.

The observations below have been previously reported and have not been addressed.

Repeat Observation No. 1:

We noted that two cash bonds posted on May 24, 2016 (1) and June 27, 2016 (1) 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. To date, the bond received on June 27, 2016 has not been forfeited. 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 of the Information Technology Department should be requested until the problem has been resolved.

Repeat Observation No. 2:

Copies of the May 2013 and August 2013 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to Office of Court Administration (OCA). According to the Justice of the Peace staff, copies of the 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.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

Recommendation:

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and to the County Auditor's Office within 20 days after the last day of each month.

HIDALGO COUNTY DISTRICT JUDGES

Please provide written management responses for the observations noted above by March 19, 2021.

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

cc: Mr. Valde Guerra, County Executive Officer

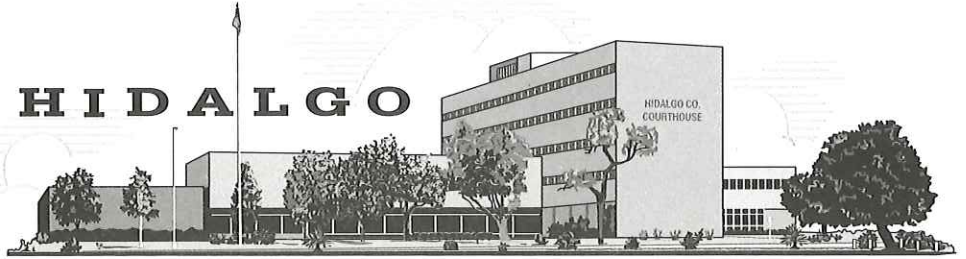


HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82 ND D.C.	BERNARDO MANCIAS JUDGE, 83 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 204 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. RVFRSFFR	LETICIA LOPEZ JUDGE, 388 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 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

March 3, 2021

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 Reports* for October 2020 through December 2020

Dear Judge Morales:

We conducted a limited scope review of the *Monthly Fines and Fees Reports (Monthly Reports)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Reports* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly 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 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 voiding 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.
- Reviewed 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 were issued in sequential order.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82ND D.C. FERNANDO MANCIAS JUDGE, 83RD D.C. J. R. "BOBBY" FLORES JUDGE, 138TH D.C. ROSE GUERRA REYNA JUDGE, 204TH D.C. MARLA CUELLAR 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. JOSE "JOE" RAMIREZ JUDGE, 461TH 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 received 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.
- Verified that receipts, 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, were properly completed.
- Verified that cash bonds posted by 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.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$53,611.40, \$33,160.15, and \$23,070.91 respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 5 of 806 transactions during the months of October 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. In addition, we noted that adjustments for prior months have not been completed. The lists of adjustments for prior months were previously provided. According to staff, there is insufficient time to verify that fines, fees, and court costs are applied correctly prior to receiving 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 in *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

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

BERNARDO MANCIAS
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

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

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

JOSE "JOE" RAMIREZ
JUDGE, 461ST D.C.

Observation No. 2:

The December 2020 *Monthly Report* was submitted to the County Auditor's Office 14 days after the fifth day following the end of the month. According to the Court Coordinator, the *Monthly Report* was submitted late because she was out of the office due to health reasons.

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. An alternate employee should be made responsible, when the Court Coordinator is out, for preparing the *Monthly Report* and ensuring that the report is submitted to the County Auditor's Office timely.

Observation No. 3:

We noted that 1 of 64 online credit card transactions for October 2020 and 1 of 41 online credit card transactions for December 2020 were received 22 days and 39 days, respectively, 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 received 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 received 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 received and case dispositions are entered in a timely manner. The Hamer Enterprises' Payment Report should be utilized to reconcile credit card payments received in *Odyssey* at the end of each day.

Observation No. 4:

We randomly selected 6 of 14 *Scofflaw Release Forms* for the month of October 2020. We noted that procedures for the Scofflaw Program have not been properly implemented as follows:

1. For 2 of 6 cases, the Case Disposition/Status section of the *Scofflaw Release Form* was not checked.
2. For 1 of 6 cases, the County Receipt number was not noted on the *Scofflaw Release Form*.
3. For 1 of 6 cases, the outstanding fine was reduced; however, the new outstanding balance was not handwritten by the Justice of the Peace and his signature was not provided on the *Scofflaw Release Form* as approval of the change.

According to the Court Coordinator, the procedures were not properly completed due to an oversight.

On January 9, 2017, the County Auditor issued a letter to all the Justices of the Peace prescribing the procedures and implementing a revised *Scofflaw Release Form*. Individuals who are flagged "Scofflaw" are not able to register or renew their motor vehicle registration until a signed and sealed (approved) *Scofflaw Release Form* is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division. The following procedures should be implemented:

- a. If the Justice of the Peace exercises his discretion to reduce the outstanding fine, the new outstanding balance must be handwritten by the Justice of the Peace and his signature provided on the *Scofflaw Release Form* as approval of the change.

HIDALGO COUNTY DISTRICT JUDGES

- b. The Scofflaw form must be filled out in its entirety.

Failure to properly complete the *Scofflaw Release Form* and implement the procedures for the Scofflaw Program may result in the loss of County funds.

Recommendation:

Management should ensure that the *Scofflaw Release Form* is properly completed and that the procedures for the Scofflaw program are properly followed. At a minimum, the procedures noted above should be implemented.

The observation below has been previously reported and has not been addressed.

Repeat Observation No. 1:

Copies of the April 2014 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). According to Justice of the Peace staff, copies of the OCA Reports have not been submitted since the amounts identified on the reports are not correct. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding needs of the Hidalgo County court system.

Recommendation:

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

Please provide written management responses to the observations noted above by March 19, 2021.

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 Reports*, Exhibit A, and Action Plan Forms.

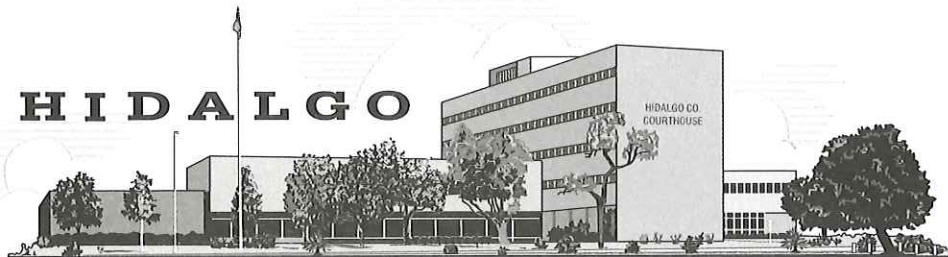
cc: Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82ND 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, 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. JOSE "JOE" RAMIREZ JUDGE, 464TH 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

March 2, 2021

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 Reports* for October 2020 through December 2020

Dear Judge Muñoz:

We conducted a limited scope review of the *Monthly Fines and Fees Reports (Monthly Reports)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Reports* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly 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 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 voiding 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.
- Reviewed 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 were issued in sequential order.

HIDALGO COUNTY DISTRICT JUDGES

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

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JUDGE, 449TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH 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 credit card transactions were timely received 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.
- Verified that receipts, 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, were properly completed.
- Verified that cash bonds posted by 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.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$161,851.69, \$190,319.86, and \$155,409.20, respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 35 of 1,695 transactions during the months of October 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. In addition, we noted that adjustments for prior months have not been completed. The lists of adjustments for prior months were previously provided. 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 in *Odyssey*.
- Staff should ensure that adjustments are entered in *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 2:

We noted that collections for 37 of 57 days for October 2020 through December 2020 were deposited at the bank 2 to 5 days after collections were received. According to the Court Coordinator, collections were not deposited timely due to having 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.

Recommendation:

Management should ensure that collections are deposited at the bank on a daily basis. A person should be designated to take the deposit to the bank regardless of the workload.

Observation No. 3:

We noted that three cases in which defendants satisfied outstanding fines, fees, and court costs by serving time at the Hidalgo County jail in the months of January 2020 (1), February 2020 (1), and September 2020 (1) did not have the jail time credit applied to the cases, the case statuses were not closed, and the Sheriff's "Discharge" receipt numbers were not referenced on the case. According to the Court Coordinator, the cases were not closed due to oversight.

The County Auditor's Office requires that case dispositions be promptly recorded in *Odyssey*. In addition, pursuant to Code of Criminal Procedure Article 45.048, "a defendant placed in jail on account of failure to pay the fine and costs shall be discharged on habeas corpus by showing that the defendant:(1) is too poor to pay the fine and costs; or (2) has remained in jail a sufficient length of time to satisfy the fine and costs..." The docket should reflect the jail time credit applied to the case.

Failure to timely enter proper case dispositions may result in the arrest of the defendant, in error.

Recommendation:

Management should ensure that proper case dispositions are entered in a timely manner (i.e., warrants are recalled; cash payments and/or jail time credits are timely applied; cases are timely closed; and Sheriff's "Discharge" receipt numbers are referenced) on cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and/or serving time in the Hidalgo County jail.

Observation No. 4:

We randomly selected 2 of 2 *Scofflaw Release Forms* for the month of November 2020. We noted that procedures for the Scofflaw Program have not been properly implemented. For 2 of 2 cases, the *Scofflaw Release Form* was not scanned and entered in *Odyssey*.

According to the Court Coordinator, the procedures were not properly completed due to an oversight.

On January 9, 2017, the County Auditor issued a letter to all the Justices of the Peace prescribing the procedures and implementing a revised *Scofflaw Release Form*. Individuals who are flagged "Scofflaw" are not able to register or renew their motor vehicle registration until a signed and sealed (approved) *Scofflaw Release Form* is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division. In addition, the approved *Scofflaw Release Form* must be scanned and attached to *Odyssey*.

Failure to properly complete the *Scofflaw Release Form* and implement the procedures for the Scofflaw Program may result in the loss of County funds.

Recommendation:

Management should ensure that the *Scofflaw Release Form* is scanned and attached to *Odyssey*.

HIDALGO COUNTY DISTRICT JUDGES

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

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JUDGE, 138TH D.C.

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JUDGE, 430TH D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

The observations below have been previously reported and have not been addressed.

Repeat Observation No. 1:

We noted that 1 cash bond posted on October 4, 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. 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.

Repeat Observation No. 2:

Copies of the January 2015 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). 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.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

Recommendation:

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

Please provide written management responses for the observations noted above by March 19, 2021.

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,



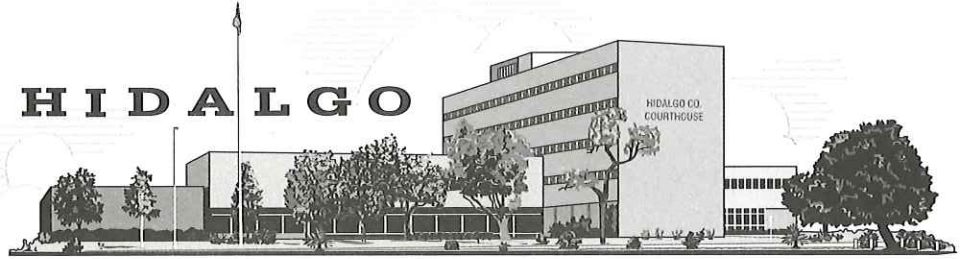
Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

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

March 4, 2021

The Honorable Dr. Sonia M. Treviño
Hidalgo County Justice of the Peace Pct. 3, Pl. 1
730 N. Breyfogle, Suite C
Mission, Texas 78572

Re: *Monthly Fines and Fees Reports* for October 2020 through December 2020

Dear Judge Trevino:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Report* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly 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 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 voiding 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.
- Reviewed 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 were issued sequential order.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD D.C.

J. R. "BOBBY" FLORES
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JUDGE, 430TH D.C.

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JUDGE, 448TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 448TH 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 credit card transactions were timely received 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.
- Verified that receipts, 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, were properly completed.
- Verified that cash bonds posted by 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.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$59,405.14, \$74,516.35, and \$39,680.90, respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 19 of 1,397 transactions during the months of October 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments; however, the 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 in *Odyssey* within three days of notification.

Observation No. 2:

We noted that the October 2020 *Monthly Report* was submitted to the County Auditor's Office 13 days after the fifth day following the end of the month. According to the Court Coordinator, the *Monthly Report* was submitted late due to staff rotations and heavy workload.

HIDALGO COUNTY DISTRICT JUDGES

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

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JUDGE, 131ST D.C.

ROSE GUERRA REYHA
JUDGE, 204TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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

HOE GONZALEZ
JUDGE, 376TH 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, 448TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

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.

Observation No. 3:

We noted that 10 of 150 online credit card transactions during the month of October 2020 were received 38 to 47 days after the transaction date. Consequently, the applicable case dispositions were not recorded in *Odyssey* in a timely manner. According to the Court Coordinator, the transactions were not received 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 verify that all credit card transactions are promptly receipted and case dispositions are entered in a timely manner.

Observation No. 4:

We randomly selected 7 of 15 *Scofflaw Release Forms* for the month of November 2020. We noted that procedures for the Scofflaw Program have not been properly implemented as follows:

1. For 1 of 7 cases, the "Motion/Order to Dismiss" Form was not signed.
2. For 1 of 7 cases, the outstanding fine was reduced; however, the new outstanding balance was not handwritten by the Justice of the Peace and his signature was not provided on the *Scofflaw Release Form* as approval of the change.
3. For 1 of 7 cases, the official county receipt number was not written on the *Scofflaw Release Form*.

According to the Court Coordinator, the procedures were not properly completed due to an oversight.

On January 9, 2017, the County Auditor issued a letter to all the Justices of the Peace prescribing the procedures and implementing a revised *Scofflaw Release Form*. Individuals who are flagged "Scofflaw" are not able to register or renew their motor vehicle registration until a signed and sealed (approved) *Scofflaw Release Form* is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division. The following procedures should be implemented:

- a. The *Scofflaw Release Form* must be signed and sealed (approved) by the authorized representative of the court only after receipt of the "motion/order to dismiss" form.
- b. A copy of the signed "motion/order to dismiss" form must be attached to the *Scofflaw Release Form*.
- c. If the Justice of the Peace exercises his discretion to reduce the outstanding fine, the new outstanding balance must be handwritten by the Justice of the Peace and his signature provided on the *Scofflaw Release Form* as approval of the change.

In addition, the County Auditor's Office requires for the *Scofflaw Release Form* to be filled out in its entirety.

Failure to properly complete the *Scofflaw Release Form* and implement the procedures for the Scofflaw Program may result in the loss of County funds.

HIDALGO COUNTY DISTRICT JUDGES

Recommendation:

Management should ensure that the *Scofflaw Release Form* is properly completed and that the procedures for the Scofflaw program are properly followed. At a minimum, the procedures noted above should be implemented.

The observation below has been previously reported and has not been addressed.

Repeat Observation No. 1:

Copies of the January 2015 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). 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.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

Recommendation:

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

Please provide written management responses for the observations noted above by March 19, 2021.

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,



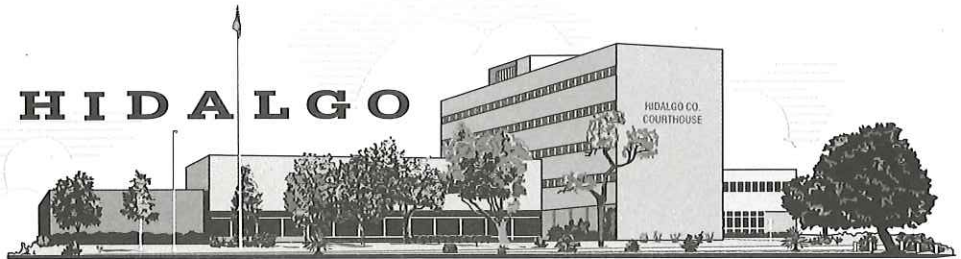
Maria Arcilia Durán, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer

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

March 4, 2021

The Honorable Juan "J.J." Peña
Hidalgo County Justice of the Peace Pct. 3, Pl. 2
730 Breyfogle, Suite A
Mission, Texas 78572

Re: *Monthly Fines and Fees Report* for October 2020 through December 2020

Dear Judge Peña:

We conducted a limited scope review of the *Monthly Fines and Fees Reports (Monthly Reports)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Reports* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Report* were 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 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 voiding 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.
- Reviewed 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 Reports. In addition, verified that receipts were issued in sequential order.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92ND D.C. FERNANDO MANCIAS JUDGE, 93RD D.C. J.R. "BOBBY" FLORES JUDGE, 139TH D.C. ROSE GUERRA REYNA JUDGE, 204TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 312ND D.C. HOE 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, 448TH D.C. JOSE "JOE" RAMIREZ JUDGE, 444TH 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 credit card transactions were timely received 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.
- Verified that receipts, Close-out Reports, *Schedule of Receipts and Deposits* forms, mail logs, Office of Court Administration's "Official Justice of the Peace Monthly Report" (OCA Report), and the *Monthly Report*, among other reports, were properly completed.
- Verified that cash bonds posted by 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.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$59,466.59, \$78,163.88, and \$68,142.20, respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 85 of 932 transactions during the months of October 2020 through December 2020 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 in *Odyssey*. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. In addition, we noted that adjustments for prior months have not been completed. The list of adjustments for prior months were previously provided. According to the Court Coordinator, she will be working adjustments monthly.

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. 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. 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 in *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 2:

We noted that 1 of 21 Close-out Reports for the month of October 2020 and 1 of 17 Close-out Reports for the month of November 2020 were submitted to the County Treasurer's Office 2 and 3 days after the bank deposits were made. According to the Court Coordinator, the Close-out Reports were late due her being out of the office.

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. On a daily basis, after 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. 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.

Observation No. 3:

We noted that fourteen cases in which the defendants satisfied outstanding fines, fees, and court costs by making a cash payment and/or serving time in the Hidalgo County jail in November 2019 (1), December 2019 (2), January 2020 (2), February 2020 (2), March 2020 (1), June 2020 (1), July 2020 (1), August 2020 (1), November 2020 (1), and December 2020 (2) did not have the cash payment and/or jail time credit applied to the case, the case statuses were not closed, and the Sheriff's "Discharge" receipt numbers were not referenced on the cases. According to the Court Coordinator, she has reached out to Information Technology Department and is awaiting training on how to receipt jail cases in *Odyssey*.

The County Auditor's Office requires that case dispositions be promptly recorded in *Odyssey*. In addition, pursuant to Code of Criminal Procedure Article 45.048, "a defendant placed in jail on account of failure to pay the fine and costs shall be discharged on habeas corpus by showing that the defendant:(1) is too poor to pay the fine and costs; or (2) has remained in jail a sufficient length of time to satisfy the fine and costs..." The docket should reflect the jail time credit applied to the case.

Failure to timely enter proper case dispositions may result in the arrest of the defendant, in error.

Recommendation:

Management should continue to contact the Information Technology Department and request training on how to properly record jail time credit in *Odyssey*. In addition, management should ensure that proper case dispositions are entered in a timely manner (i.e., warrants are recalled; cash payments and/or jail time credits are timely applied; cases are timely closed; and Sheriff's "Discharge" receipt numbers are referenced) on cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and/or serving time in the Hidalgo County jail.

Observation No. 4:

We randomly selected 10 of 13 *Scofflaw Release Forms* for the month of November 2020. We noted that procedures for the Scofflaw Program have not been properly implemented as follows:

1. For 4 of 10 forms, the *Scofflaw Release Forms* were not signed and sealed by the authorized representative of the court only after receipt of the "motion/order to dismiss" form.
2. For 3 of 10 forms, the copy of the signed "motion/order to dismiss" forms were not attached to the *Scofflaw Release Forms*.
3. For 4 of 10 forms, the outstanding balances were not zeroed out and case dispositions in *Odyssey* did not agree to the disposition entered on the *Scofflaw Release Forms*.
4. For 7 of 10 forms, the *Scofflaw Release Forms* were missing the case disposition/status selection.

HIDALGO COUNTY DISTRICT JUDGES

5. For 3 of 10 forms, the *Scofflaw Release Forms* Payment type were not selected.
6. For 1 of 10 forms, the reason for dismissal of the case was noted on the *Scofflaw Release Forms*.

The Court Coordinator stated that the *Scofflaw Release Forms* with cases dismissed will be corrected and the *Scofflaw Release Forms* that were not completely filled out will be brought to the staff's attention.

On January 9, 2017, the County Auditor issued a letter to all the Justices of the Peace prescribing the procedures and implementing a revised *Scofflaw Release Form*. Individuals who are flagged "Scofflaw" are not able to register or renew their motor vehicle registration until a signed and sealed (approved) *Scofflaw Release Form* is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division and the outstanding balance is paid in full. The following procedures should be implemented:

- a. The *Scofflaw Release Form* must be completely filled.
- b. The *Scofflaw Release Form* must be signed and sealed by the authorized representative of the court only after receipt of the "motion/order to dismiss" form.
- c. A copy of the signed "motion/order to dismiss" form must be attached to the *Scofflaw Release Form*.
- d. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the *Scofflaw Release Form*. The case disposition must agree to the disposition entered on the *Scofflaw Release Form*.

Failure to properly complete the *Scofflaw Release Form* and implement the procedures for the Scofflaw Program may result in the loss of County funds.

Recommendation:

Management should ensure that the *Scofflaw Release Forms* are properly completed and that the procedures for the Scofflaw Release program are properly followed. At a minimum, the procedures noted above should be implemented.

The observations below have been previously reported and have not been addressed.

Repeat Observation No. 1:

Copies of the January 2014 through June 2014 and September 2014 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). 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.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

Recommendation:

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

Repeat Observation No. 2:

We noted that 7 cash bonds posted in September 2015 (6) and October 2016 (1) 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 Court Coordinator, the bonds have not been forfeited due to issues with *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

HIDALGO COUNTY DISTRICT JUDGES

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 of the Information Technology Department should be requested until the problem has been resolved.

Please provide written management responses for the observations noted above by February 19, 2021.

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 318-2511 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

cc: Mr. Valde Guerra, County Executive Officer

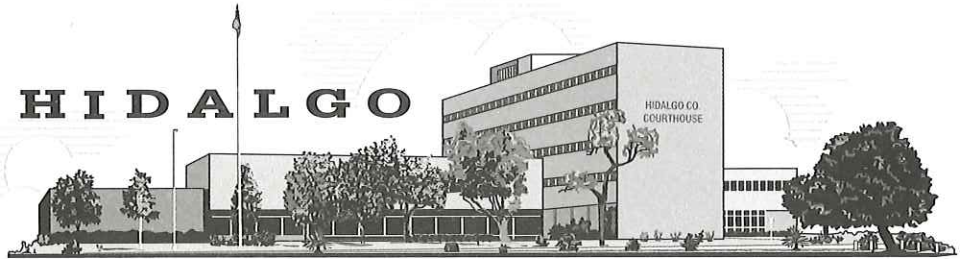


HIDALGO COUNTY DISTRICT JUDGES

LUIS H. SINGLETERRY JUDGE, 82 nd D.C.	FERNANDO MANCIAS JUDGE, 83 rd D.C.	J. R. "BOBBY" FLORES JUDGE, 138 th D.C.	ROSE GUERRA REYNA JUDGE, 208 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, 381 st D.C.	L. KENO VASQUEZ JUDGE, 398 th D.C.	ISRAEL RAMON, JR. JUDGE, 430 th D.C.	RENEE R. BETANCOURT JUDGE, 448 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 484 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

March 4, 2021

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 Reports* for October 2020 through December 2020

Dear Judge Espinoza:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Report* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly 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 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 voiding 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.
- Reviewed 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 were issued in sequential order.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 204TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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

NOE GONZALEZ
JUDGE, 376TH 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.

JOSE "JOE" RAMIREZ
JUDGE, 464TH 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 credit card transactions were timely received 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.
- Verified that receipts, 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, were properly completed.
- Verified that cash bonds posted by 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.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$102,520.15, \$105,696.55, and \$89,005.15, respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 43 of 2,077 transactions during the months of October 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. In addition, we noted that adjustments for prior months have not been completed. The lists of adjustments for prior months were previously provided. According to staff, they will attempt to check the fines, fees, and court costs 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 in *Odyssey* within three days of notification.

Observation No. 2:

We noted that a mail log was not utilized during the months of October 2020 through December 2020 to record payments received through the mail. According to staff, a mail log is not used since the mail is received and

HIDALGO COUNTY DISTRICT JUDGES

opened by the Justice of the Peace. The Justice of the Peace distributes payments received through the mail to staff to receipt.

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 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 maintained to record payments received through the mail regardless if the mail is opened by the Justice of the Peace. 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 that 3 of 242 online credit card transactions during the month of October 2020 were received 2 days after the transaction date. Consequently, the applicable case dispositions were not recorded in *Odyssey* in a timely manner. According to the Court Coordinator, the transactions were not received timely due to staff rotations.

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 received 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 verify that all credit card transactions are promptly received and case dispositions are entered in a timely manner.

The observations below have been previously reported and have not been addressed.

Repeat Observation No. 1:

Copies of the February 2013, September 2013, May 2014, and September 2014 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). According to Justice of the Peace staff, copies of the OCA Reports have not been submitted to the OCA since the amounts identified on the reports are not correct. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the Office of Court Administration (OCA). All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

Recommendation:

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

HIDALGO COUNTY DISTRICT JUDGES

Repeat Observation No. 2:

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. According to the Court Coordinator, they will contact the County Clerk's Office to resolve the issue.

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.

Repeat Observation No. 3:

We noted that five cash bonds posted September 2015 through March 2016 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 have not been forfeited due to complications encountered 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 of the Information Technology Department should be requested until the problem has been resolved.

Repeat Observation No. 4:

We noted that one case in which a defendant satisfied outstanding fines, fees, and court costs by making a cash payment and/or serving time at the Hidalgo County jail in the month of October 2019 did not have the cash payment and/or jail time credit applied to the case, the case status was not closed, and the Sheriff's "Discharge" receipt numbers was not referenced on the case. According to the Court Coordinator, she did not the Sheriff's "Discharge" Report from the Sheriff's Office.

The County Auditor's Office requires that case dispositions be promptly recorded in *Odyssey*. In addition, pursuant to Code of Criminal Procedure Article 45.048, "a defendant placed in jail on account of failure to pay the fine and costs shall be discharged on habeas corpus by showing that the defendant:(1) is too poor to pay the fine and costs; or (2) has remained in jail a sufficient length of time to satisfy the fine and costs..." The docket should reflect the jail time credit applied to the case.

Failure to timely enter proper case dispositions may result in the arrest of the defendant, in error.

HIDALGO COUNTY DISTRICT JUDGES

Recommendation:

Management should contact the Sheriff's Department to request that the Jail "D" Report is sent to the Justice of the Peace Office on a monthly basis. In addition, management should ensure that proper case dispositions are entered in a timely manner (i.e., warrants are recalled; cash payments and/or jail time credits are timely applied; cases are timely closed; and Sheriff's "Discharge" receipt numbers are referenced) on cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and/or serving time in the Hidalgo County jail.

Please provide written management responses to the observations noted above by March 19, 2021.

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

cc: Mr. Valde Guerra, County Executive Officer

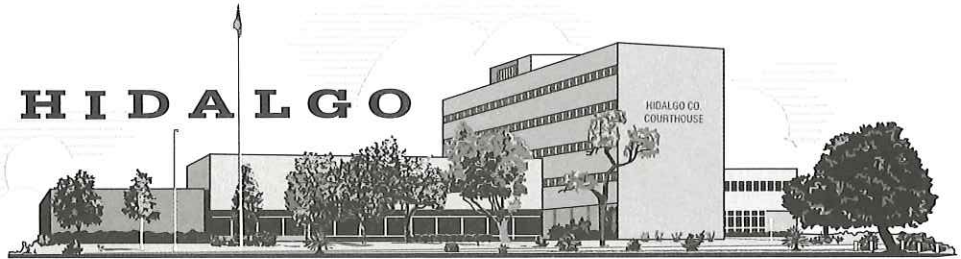


HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SWIGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCIAS JUDGE, 89 TH 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, 376 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 381 TH D.C.	L. KENO VASQUEZ JUDGE, 388 TH D.C.	ISRAEL RAMON, JR. JUDGE, 450 TH D.C.	REHEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 444 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

March 4, 2021

Honorable Homero A. Jasso
Hidalgo County Justice of the Peace Pct. 4, Pl. 2
224 N. 12th Ave.
Edinburg, Texas 78539

Re: *Monthly Fines and Fees Reports* for October 2020 through December 2020

Dear Judge Jasso:

We conducted a limited scope review of the *Monthly Fines and Fees Reports (Monthly Reports)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections reported by your office on the *Monthly Report* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly Report* were 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 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 voiding 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.
- Reviewed 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. SNOLETERRY
JUDGE, 92nd D.C.

FERNANDO MANCIAS
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JUDGE, 430th D.C.

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

JOSE "JOE" RAMIREZ
JUDGE, 444th D.C.

- Verified the sequence of receipts per the *Monthly Report* agreed to *Odyssey's* Receipt Journal Reports. In addition, verified that receipts were issued in sequential order.
- Compared the Hamer Enterprises Credit Card Payment Reports to *Odyssey's* Daily Balance Reports 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.
- Verified that receipts, Close-out Reports, *Schedule of Receipts and Deposits* forms, mail logs, Office of Court Administration's "*Official Justice of the Peace Monthly Report*" (OCA Report), and the *Monthly Report*, among other reports, were properly completed.
- Verified that 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.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$28,030.92, \$21,639.28, and \$22,923.37, respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 59 of 817 transactions during the months of October 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. Some of the errors resulted from the disposition date not being entered in *Odyssey*. The Justice of the Peace staff was notified of the required adjustments; however, the adjustments have not been completed. In addition, we noted that adjustments for prior months have not been completed. The lists of adjustments for prior months were previously provided. According to the Court Coordinator, he will try to work on adjustments.

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 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 in *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 2:

We noted that 3 of 37 online credit card transactions for the month of October, 1 of 21 online credit card transactions for the month of November 2020, and 9 of 32 online credit card transactions for the month of December 2020 were received 2 to 12 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 received timely due to being short staffed.

The County Auditor's Office requires that all collections (i.e., cash, checks, credit card payments, etc.) received be promptly recorded with the correct payment method 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 received 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 and correctly received and case dispositions are entered in a timely manner. An employee should be designated to receipt credit card transactions on a daily basis.

Observation No. 3:

We noted that 2 of 21 Close-out Reports for the month of October 2020, 1 of 18 Close-out Reports for the month of November 2020, and 10 of 20 Close-out Reports for the month of December 2020 were submitted to the County Treasurer's Office 2 to 7 days after the bank deposits were made. According to the Court Coordinator, the Close-out Reports were not submitted to the County Treasurer's Office daily due to being short 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. On a daily basis, after 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. 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.

Observation No. 4:

We noted that 6 of 10 randomly selected receipts issued during the month of November 2020 were not issued to the name and/or address that was noted on the check or money order. According to the Court Coordinator, the receipts were not issued with the correct information due to an oversight.

The County Auditor's Office requires that all cash (i.e., cash, checks, credit card payments, etc.) received be receipted properly. Payments should be recorded with correct and complete payor information.

Failure to ensure that the receipts contain the correct and complete payor information increases the risk of receipting errors not being identified.

Recommendation:

Management should ensure that receipts are issued to the correct and complete payor information. Staff should be re-trained on preparing receipts. At a minimum, the procedures noted above should be implemented.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 5:

We noted that collections for 2 of 21 days for the month of October 2020 were deposited at the bank 2 to 4 days after the collections were receipted. According to the Court Coordinator, the deposits were not made on a timely basis due to being short staffed.

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

Failure to deposit collections daily increases the risk that loss or theft can occur.

Recommendation:

Management should develop and implement formal monitoring procedures to ensure that collections are deposited at the bank daily.

Observation No. 6:

We noted that four cases in which the defendants satisfied outstanding fines, fees, and court costs by serving time in the Hidalgo County jail in September 2019 (1), October 2019 (2), and December 2019 (1) did not have the jail time credit applied to the case, the case statuses were not closed, and the Sheriff’s “Discharge” receipt numbers were not referenced on the cases. According to the Court Coordinator, he is waiting for the Information Technology Department to train him on how to receipt jail cases in *Odyssey*.

The County Auditor’s Office requires that case dispositions be promptly recorded in *Odyssey*. In addition, pursuant to Code of Criminal Procedure Article 45.048, “a defendant placed in jail on account of failure to pay the fine and costs shall be discharged on habeas corpus by showing that the defendant:(1) is too poor to pay the fine and costs; or (2) has remained in jail a sufficient length of time to satisfy the fine and costs...” The docket should reflect the jail time credit applied to the case.

Failure to timely enter proper case dispositions may result in the arrest of the defendant, in error.

Recommendation:

Management should continue to contact the Information Technology Department and request training on how to properly record jail time credit in *Odyssey*. In addition, management should ensure that proper case dispositions are entered in a timely manner (i.e., warrants are recalled; cash payments and/or jail time credits are timely applied; cases are timely closed; and Sheriff’s “Discharge” receipt numbers are referenced) on cases in which defendants satisfied outstanding fines, fees, and court costs by making cash payments and/or serving time in the Hidalgo County jail.

The observations below have been previously reported and have not been addressed.

Repeat Observation No. 1:

We noted that 23 cash bonds posted December 2013 through October 2016 by defendants who failed to appear before the Justice of the Peace were not forfeited (liquidated) by the 10th working day following the date of their release from jail. The bonds do not contain an event entered in *Odyssey* regarding the reason the bonds were not liquidated. According to the Justice of the Peace staff, the bonds were not forfeited due to technical issues 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.

HIDALGO COUNTY DISTRICT JUDGES

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.

Repeat Observation No. 2:

Copies of the November 2013 through February 2014, June 2014 through July 2015, and September 2015 through December 2020 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to the Office of Court Administration (OCA). According to the Justice of the Peace staff, properly completed OCA Reports cannot be generated from *Odyssey* due to data entry errors. In addition, the County Auditor's Office determined that the OCA Reports are incorrect since the jail time activity and pending adjustments were not entered in *Odyssey*. Assistance from the Information Technology Department has been requested; however, the problem has not been resolved.

Texas Administrative Code 171.2 requires justices of the peace to submit a summary-level court activity report and other required reports each month to the OCA. All reports are due no later than 20 days following the end of the month reported. The monthly report is designed to provide the information required by law or needed by the legislative, executive, and judicial branches of government to make decisions regarding the jurisdiction, structure, and needs of the court system.

Failure to ensure that the monthly court activity report is submitted to the Office of Court Administration may result in the inability of the legislative, executive, and judicial branches of government to make informed decisions regarding the needs of the Hidalgo County court system.

Recommendation:

The continued assistance of the Information Technology Department should be requested until the problem has been resolved. Management should ensure that a properly completed court activity report is submitted to the OCA and the County Auditor's Office within 20 days after the last day of each month.

Please provide written management responses for the observations noted above by March 19, 2021.

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 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

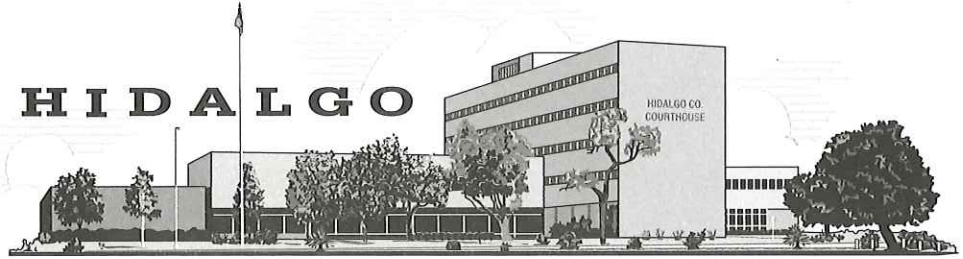
cc: Mr. Valde Guerra, County Executive Officer



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

March 4, 2021

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 Reports* for October 2020 through December 2020

Dear Judge Peña:

We conducted a limited scope review of the *Monthly Fines and Fees Report (Monthly Report)* and supporting documentation for the months of October 2020 through December 2020 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 the review was limited to collections generated from *Odyssey* for the months of October 2020 through December 2020. The 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 the review, the following procedures were performed:

- Verified that the *Monthly Report* and supporting documentation were submitted to the County Auditor's Office within 5 days after the last day of the month pursuant to Local Government Code §114.001 (b).
- Verified that the *Monthly 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 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 voiding 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.
- Reviewed 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

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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

HOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 388TH D.C.

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

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

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

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

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 were issued in 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.
- Verified that receipts, 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, were properly completed.
- Verified that cash bonds posted by 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.
- Reviewed *Scofflaw Release Forms* submitted by defendants to the Motor Vehicle Department to determine if procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of October 2020 through December 2020 totaled \$8,023.30, \$9,485.99, and \$10,525.52, respectively. Based on the 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 observations 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.

Observation No. 1:

We noted that 5 of 155 transactions during the months of October 2020 through December 2020 contained errors in the allocation of fines, fees, and court costs. The Justice of the Peace staff was notified of the required adjustments; however, the 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 in *Odyssey* within three days of notification.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 83RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 200TH D.C.

MARLA CUELLAR
JUDGE, 215TH D.C.

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

NOE GONZALEZ
JUDGE, 310TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 369TH D.C.

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

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

RENEE R. BETANCOURT
JUDGE, 441TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 444TH D.C.

Observation No. 2:

We noted that the October 2020 and December 2020 *Monthly Reports* were submitted to the County Auditor's Office 18 and 7 days, respectively, after the fifth day following the end of the month. According to the Court Coordinator, the *Monthly Reports* were submitted late due to a heavy workload.

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.

Observation No. 3:

We noted that 7 of 8 online credit card transactions in October 2020, 9 of 10 online credit card transactions in November 2020, and 6 of 7 online credit card transactions in December 2020 were received 4 to 32 days after the transaction date. 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 received 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 received 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 verify that all credit card transactions are promptly received and case dispositions are entered in a timely manner.

Observation No. 4:

We noted that ten cases in which a defendant satisfied outstanding fines, fees, and court costs by making a cash payment and/or serving time in the Hidalgo County jail in October 2019 (2), February 2020 (1), March 2020 (3), June 2020 (1), July 2020 (2) and October 2020 (1) did not have the cash payment and/or jail time credit applied to the cases, the case statuses were not closed, and the Sheriff's "Discharge" receipt numbers were not referenced on the cases. According to the Court Coordinator she has not received the Jail "D" Report from the Sheriff's Department and was not trained on how to receipt them in *Odyssey*.

The County Auditor's Office requires that case dispositions be promptly recorded in *Odyssey*. In addition, pursuant to Code of Criminal Procedure Article 45.048, "a defendant placed in jail on account of failure to pay the fine and costs shall be discharged on habeas corpus by showing that the defendant:(1) is too poor to pay the fine and costs; or (2) has remained in jail a sufficient length of time to satisfy the fine and costs..." The docket should reflect the jail time credit applied to the case.

Failure to timely enter proper case dispositions may result in the arrest of the defendant, in error.

Recommendation:

Management should contact the Information Technology Department and request training on how to properly record jail time credit in *Odyssey*. In addition, management should contact the Sheriff's Department to request that the Jail "D" Report is sent to the Justice of the Peace Office on a monthly basis. Furthermore, management should ensure that proper case dispositions are entered in a timely manner (i.e., warrants are recalled; cash payments and/or jail time credits are timely applied; cases are timely closed; and Sheriff's "Discharge" receipt numbers are referenced) on cases in which

HIDALGO COUNTY DISTRICT JUDGES

defendants satisfied outstanding fines, fees, and court costs by making cash payments and/or serving time in the Hidalgo County jail.

Observation No. 5:

We selected 2 of 2 *Scofflaw Release Forms* for the month of December 2020. We noted that procedures for the Scofflaw Program have not been properly implemented as follows:

1. For 2 of 2 cases, the Case Disposition/Status section of the *Scofflaw Release Form* was not filled out.
2. For 1 of 2 cases, the Payment Type section of the *Scofflaw Release Form* was not filled out.

According to the Court Coordinator, the procedures were not properly completed due to an oversight.

On January 9, 2017, the County Auditor issued a letter to all the Justices of the Peace prescribing the procedures and implementing a revised *Scofflaw Release Form*. Individuals who are flagged "Scofflaw" are not able to register or renew their motor vehicle registration until a signed and sealed (approved) *Scofflaw Release Form* is received by the Hidalgo County Tax Assessor-Collector's Motor Vehicle Division. The following procedures should be implemented:

- a. The *Scofflaw Release Form* must be filled out in its entirety.
- b. The amount receipted in *Odyssey* must agree to the outstanding balance noted on the *Scofflaw Release Form*.
- c. If the Justice of the Peace exercises his discretion to reduce the outstanding fine, the new outstanding balance must be handwritten by the Justice of the Peace and his signature provided on the *Scofflaw Release Form* as approval of the change.
- d. The outstanding balance must be zeroed out and a case disposition entered into *Odyssey* prior to approving the *Scofflaw Release Form*.
- e. The *Scofflaw Release Form* must be signed and sealed (approved) by the authorized representative of the court only after issuance of an official County receipt.
- f. A copy of the official county receipt must be attached to the *Scofflaw Release Form*.
- g. The approved *Scofflaw Release Form* must be scanned and attached to *Odyssey*.

Failure to properly complete the *Scofflaw Release Form* and implement the procedures for the Scofflaw Program may result in the loss of County funds.

Recommendation:

Management should ensure that the *Scofflaw Release Form* is properly completed and that the procedures for the Scofflaw program are properly followed. At a minimum, the procedures noted above should be implemented.

Observation No. 6:

We noted that 24 of 52 Close-out Reports for the months of October 2020 through December 2020 were submitted to the County Treasurer's Office 2 to 10 days after the bank deposits were made. According to the Court Coordinator, the Close-Out Reports were not submitted timely due to an oversight.

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. On a daily basis, after 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. 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.

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.

HIDALGO COUNTY DISTRICT JUDGES

Please provide written management responses for the observations noted above by March 19, 2021.

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: Mr. Valde Guerra, County Executive Officer

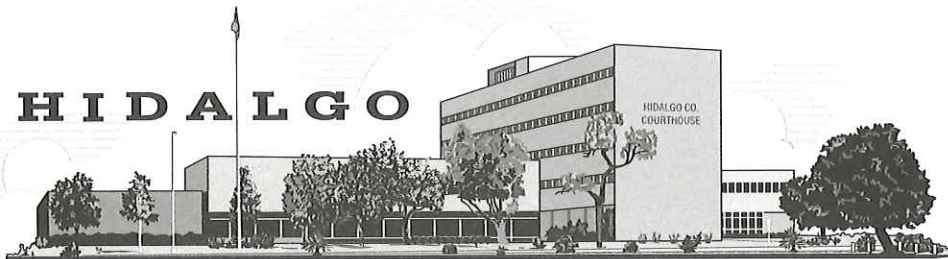


HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82 ND D.C.	FERNANDO MANCIAS JUDGE, 83 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 131 ST D.C.	ROSE GUERRA REYNA JUDGE, 204 TH D.C.	MARLA CUELLAR 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, 393 RD D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 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

March 3, 2021

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

Re: Texas Parks and Wildlife Financial Statements for October 2020

Dear Mr. Guajardo:

We conducted a limited scope review of the Texas Parks and Wildlife financial statements for the month ended October 31, 2020 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b) and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

If you have any questions, 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

cc: Mr. Valde Guerra, County Executive Officer



HIDALGO COUNTY DISTRICT JUDGES

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

BERNARDO MANCIAS
JUDGE, 93rd D.C.

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

ROSE GUERRA REYNA
JUDGE, 204th D.C.

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JUDGE, 388th D.C.

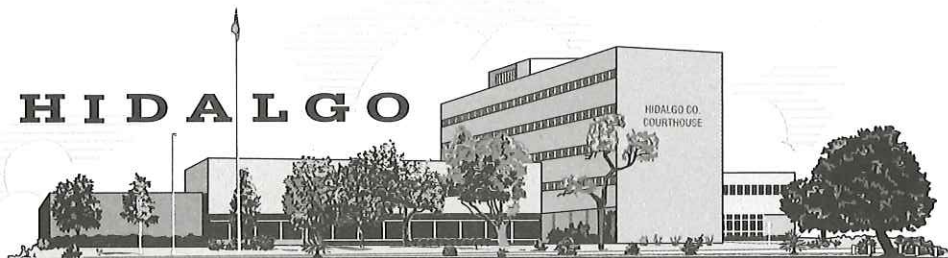
ISRAEL RAMON, JR.
JUDGE, 430th D.C.

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JUDGE, 448th D.C.

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JUDGE, 464th D.C.

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EDINBURG, TEXAS 78539

March 3, 2021

The Honorable Arturo Guajardo, Jr., County Clerk
Hidalgo County Clerk's Office
100 N. Closner
Edinburg, TX 78539

Re: Registry Financial Statements for May 2020 through October 2020

Dear Mr. Guajardo:

We conducted a limited scope review of the Registry financial statements for the months of May 2020 through October 2020 pursuant to Local Government Code §112.006 (b), §115.001, §115.002 (b) and §115.901. The objective of the review was to obtain limited assurance that the financial statements are free from material misstatements.

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

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

Observation No. 1:

As of October 31, 2020, the "Investments" and "Trust Deposits" balance sheet accounts had a balance of \$8,456,594.98 and \$6,470,963.82, respectfully. The balance on these accounts consists of funds deposited into the registry account from 1954 through 2020 pursuant to a court order.

We recommend that research be conducted to determine if the court has ordered the release of funds to the constituent. Assistance of the District Attorney's Office should be requested for the old cases with no court orders.

Observation No. 2:

We noted that 18 checks totaling \$193,634.71 issued during the months of February 2020 through October 2020 were not posted in Odyssey (EXHIBIT A). According to the County Clerk's Office Internal Auditor, 3 of the 18 checks were posted during the month of November 2020, and 15 checks have not been posted in Odyssey due to configuration issues. The department is currently working with the Information Technology Department to resolve the problem.

We recommend that all checks issued from the Registry account be promptly recorded in Odyssey to reflect the proper balance. The County Clerk's Office should continue to work with the Information Technology Department until the issue is resolved.

Please provide a management response to observations noted above by March 19, 2021 using the attached Management Response Forms.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

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JUDGE, 449TH D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464TH D.C.

If you have any questions, please contact Gricelda Quintero, 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.

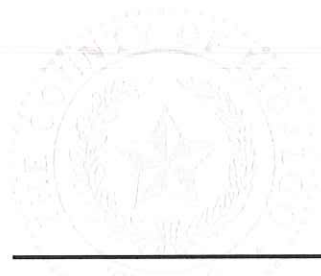
Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosures: Exhibit A and Management Response Forms

cc: Mr. Valde Guerra, Commissioners Court Executive Officer



HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82 ND D.C.	FERNANDO MANCIAS JUDGE, 83 RD D.C.	J. R. "BOBBY" FLORES JUDGE, 139 TH D.C.	ROSE GUERRA REYNA JUDGE, 208 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 312 ND D.C.	NOE GONZALEZ JUDGE, 379 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 430 TH D.C.	RENEE R. BETANCOURT JUDGE, 449 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.
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HIDALGO COUNTY CLERK
 REGISTRY CHECKS NOT POSTED IN ODYSSEY
 OCTOBER 2020

February 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
7/5/2017	44	117	PAULIN CORONADO CORONA	CR-18-07608-D	1,000.00		1,000.00	-	WCB CK # 7656 / 7557
11/29/2018	45	245	ISABEL CORDOVA	PID#625888/CR-18-157	500.00		500.00	-	WCB CK # 7665 / 7666
8/20/2019	46	146	AMANDA RAMIREZ	BOND 030908-19	500.00		500.00	-	WCB CK # 7635 / 7536
							<u>2,000.00</u>		

March 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
5/31/2007	31	111	JOSE LUIS OLIVAREZ VEGA	CR-07-8047-F	502.00		502.00	-	WCB CK # 7686 / 7687
11/13/2008	34	39	SANDY YSENA LYSBET	CR-09-1201-G	502.00		502.00	-	WCB CK # 7682 / 7683
3/27/2018	45	63	JULIO FERNANDO ALCARAS	BOND#004260-18PID#	429.58		429.58	-	WCB CK # 7691 / 7692
2/20/2019	46	34	DAVID ORTIZ AVILA	PID# 2582685	292.06		292.06	-	WCB CK # 7679 / 7680
							<u>1,725.64</u>		

April 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
8/19/2008	33	114	JORGE HERNANDEZ	CR-08-9377-H	502.00		502.00	-	DISMISSED

May 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
5/25/2011	38	169	HECTOR MANUEL SOTO HERNAND	CR-11-5785-A	502.00		502.00	-	DISPOSED

June 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
1/25/2005	27	59	ROBERTO NICOLAS DELGADO	CR-06-3928-E	502.00		502.00	-	WCB CK # 7864 / 7865
10/8/2014	41	242	EDGAR RIVERA	CR-14-11771-A	500.00		500.00	-	WCB CK # 7866 / 7867 06/24/
							<u>1,002.00</u>		

HIDALGO COUNTY CLERK
REGISTRY CHECKS NOT POSTED IN ODYSSEY
OCTOBER 2020

July 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
1/28/1982	4	94		CR-031372-B	500.00		500.00	-	SENT TCPA CK # 7881/7882
3/1/1996	14	99		CR-112284-C	375.00		375.00	-	SENT TCPA CK # 7881 / 7882
	19	402	SANDRA F. CARLOS	NOT FILED	166.51		166.51	-	SENT TCPA CK # 7881 / 7882
8/2/2001	21	104	ELEAZAR VASQUEZ	CR-194157-H	1,002.00		1,002.00	-	SENT TCPA CK #7881 / 7882
PENDING	27	67	ISMAEL MENDIOLA	CR-00-00065-J31	277.74		277.74	-	SENT TCPA CK # 7881 / 7882 07/
3/7/2005	27	82	JESUS EZEQUIEL GONZALEZ MUNI	CR-05-3442-H	502.00		502.00	-	SENT TCPA CK # 7881 / 7882
PENDING	27	100	COLUMBA RIOS	1041004/CR-99-002	112.72		112.72	-	SENT TCPA CK # 7881 / 7882
9/4/2005	28	61	ARECIO MORENO	CR-05-11950-H	502.00		502.00	-	SENT TCPA CK # 7881 / 7882
3/15/2007	31	66	JOHN MYKAL HOOD	CR-07-5584-H	1,002.00		1,002.00	-	SENT TCPA CK # 7881 / 7882
8/29/2007	32	37	JOSE ARTURO FLORES	CR-07-10466-G	1,002.00		1,002.00	-	SENT TCPA CK # 7881 / 7882
9/7/2007	32	45	JORGE TELLO	CR-3394-07-31	322.51		322.51	-	SENT TCPA CK # 7881 / 7882
3/26/2008	33	34	HECTOR PROVINZANO	CR-08-2819-E	1,002.00		1,002.00	-	SENT TCPA CK # 7881 / 7882
5/14/2008	33	64	ENRIQUE CUELLAR MARTINEZ	CR-08-6716-F	502.00		502.00	-	SENT TCPA CK # 7881 / 7882
8/26/2008	33	118	JUAN PEDRO SANCHEZ	CR-08-12334-H	502.00		502.00	-	SENT TCPA CK # 7881 / 7882
12/9/2009	36	146	OSCAR OLIVO	CR-10-3635-E	502.00		502.00	-	SENT TCPA CK # 7881 / 7882
3/23/2016	43	53	PABLO E. SANCHEZ	H00-671J12	160.54		160.54	-	SENT TCPA CK # 7881 / 7882
5/27/2020	47	68	RAUL GALICIA JR	BOND #007057-20 PID	323.58		323.58	-	WCB CK # 7887 / 7888
							<u>8,756.60</u>		

August 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
11/14/2018	45	236	JAIME CONTRERAS CASTANEDA	IBC18-0017-J11	\$ 266.75		\$ 266.75	\$ -	CBW CK # 7943 / 7944

September 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
8/25/2020	47	114	MARIO ALBERTO VILLAGOMEZ	BOND #010839-20 PID	\$ 157.00		\$ 157.00	\$ -	CBW CK # 7979 / 7980

October 2020 checks not posted in Odyssey

DATE	VOL	PG	STYLE	CASE NUMBER/PID N	B.O.M.	DEPOSITS	CHECKS	E.O.M.	STATUS
10/20/2020	47	151	RAMIRO S. VALDEZ	P-40,147		\$ 88,000.95	\$ 88,000.95	\$ -	INVEST CK #8087
10/20/2020	47	151	DELIA A. GOMEZ	P-40,148		\$ 88,000.95	\$ 88,000.95	\$ -	INVEST CK #8086
10/23/2020	47	151	SAMANTHA SALAS	CL-20-2896-H		\$ 2,720.82	\$ 2,720.82	\$ -	INVEST CK #8085
							<u>\$ 178,722.72</u>		

ACTION PLAN (AP)

Audit Project	Registry Financial Statements for October 31, 2020
Observation No. 1	As of October 31, 2020, the "Investments" and "Trust Deposits" balance sheet accounts had a balance of \$8,456,594.98 and \$6,470,963.82, respectfully. The balance on these accounts consists of funds deposited into the registry account from 1954 through 2020 pursuant to a court order.
Recommendation No. 1	We recommend that research be conducted to determine if the court has ordered the release of funds to the constituent. The assistance of the District Attorney's Office should be requested for the old cases with no court orders.
GOAL/ACTION ITEM:	To conduct research to determine if the court has ordered the release of funds to consitituents for funds deposited into the registry account from 1954 through 2020.
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	Registry Financial Statements for October 31, 2020
Observation No. 2	We noted that 18 checks totaling \$193,634.71 issued during the months of February 2020 through October 2020 were not posted in Odyssey (EXHIBIT A). According to the County Clerk's Office Internal Auditor, 3 of the 18 checks were posted during the month of November 2020, and 15 checks have not been posted in Odyssey due to configuration issues. The department is currently working with the Information Technology Department to resolve the problem.
Recommendation No. 2	We recommend that all checks issued from the Registry account be promptly recorded in Odyssey to reflect the proper balance. The County Clerk's Office should continue to work with the Information Technology Department until the issue is resolved.
GOAL/ACTION ITEM:	For checks issued from the Registry account to be promptly recorded in Odyssey to reflect the proper balance.
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