

COUNTY of HIDALGO



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

EDINBURG, TEXAS 78539

November 2, 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. Ron Garza, City Manager City of Edinburg	Edinburg TIRZ No. 3 (La Sienna) Report No. 2021-30
The Honorable Pablo "Paul" Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	July 2021 DTA Payment Request Report No. 2021-55
The Honorable Pablo "Paul" Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	August 2021 DTA Payment Request Report No. 2021-59
The Hon. Ricardo Rodriguez, Jr., Criminal District Attorney Hidalgo County Office of Criminal District Attorney	Hot Checks Processing Fees Report for March 2021 through May 2021
The Honorable J.E. "Eddie" Guerra, Sheriff Hidalgo County Sheriff's Office	Jail Commissary Audit No. 2021-01
The Honorable Lazaro Gallardo, Constable Hidalgo County Precinct No. 3	Monthly Fees Report for March 2021 through July 2021
Mr. T.J. Arredondo, Director Planning Department	Cash Count Report No. 2021-56
The Hon. Ricardo Rodriguez, Jr., Criminal District Attorney Hidalgo County Office of Criminal District Attorney	HB-65 Financial Statements for February 2021 through May 2021
The Honorable Martin Cantu, Constable Hidalgo County Precinct No. 2	Monthly Fees Report for March 2021 through August 2021
The Honorable Atanacio Gaitan Jr, Constable Hidalgo County Precinct No. 4	Monthly Fees Report for March 2021 through August 2021
Mr. T.J. Arredondo, Director Planning Department	Monthly Fees Report for April 2021 through August 2021
The Honorable J.E. "Eddie" Guerra, Sheriff Hidalgo County Sheriff's Office	Monthly Fees Report for March 2021 through August 2021
The Honorable David L. Fuentes, Commissioner Hidalgo County Precinct No. 1	Monthly Fees Report for April 2021 through July 2021
The Honorable Everardo Villarreal, Commissioner Hidalgo County Precinct No. 3	Anzalduas Park Monthly Fee Report for June 2021 through August 2021
The Honorable Everardo Villarreal, Commissioner Hidalgo County Precinct No. 3	Monthly Fees Report for March 2021 through June 2021
Ms. Yvonne Ramon, Elections Administrator	Monthly Fees Report for June 2021 through August 2021
The Hon. Pablo Villarreal, Jr., RTA Hidalgo County Tax Assessor/Collector	Hidalgo County Tax Collected Reports for June 2021 and July 2021

HIDALGO COUNTY DISTRICT JUDGES

LUIS L. SINGLETERRY JUDGE, 32ND D.C. FERNANDO M. NACIAS 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. OVERSEER LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 398TH D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENE R. BETANCOURT JUDGE, 449TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Criminal Fees Monthly Report for April 2021 through June 2021
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Civil and Probate Court Cost Monthly Reports for April 2021 through June 2021
The Hon. Laura Hinojosa, Hidalgo County District Clerk	Monthly Fees Report for April 2021 through June 2021
The Hon. Gilberto Saenz, Justice of the Peace Pct. 1 Pl. 1	Monthly Fines and Fees Reports for April 2021 through June 2021
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Texas Parks and Wildlife Financial Statements for June 2021 through July 2021
The Hon. Arturo Guajardo, Jr., Hidalgo County Clerk	Registry Financial Statements for January 2021 through May 2021
The Hon. Lita Leo, Hidalgo County Treasurer	Jury Script Financial Statements for January 2021 through April 2021
The Hon. Laura Hinojosa, Hidalgo County District Clerk	Fee Financial Statements for January 2021 through April 2021
Ms. Yvonne Ramon, Elections Administrator	Cash Count Report No. 2021-582

Respectfully,

Maria A. Duran
 Maria Arcilia Duran, CPA
 Hidalgo County Auditor

Attachments

HIDALGO COUNTY DISTRICT JUDGES

COUNTY *of* HIDALGO

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EDINBURG, TEXAS 78539

September 3, 2021

Ron Garza, City Manager
City of Edinburg
415 W. University Drive
Edinburg, Texas 78541

Re: City of Edinburg TIRZ No. 3 La Sienna - Report No. 2021-30

Dear Mr. Garza:

We conducted a limited scope review of the interlocal agreement between the City of Edinburg, Hidalgo County, City of Edinburg TIRZ No. 3, and Burns Brothers, LTD. The objectives of the review were to determine the accuracy of the City of Edinburg TIRZ No. 3 2020-2021 payment request and compliance with Section IV (B)(2), Section VIII (J) of the interlocal agreement and Tax Code §311.016.

The scope of the review was limited to the property accounts within the Edinburg TIRZ No. 3 as of January 31, 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 improvements could be made.

The results of the review revealed the following:

1. A payment request was submitted in the amount of \$237,847.20; however, it was determined that the payment amount should be \$237,294.97 (see Exhibit A).
2. The annual report, fact sheet, and annual financial review were submitted in compliance with Section IV (B)(2), Section VIII (J) of the interlocal agreement and Tax Code §311.016. According to the Edinburg TIRZ No. 3, they did not have any contracts with disadvantaged businesses; therefore, the applicable report was not provided.

A payment in the amount of \$237,294.97 was issued on August 10, 2021.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, 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 4645.

Respectfully,

Maria A. Duran ^{LS}
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, 62ND D.C. FERNANDO MANCOSA JUDGE, 63RD D.C. J. R. "BOBBY" FLORES JUDGE, 131ST D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA CUELLAR JUDGE, 275TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. HOE GONZALEZ JUDGE, 379TH D.C. OVERSEER LETICIA LOPEZ JUDGE, 389TH D.C. L. KENO VASQUEZ JUDGE, 381ST D.C. ISRAEL RAMON, JR. JUDGE, 430TH D.C. RENEE R. GETAN COURT JUDGE, 441ST D.C. JOSE "JOE" RAMIREZ JUDGE, 444TH D.C.

EXHIBIT A

2020-2021 Edinburg TIRZ No. 3 - La Sierra Payment

	Edinburg TIRZ No. 3 Calculations 2018	Edinburg TIRZ No. 3 Calculations 2019	Edinburg TIRZ No. 3 Calculations 2020	Edinburg TIRZ No. 3 Calculations 2021	Edinburg TIRZ No. 3 Calculations 2022	Total
Tax Incremental Reinvestment Zone (TIRZ) Payment Calculation						
TIRZ Real Property Certified Taxable Value as of January 31, (Provided by Hidalgo County Appraisal District (HCAD)) (Inclused by Hidalgo County Current (GEO) Tax Base (5/25/20))	\$ 23,170,084.00 (0.0058)	\$ 27,502,618.00 (0.0059)	\$ 30,717,453.00 (0.0058)	\$ 37,238,595.00 (0.0058)	\$ 46,248,334.00 (0.0057)	\$ 50,930,759.00 (0.0057)
GEO Actual Tax Levy for all real property tax accounts located within the TIRZ						\$ 252,851.86
TIRZ Real Property Certified Taxable Value as of January 31, (Provided by Hidalgo County Appraisal District (HCAD)) (Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)						\$ 50,930,759.00
Captured Appraised Value						\$ 2,491,556.00
Captured Appraised Value (Inclused) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (5/27/200)						\$ 48,439,203.00
Tax Levy Due to TIRZ						\$ 0.005043
TIRZ Collections (for February 1, 2020 through January 31, 2021) as per Collections Reports provided by Hidalgo County Tax Office						\$ 244,278.90
(Less) GEO Actual Tax Levy for all Real Property tax accounts located within the TIRZ						\$ 244,278.90
Percent Collected of Actual Levy						\$ 217,847.20
Tax Levy Due to TIRZ (Inclused) Percent Collected of Actual Levy (Less) Administrative Cost (Less) Adjustments **						\$ -
2020-2021 TIRZ PAYMENT AMOUNT						\$ 237,847.20

** Adjustments are made in order to prevent an overpayment; the adjustments limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section 71A.9

	Edinburg TIRZ No. 3 Calculations 2018	Edinburg TIRZ No. 3 Calculations 2019	Edinburg TIRZ No. 3 Calculations 2020	Edinburg TIRZ No. 3 Calculations 2021	Edinburg TIRZ No. 3 Calculations 2022	Total
Tax Incremental Reinvestment Zone (TIRZ) Payment Calculation						
TIRZ Real Property Certified Taxable Value as of January 31, (Provided by Hidalgo County Appraisal District (HCAD)) (Multiplied by) Hidalgo County Current (GEO) Tax Rate (5/25/200)	\$ 23,170,084.00 (0.0058)	\$ 27,502,618.00 (0.0059)	\$ 30,717,453.00 (0.0058)	\$ 37,238,595.00 (0.0058)	\$ 46,248,334.00 (0.0057)	\$ 50,930,759.00 (0.0057)
GEO Actual Tax Levy for all real property tax accounts located within the TIRZ						\$ 252,851.86
TIRZ Real Property Certified Taxable Value as of January 31, (Provided by Hidalgo County Appraisal District (HCAD)) (Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)						\$ 50,930,759.00
Captured Appraised Value						\$ 2,491,556.00
Captured Appraised Value (Inclused) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (5/27/200)						\$ 48,439,203.00
Tax Levy Due to TIRZ						\$ 0.005043
TIRZ Collections (for February 1, 2020 through January 31, 2021) as per Collections Reports provided by Hidalgo County Tax Office						\$ 244,278.90
(Less) GEO Actual Tax Levy for all Real Property tax accounts located within the TIRZ						\$ 244,278.90
Percent Collected of Actual Levy						\$ 217,847.20
Tax Levy Due to TIRZ (Inclused) Percent Collected of Actual Levy (Less) Administrative Cost (Less) Adjustments **						\$ -
2020-2021 TIRZ PAYMENT AMOUNT						\$ 237,847.20

** Adjustments are made in order to prevent an overpayment; the adjustments limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section 71A.9

\$ 237,847.20 \$ 237,847.20 \$ 237,847.20 \$ 237,847.20 \$ 237,847.20 \$ 237,847.20

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September 3, 2021

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

Re: July 2021 DTA Payment Request Report No. 2021-55

Dear Mr. Villarreal:

We completed a limited scope review of the July 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 July 2021 DTA payment request in the amount of \$244,884.31 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 July 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 July 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. SINGLETARY JUDGE, 92ND D.C. FERNANDO MARCOS JUDGE, 11TH D.C. J. R. "BOBBY" FLORES JUDGE, 138TH D.C. ROSE GUERRA REYNA JUDGE, 206TH D.C. MARLA GUELLAR JUDGE, 276TH D.C. MARCE 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, 438TH 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 July 2021."
- Although DTA fees for 211 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 (205 tax accounts) and small amounts collected (6 tax accounts) (see Exhibit A). The small amounts collected on the tax accounts resulted in a net overage of \$0.01.
- 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
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETERRY
JUDGE, 62ND D.C.

FERNANDO MANCINI
JUDGE, 13TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 19TH D.C.

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

MARLA CUELLAR
JUDGE, 27TH D.C.

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

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

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

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

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

JOSE "JOE" RAMIREZ
JUDGE, 44TH D.C.

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2020	C060401000003200	0.42	0.08	0.5	0.07
2	1	2020	C645500000000500	0.2	0.03	0.23	0.04
3	1	2020	P640000056000500	0.18	0.03	0.21	0.03
4	1	2020	G805000000020200	0.12	0.03	0.15	0.02
5	1	2019	T500002000007400	47.04	10.81	57.85	8.33
6	1	2019	H085099003004165	0.43	0.13	0.56	0.09
7	1	2019	L626800000000800	0.29	0.08	0.37	0.05
8	1	2018	F749502000011900	389.81	120.52	510.33	71.92
9	1	2018	A300000019002500	44.37	13.46	57.83	8.12
10	1	2018	A290000000003100	35.29	11.12	46.41	6.57
11	1	2018	H345003000001300	25.08	7.61	32.69	4.59
12	1	2018	C687000000005200	18.5	5.94	24.44	3.47
13	1	2018	C733000002000100	11.49	3.55	15.04	2.12
14	1	2017	P440000000001300	226.19	89.16	315.35	43.77
15	1	2017	S477000000029600	191.86	63.63	255.49	34.25
16	1	2017	S367500008001600	101.81	46.66	148.47	21.38
17	1	2017	C070000102000740	90.49	30.91	121.4	16.28
18	1	2017	W010000052000327	53.6	24.56	78.16	11.25
19	1	2017	J522000000003800	33.69	14.84	48.53	6.92
20	1	2017	V025000000004300	19.07	7.52	26.59	3.69
21	1	2017	M578500000002000	18.76	7.28	26.04	3.6
22	1	2017	C470000013001000	7.85	3.18	11.03	1.54
23	1	2017	A300000019002500	2.57	1.09	3.66	0.52
24	1	2017	E330000168001200	0.28	0.15	0.43	0.07
25	1	2016	L339728000020900	484.13	190.02	674.15	85.69
26	1	2016	A280000000000100	274.29	113.83	388.12	51.02
27	1	2016	S477000000029600	191.86	86.66	278.52	37.7
28	1	2016	L561000000004000	188.3	81.44	269.74	35.87
29	1	2016	O30000700G000000	63.63	26.78	90.41	11.93
30	1	2016	A280000000003000	36.28	20.13	56.41	8.05
31	1	2016	S477000000019500	30.25	16.61	46.86	6.67
32	1	2016	W010000052000327	23.01	13.31	36.32	5.25
33	1	2016	M578500000002000	23.85	12.12	35.97	5.01
34	1	2016	M578500000002000	23.52	11.96	35.48	4.94
35	1	2016	S728002000001800	27.36	10.73	38.09	4.84
36	1	2016	T610000001000200	16.76	6.95	23.71	3.11
37	1	2016	D060001000001300	15.2	6.84	22.04	2.96
38	1	2016	D060001000001300	15.21	6.83	22.04	2.96
39	1	2016	S295000000041610	7.14	3.01	10.15	1.34
40	1	2016	B505197000004300	2.27	1.21	3.48	0.49
41	1	2015	S477000000029600	191.86	109.68	301.54	41.15
42	1	2015	W380000529000002	46.54	31.13	77.67	11.1
43	1	2015	R095000000001600	46.8	26.68	73.48	9.97
44	1	2015	H47000000P000006	38.16	25.76	63.92	9.16
45	1	2015	E170003000003600	41.29	22.09	63.38	8.42
46	1	2015	B190010000000900	34.06	18.83	52.89	7.1
47	1	2015	C470000013001100	17.26	11.14	28.4	4.01
48	1	2015	W230000058000700	8.93	4.48	13.41	1.7
49	1	2015	T094000000000100	0.29	0.14	0.43	0.05
50	1	2014	S477000000029600	196.65	136.02	332.67	45.72

51	1	2014	C180000035002000	129.92	98.74	228.66	32.35
52	1	2014	S2950000000036825	100.61	62.64	163.25	20.98
53	1	2014	R021502000006500	79.57	45.56	125.13	14.8
54	1	2014	N500000002000500	75.39	42.89	118.28	13.91
55	1	2014	V380002003000700	59.53	40.38	99.91	13.57
56	1	2014	T110001000000600	39.97	22.35	62.32	7.2
57	1	2014	V380002003000700	23.8	16.16	39.96	5.43
58	1	2014	C180000035002000	20.79	15.81	36.6	5.18
59	1	2014	B190031000003400	16.26	10.17	26.43	3.41
60	1	2014	S265001000004100	8.41	5.51	13.92	1.87
61	1	2013	S477000000029600	192.7	156.41	349.11	48.27
62	1	2013	C070000101001320	239.17	160.85	400.02	46.64
63	1	2013	C938700000001600	94.97	61.98	156.95	17.67
64	1	2013	L670000003000400	40.51	34.48	74.99	10.52
65	1	2013	N480000004000203	25.17	16.59	41.76	4.76
66	1	2013	V382000000016200	10.81	9.39	20.2	2.86
67	1	2013	B030000016002100	10.95	7.18	18.13	2.05
68	1	2013	H284000000016500	7.67	5.14	12.81	1.49
69	1	2013	T110001000000600	0.32	0.22	0.54	0.06
70	1	2012	I200003000003400	390.94	299.39	690.33	78.58
71	1	2012	M520000050000100	221.48	169.61	391.09	44.52
72	1	2012	J183901000001700	86.33	63.24	149.57	16.06
73	1	2012	B030000016002100	35.69	27.68	63.37	7.33
74	1	2012	E439501000002000	27.29	22.62	49.91	6.26
75	1	2012	C740000002001200	21.31	17.31	38.62	4.73
76	1	2012	N861301000009900	18.37	14.02	32.39	3.67
77	1	2012	T34259700A002303	16.87	11.4	28.27	2.86
78	1	2012	H185000180001000	5.88	4.67	10.55	1.25
79	1	2011	I200003000003400	158.84	140.71	299.55	34.79
80	1	2011	C790000000000320	51.31	51.44	102.75	13.93
81	1	2011	C790000000000320	51.32	51.44	102.76	13.93
82	1	2011	S325500000003200	30.2	29.97	60.17	8.06
83	1	2011	K240000000007305	35.16	28.46	63.62	6.49
84	1	2011	Q300000WLD000800	25.3	20.8	46.1	4.82
85	1	2011	T34259700A002303	20.39	16.84	37.23	3.92
86	1	2011	G590098004000101	15.13	12.78	27.91	3.04
87	1	2011	A305000000004000	0.43	0.54	0.97	0.14
88	1	2010	V305200000007000	92.67	82.71	175.38	17.24
89	1	2010	A210000050001500	64.19	57.5	121.69	12.03
90	1	2010	C687000000003300	36.99	36.1	73.09	8.27
91	1	2010	M059002000001100	14.28	13.37	27.65	2.94
92	1	2010	R026300000001100	8.66	7.91	16.57	1.69
93	1	2010	S477000000041500	0.29	0.32	0.61	0.08
94	1	2009	P93400000002700	108.56	105.94	214.5	20.35
95	1	2009	M475000004001500	68.46	72.51	140.97	15.4
96	1	2009	P320002008000400	47.34	58.5	105.84	14.41
97	1	2009	B158003005000600	40.99	43.55	84.54	9.28
98	1	2009	R026300000001100	31.52	32.55	64.07	6.71
99	1	2009	H265000006001800	23.15	25.29	48.44	5.56
100	1	2009	W010000035000510	13.75	13.33	27.08	2.54
101	1	2009	N580000004001500	6.16	6.23	12.39	1.25
102	1	2009	A414000000001500	3.05	3.17	6.22	0.65
103	1	2008	S359200000003300	300.87	348.78	649.65	70.41
104	1	2008	M035000003003000	132.14	139.97	272.11	24.98

105	1	2008	K28000000001800	103.05	112.91	215.96	21.17
106	1	2008	E431000000009000	46.62	63.22	109.84	15.04
107	1	2008	S62200000001000	72.63	78.36	150.99	14.38
108	1	2008	V063002000000900	75.7	79.42	155.12	13.97
109	1	2008	M167002000001600	57.61	64.09	121.7	12.27
110	1	2008	N860000005003600	52.26	54.65	106.91	9.56
111	1	2008	S170002021001020	26.28	38.77	65.05	9.35
112	1	2008	B190016000000200	29.3	32.97	62.27	6.42
113	1	2008	P640000026000400	21.26	22.51	43.77	4.02
114	1	2008	M167002000001600	14.4	16.02	30.42	3.07
115	1	2008	S740000000000100	8.77	10.51	19.28	2.21
116	1	2008	B505000015001100	6.75	7.25	14	1.32
117	1	2007	S359200000003300	382.93	489.83	872.76	96.5
118	1	2007	B395002000001800	92.68	135.86	228.54	31.14
119	1	2007	B465000000002002	105.75	129.28	235.03	23.95
120	1	2007	N860000005003600	73.93	86.2	160.13	14.86
121	1	2007	R182000003000400	65.57	79.51	145.08	14.56
122	1	2007	P927901000007000	6.6	8.97	15.57	1.9
123	1	2007	E431000000009000	3.84	5.67	9.51	1.31
124	1	2007	M035000003003000	0.97	1.14	2.11	0.2
125	1	2006	S359200000003300	225.62	315.68	541.3	60.92
126	1	2006	R284805000001000	40.48	68.45	108.93	15.61
127	1	2006	C005000000002302	30.12	48.46	78.58	10.98
128	1	2006	S170002021001020	22.9	39.26	62.16	8.97
129	1	2006	O330000024001500	20.97	27.11	48.08	4.66
130	1	2006	M015000062000401	13.19	19.93	33.12	4.22
131	1	2006	O330000024001500	17.65	22.83	40.48	3.92
132	1	2006	E310000036001600	19.3	24.05	43.35	3.88
133	1	2006	H345003000000500	15.97	19.95	35.92	3.23
134	1	2006	S245000000001200	7.74	10.59	18.33	1.98
135	1	2005	A180000044001205	494.49	637.48	1131.97	91.23
136	1	2005	P550000002001500	167.73	254.81	422.54	48.31
137	1	2005	B365000003000800	91.79	122.01	213.8	18.59
138	1	2005	A180000044001205	70.21	90.52	160.73	12.95
139	1	2005	H345003000000500	51.18	70.07	121.25	11.28
140	1	2005	V434010000000400	34.33	48.6	82.93	8.29
141	1	2005	L685000000001200	15.79	23.73	39.52	4.43
142	1	2005	A080000000114900	15.5	22.88	38.38	4.16
143	1	2005	G480004001004000	7.1	10.49	17.59	1.92
144	1	2005	R225001003001900	2.39	4	6.39	0.85
145	1	2005	H510000001000100	2.96	4.34	7.3	0.79
146	1	2005	L181000000028500	1.88	2.8	4.68	0.52
147	1	2005	L181000000028500	1.87	2.81	4.68	0.52
148	1	2005	S100000002003000	1.46	2.32	3.78	0.46
149	1	2004	P550000002001500	176.19	288.81	465	53.91
150	1	2004	R021502000006500	24.63	43.66	68.29	9.02
151	1	2004	G480004001004000	25.7	41.09	66.79	7.4
152	1	2004	V434010000000400	19.53	30	49.53	5.07
153	1	2004	S100000002003000	7.86	13.3	21.16	2.59
154	1	2004	R470000013000100	10.55	15.3	25.85	2.33
155	1	2004	R021502000006500	-24.63	-43.66	-68.29	-9.02
156	1	2003	A180000044001205	327.91	501.43	829.34	72.3
157	1	2003	S690000003000700	31.66	51.79	83.45	8.5
158	1	2003	H345003000000500	16.3	26.23	42.53	4.18

159	1	2003	G040000006000100	9.6	17.38	26.98	3.33
160	1	2003	W010000044001052	6.95	10.32	17.27	1.4
161	1	2003	B496504000032900	3.32	6.21	9.53	1.24
162	1	2003	V055500000002600	2.15	3.2	5.35	0.44
163	1	2002	E665300000000700	64.04	113.97	178.01	19.02
164	1	2002	S690000003000700	49.83	87.48	137.31	14.27
165	1	2002	C211000000005900	46.3	78.68	124.98	12.08
166	1	2002	W010000039001054	53.3	83.65	136.95	10.79
167	1	2002	G150000000000100	14.15	27.58	41.73	5.28
168	1	2002	T210000239000710	26.36	40.05	66.41	4.75
169	1	2002	S397503000037600	19.37	31.94	51.31	4.62
170	1	2002	G166002000001700	6.68	14.14	20.82	2.97
171	1	2002	W380000112000000	8.81	14.67	23.48	2.17
172	1	2002	S397503000037600	6.46	10.64	17.1	1.54
173	1	2002	T706000000000200	7.58	11.77	19.35	1.48
174	1	2002	C690000001000700	2.5	4.23	6.73	0.64
175	1	2001	C211000000005900	68.72	125.01	193.73	19.17
176	1	2001	G150000000000100	15.51	32.09	47.6	6.07
177	1	2001	1004800000007635	30.63	49.09	79.72	5.56
178	1	2001	E665300000000700	3.57	6.78	10.35	1.13
179	1	2001	W010000039001054	3.83	6.47	10.3	0.84
180	1	2000	K240000000008026	221.99	374.98	596.97	40.96
181	1	2000	B010000003000300	22.62	43.79	66.41	6.69
182	1	2000	B157005000000700	24.74	43.37	68.11	5.27
183	1	2000	D290000000001300	16.85	29.13	45.98	3.41
184	1	2000	D290000000001300	16.85	29.13	45.98	3.41
185	1	2000	R170000000011400	10.97	20.72	31.69	3.01
186	1	1999	C715002009000900	55.44	111.38	166.82	16.22
187	1	1999	C715002009000900	25.73	51.69	77.42	7.53
188	1	1999	M355000046001700	26.23	49.73	75.96	6.33
189	1	1998	M355000046001700	127.12	256.26	383.38	32.99
190	1	1998	C715002009000900	79.7	169.7	249.4	24.75
191	1	1998	S237000000003900	57.46	126.92	184.38	19.91
192	1	1998	A440000000003000	33.58	82.02	115.6	15.16
193	1	1998	C295005000000600	30.03	59.33	89.36	7.25
194	1	1998	R021502000006500	10.97	27.35	38.32	5.2
195	1	1998	R284503000001900	0.08	0.23	0.31	0.05
196	1	1997	C715002009000900	102.29	230.08	332.37	33.6
197	1	1997	C295005000000600	45.82	96.03	141.85	11.89
198	1	1997	W010000030000728	17.67	45	62.67	8.17
199	1	1997	E810000007000800	22.18	50.77	72.95	7.69
200	1	1996	E540000002002100	28.84	67.18	96.02	9.48
201	1	1996	E540000002002100	24.04	55.98	80.02	7.9
202	1	1995	A080098000111600	14.22	42.5	56.72	8.22
203	1	1993	J570000001001034	11.7	30.72	42.42	4.14
204	1	1992	M550000097001303	121.37	362.38	483.75	58.26
205	1	1992	A080000000114909	9.29	28.75	38.04	4.92
206	12	1997	W010000030000728	0.86	2.17	3.03	0.4
207	17	1993	J570000001001034	0.14	0.36	0.5	0.05
208	1	2017	O090000002001500	0.15	0.08	0.23	0.04
209	1	2017	C560000000000700	43.67	14.66	58.33	7.79
210	1	2016	A180000038000219	217.09	88.83	305.92	40.05
211	1	2006	E540000045000300	3.93	5.92	9.85	1.25

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



October 13, 2021

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

Re: August 2021 DTA Payment Request Report No. 2021-59

Dear Mr. Villarreal:

We completed a limited scope review of the August 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 August 2021 DTA payment request in the amount of \$244,916.59 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 August 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 August 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, 92ND D.C.

FERNANDO MANOIAS
JUDGE, 99TH D.C.

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

ROSE OUERRA REYNA
JUDGE, 206TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 372ND D.C.

ROE GONZALEZ
JUDGE, 378TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

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

ISRAEL RAMON, JR.
JUDGE, 432ND D.C.

RENEE R. BETANCOURT
JUDGE, 449TH 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 August 2021."
- Although DTA fees for 196 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 (191 tax accounts) and small amounts collected (5 tax accounts) (see Exhibit A). The small amounts collected on the tax accounts resulted in a net shortage of \$1.49.
- 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 Aaron Robledo, Internal Auditor I, at 318-2511, ext. 4694, 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: Exhibit A

cc: Ms. Lucy Canales, Linebarger Goggan Blair & Sampson, LLP
Mr. Valde Guerra, County Executive Officer
Ms. Eva Mireles, Chief Deputy, Hidalgo County Tax Office

HIDALGO COUNTY DISTRICT JUDGES

Exhibit A

	Tax Unit	Year	Account No.	Levy Paid	Penalty/Interest Paid	Subtotal Paid	Attorney Paid
1	1	2020	E370000001001200	0.64	0.13	0.77	0.11
2	1	2019	T500002000007400	46.9	10.98	57.88	8.3
3	1	2018	W276002000014100	149.55	43.37	192.92	26.69
4	1	2018	C733000002000100	11.45	3.6	15.05	2.11
5	1	2018	C733000002000100	11.45	3.6	15.05	2.11
6	1	2018	L635500000002700	0.12	0.05	0.17	0.02
7	1	2018	C733000002000100	-11.45	-3.6	-15.05	-2.11
8	1	2017	H284000000011500	257.15	88.93	346.08	46.29
9	1	2017	T500001002000800	194.08	65.99	260.07	34.64
10	1	2017	W010000052000327	39.01	18.04	57.05	8.19
11	1	2017	P350000000004000	40.83	16.98	57.81	8.08
12	1	2017	J522000000003800	33.59	14.96	48.55	6.9
13	1	2017	A300000019002500	24.14	10.23	34.37	4.85
14	1	2017	W010000052000327	19.5	9.02	28.52	4.1
15	1	2017	V380002010001000	15.93	6.07	22	3.01
16	1	2017	W293000000002800	9.05	3.55	12.6	1.74
17	1	2016	H284000000011500	98.42	45.84	144.26	19.49
18	1	2016	R080002000010302	97.65	38.74	136.39	17.28
19	1	2016	O30000700G000000	63.46	26.97	90.43	11.9
20	1	2016	L055500000001500	56.38	28.24	84.62	11.67
21	1	2016	E330000281000305	51.83	26.26	78.09	10.81
22	1	2016	D780000005000800	44.28	19.84	64.12	8.56
23	1	2016	A280000000003000	36.2	20.23	56.43	8.03
24	1	2016	S425500000003500	35.72	14.29	50.01	6.38
25	1	2016	H220000000002600	15.63	8.56	24.19	3.42
26	1	2016	S477000000019500	15.09	8.35	23.44	3.33
27	1	2016	T610000001000200	16.71	7	23.71	3.11
28	1	2016	M465900000005300	10.25	4.35	14.6	1.92
29	1	2016	G560000010002000	0.11	0.07	0.18	0.03
30	1	2016	W380099413000015	0.14	0.11	0.25	0.03
31	1	2016	W380099413000015	0.14	0.1	0.24	0.03
32	1	2015	M188000000004100	363.97	203.22	567.19	76.43
33	1	2015	C140000075000931	303.7	145.77	449.47	54.21
34	1	2015	R055002000000900	105.53	66.75	172.28	24.06
35	1	2015	C180000035002000	73.09	47.08	120.17	16.88
36	1	2015	G51510000B001400	58.42	36.26	94.68	13.14
37	1	2015	S755000001000600	49.85	33.27	83.12	11.81
38	1	2015	W380000529000002	46.43	31.26	77.69	11.07
39	1	2015	E468004002000900	28.64	18.61	47.25	6.66
40	1	2015	W230000058000700	8.9	4.51	13.41	1.7
41	1	2014	C140000075000931	293.19	175.91	469.1	57.61
42	1	2014	G51510000B001400	93.43	69.22	162.65	22.7
43	1	2014	S295000000036825	94.54	59.24	153.78	19.71
44	1	2014	C180000035002000	71.01	54.27	125.28	17.68
45	1	2014	C600001011000400	35.62	21.01	56.63	6.84
46	1	2014	N500000002000500	11.54	6.62	18.16	2.13

47	1	2014	B190031000003400	9.74	6.13	15.87	2.04
48	1	2013	L670000003000400	40.44	34.58	75.02	10.5
49	1	2013	O660000000000200	49.83	34.89	84.72	10.24
50	1	2013	W010000031000514	28.9	24.71	53.61	7.5
51	1	2013	H284000000016500	7.67	5.16	12.83	1.48
52	1	2012	J183901000001700	86.15	63.47	149.62	16.03
53	1	2012	N861301000009900	18.35	14.06	32.41	3.66
54	1	2012	L670000017000300	5.93	4.32	10.25	1.09
55	1	2011	C140000075000931	335.79	322.36	658.15	84.12
56	1	2011	C790000000000320	50.7	51.04	101.74	13.77
57	1	2011	S325500000003200	30.13	30.04	60.17	8.05
58	1	2011	K240000000007305	35.09	28.54	63.63	6.48
59	1	2011	M415001000001110	18.57	15.72	34.29	3.7
60	1	2011	G590098004000101	15.09	12.82	27.91	3.03
61	1	2010	C140000075000931	450.43	486.47	936.9	120.94
62	1	2010	C565000001000600	284.11	255.7	539.81	53.27
63	1	2010	C565000001000600	284.11	255.7	539.81	53.27
64	1	2010	A210000050001500	64.05	57.65	121.7	12.01
65	1	2010	C687000000003300	36.93	36.18	73.11	8.25
66	1	2010	R026300000001100	42.17	38.66	80.83	8.22
67	1	2010	V380002010000500	23.08	27.65	50.73	7.13
68	1	2010	S477000000041500	18.69	19.68	38.37	4.79
69	1	2010	M059002000001100	14.26	13.4	27.66	2.93
70	1	2010	J570098005000205	5.05	6.43	11.48	1.66
71	1	2010	C565000001000600	-284.11	-255.7	-539.81	-53.27
72	1	2009	L245000000004100	89.92	102.21	192.13	23.2
73	1	2009	P934000000002700	108.35	106.18	214.53	20.32
74	1	2009	A630000000000900	76.4	74.88	151.28	14.33
75	1	2009	K280000000001800	67.12	65.77	132.89	12.58
76	1	2009	B158504000000700	39.93	42.46	82.39	8.98
77	1	2009	B158003005000600	30.69	32.73	63.42	6.95
78	1	2009	H265000006001800	23.11	25.34	48.45	5.55
79	1	2009	N580000004001500	6.14	6.25	12.39	1.25
80	1	2008	B158504000000700	107.24	126.9	234.14	26.06
81	1	2008	E43100000009000	50.44	68.59	119.03	16.26
82	1	2008	P200000011000400	80.37	87.62	167.99	16.16
83	1	2008	P200000011000400	61.71	67.26	128.97	12.4
84	1	2008	L313002000011900	43.09	49.12	92.21	9.63
85	1	2008	K280000000001800	38.41	42.25	80.66	7.89
86	1	2008	P510000002000700	30.04	32.96	63	6.13
87	1	2008	G130000001000200	29.1	31.91	61.01	5.94
88	1	2008	H350000005000100	26.13	27.62	53.75	4.86
89	1	2008	P200000011000400	18.89	20.6	39.49	3.8
90	1	2008	L672500000014000	13.79	16.91	30.7	3.64
91	1	2008	L672500000014000	13.78	16.93	30.71	3.63
92	1	2008	B156007000004400	10.85	11.39	22.24	1.99
93	1	2008	B505000015001100	6.72	7.27	13.99	1.32
94	1	2008	V280000002000300	4.58	5.3	9.88	1.06
95	1	2007	S005000002000600	116.21	161.54	277.75	34.86
96	1	2007	A413500000000100	129.78	147.09	276.87	23.95

97	1	2007	L314000000001500	54.35	67.03	121.38	12.47
98	1	2007	P200000011000400	40.19	48.63	88.82	8.8
99	1	2007	E015700000009800	23.7	36.09	59.79	8.39
100	1	2007	P927901000007000	6.59	8.98	15.57	1.9
101	1	2007	M015000062000401	6.18	8.61	14.79	1.86
102	1	2007	H365003000001100	6.51	7.79	14.3	1.39
103	1	2007	M475000002001600	2.96	3.57	6.53	0.64
104	1	2006	R284805000001000	40.43	68.52	108.95	15.59
105	1	2006	H365003000001100	40.5	53.32	93.82	9.36
106	1	2006	M015000062000401	8.94	13.53	22.47	2.86
107	1	2006	M215000003000300	13.9	16.81	30.71	2.56
108	1	2006	S245000000001200	7.72	10.61	18.33	1.98
109	1	2005	W560000000006300	28.87	43.77	72.64	8.22
110	1	2005	W380000238000005	21.95	32.77	54.72	6.03
111	1	2005	S10000002003000	14.45	22.77	37.22	4.51
112	1	2005	L68500000001200	15.77	23.76	39.53	4.42
113	1	2005	S395000002000401	18.93	25.25	44.18	3.84
114	1	2005	R382500008000500	12.88	17.96	30.84	2.97
115	1	2005	E540000026002500	8.42	12.41	20.83	2.23
116	1	2005	H510000001000100	2.95	4.35	7.3	0.79
117	1	2005	L181000000028500	1.88	2.82	4.7	0.52
118	1	2005	L181000000028500	1.88	2.82	4.7	0.52
119	1	2005	W230000052000300	1.03	1.63	2.66	0.33
120	1	2004	R021502000006500	24.63	43.77	68.4	9.02
121	1	2004	B158003004001400	19.36	31.69	51.05	5.87
122	1	2004	G160000000003100	12.9	19.06	31.96	2.99
123	1	2004	R470000013000100	10.54	15.33	25.87	2.33
124	1	2004	W230000052000300	7.01	11.94	18.95	2.33
125	1	2004	B496504000032900	4	6.99	10.99	1.41
126	1	2004	M355000150002100	1.59	2.64	4.23	0.5
127	1	2003	H490000477000602	118.53	172.26	290.79	21.87
128	1	2003	G040000006000100	9.59	17.4	26.99	3.32
129	1	2003	V434900000000900	6.18	12.61	18.79	2.69
130	1	2003	B505000015000600	12.43	18.55	30.98	2.52
131	1	2003	A265502000000900	11.15	16.7	27.85	2.28
132	1	2003	W010000044001052	6.92	10.34	17.26	1.4
133	1	2003	B158003004001400	2.68	4.71	7.39	0.86
134	1	2003	B496504000032900	1.66	3.1	4.76	0.62
135	1	2003	C955000002001800	-23.42	-5.62	-29.04	-5.81
136	1	2002	C909500000000400	469.13	720.9	1190.03	87.26
137	1	2002	C211000000005900	91.32	155.55	246.87	23.84
138	1	2002	H490000477000602	70.52	110.95	181.47	14.28
139	1	2002	W010000039001054	43.55	68.51	112.06	8.82
140	1	2002	W010000052000216	24.62	46.68	71.3	8.57
141	1	2002	A265502000000900	37.4	60.46	97.86	8.3
142	1	2002	G570000001002800	13.95	27.79	41.74	5.46
143	1	2002	S3975030000037600	19.34	31.98	51.32	4.61
144	1	2002	B030000004001400	21.85	34.39	56.24	4.43
145	1	2002	G166002000001700	6.67	14.16	20.83	2.96
146	1	2002	T706000000000200	11.36	17.68	29.04	2.21

147	1	2001	C909500000000400	400.75	663.91	1064.66	81.75
148	1	2001	E750000000002900	137.64	273.47	411.11	48.52
149	1	2001	H495000004000300	20.21	45.31	65.52	9.34
150	1	2001	C980000002000330	6.66	14.82	21.48	3.05
151	1	2001	1004800000007635	13.16	21.16	34.32	2.39
152	1	2001	R195003000002800	8.41	14.26	22.67	1.86
153	1	2001	C715002009000900	2.98	5.3	8.28	0.77
154	1	2000	C909500000000400	382.76	680.03	1062.79	84.97
155	1	2000	B010000003000300	22.68	44.03	66.71	6.7
156	1	2000	B157005000000700	24.71	43.4	68.11	5.26
157	1	2000	D290000000001300	16.82	29.16	45.98	3.41
158	1	2000	D290000000001300	16.82	29.16	45.98	3.41
159	1	2000	D290000000001300	16.82	29.16	45.98	3.41
160	1	2000	E640000263003111	7.7	14.86	22.56	2.25
161	1	2000	E640000263003111	7.7	14.86	22.56	2.25
162	1	2000	B010000003000300	0.04	0.08	0.12	0.01
163	1	2000	E640000263003111	-7.7	-14.86	-22.56	-2.25
164	1	1999	C909500000000400	256.26	486.04	742.3	61.5
165	1	1999	T685000000005800	25.77	53.2	78.97	8.12
166	1	1999	A130000001003700	27.43	55.33	82.76	8.07
167	1	1999	C715002009000900	23.23	46.77	70	6.8
168	1	1999	E640000263003111	11.52	23.66	35.18	3.58
169	1	1999	E640000263003111	11.52	23.66	35.18	3.58
170	1	1999	R385000003000700	2.15	4.67	6.82	0.78
171	1	1999	E640000263003111	-11.52	-23.66	-35.18	-3.58
172	1	1998	G880000012000400	52.88	114.21	167.09	17.05
173	1	1998	C765000008001500	19.19	40.17	59.36	5.61
174	1	1998	R021502000006500	6.53	16.3	22.83	3.09
175	1	1998	R385000003000700	6.19	14.19	20.38	2.37
176	1	1998	E640000263003111	4.23	9.19	13.42	1.39
177	1	1998	E640000263003111	4.23	9.19	13.42	1.39
178	1	1998	L205000031001000	4.4	9.23	13.63	1.29
179	1	1998	E640000263003111	-4.23	-9.19	-13.42	-1.39
180	1	1997	G880000012000400	101.27	230.9	332.17	34.48
181	1	1997	W010000030000728	8.83	22.52	31.35	4.08
182	1	1996	D435000000004600	59.28	135.91	195.19	18.4
183	1	1996	G880000012000400	14.24	34.17	48.41	5.1
184	1	1995	A080098000111600	14.21	42.52	56.73	8.21
185	1	1994	C120002000002600	4.2	11.29	15.49	1.75
186	1	1994	J570000001001034	4.3	10.76	15.06	1.44
187	1	1993	J570000001001034	7.63	20.07	27.7	2.7
188	1	1992	A080000000114909	9.29	28.76	38.05	4.91
189	1	1988	P640000006000100	12.13	44.19	56.32	7.65
190	12	1997	W010000030000728	0.43	1.08	1.51	0.2
191	12	1996	D435000000004600	3.18	7.29	10.47	0.98
192	17	1993	J570000001001034	0.09	0.24	0.33	0.03
193	1	2017	S170002062001100	593.72	220.17	813.89	111.32
194	1	2017	S170002017000412	79.25	34.33	113.58	16.04
195	1	2017	C560000000000700	43.55	14.8	58.35	7.77
196	1	2016	S170002062001100	602.41	295.68	898.09	123.8

COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

September 10, 2021

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

Re: Hot Checks Processing Fees Report for March 2021 through May 2021

Dear Mr. Rodriguez:

We conducted a limited scope review of the Hot Checks Processing Fees Report (*Processing Fees Report*) and supporting documentation for the months of March 2021 through May 2021 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted and reported. The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Executive Summary:

Based on the review, we concluded that collections were properly accounted and reported.

Scope:

The scope of the review was limited to collections reported by your office on the *Processing Fees Report* for the months of March 2021 through May 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 *Processing 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 *Processing Fees Report* was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the *Processing Fees Report* by footing and cross-footing the report.
- Verified that the sequence of receipts and checks issued per the *Processing Fees Report* agreed to *Odyssey's DA Receipt Journal Report* and *Check Transaction Register Report*. In addition, verified that receipts and checks were issued in sequential order.
- Verified collections and disbursements per the *Processing Fees Report* agreed to *Odyssey's Hot Checks Receipt Journal Report*.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 22ND D.C. FERNANDO MANDIAS JUDGE, 59TH D.C. J. R. "BOBBY" FLORES JUDGE, 138TH D.C. ROSE GUERRA REYNA JUDGE, 208TH D.C. MARLA CUELLAR JUDGE, 278TH D.C. MARIO E. RAMIREZ, JR. JUDGE, 322ND D.C. NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER LETICIA LOPEZ JUDGE, 388TH D.C. L. KEHO VASQUEZ JUDGE, 388TH D.C. ISRAEL RAMON, JR. JUDGE, 420TH D.C. REHEE R. BETANCOURT JUDGE, 460TH D.C. JOSE "JOE" RAMIREZ JUDGE, 464TH D.C.

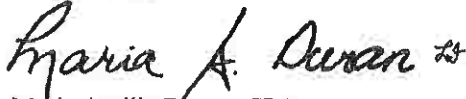
- Verified that collections received from the Community Supervision and Corrections Department were receipted and included on the *Processing Fees Report*.
- Verified that the collections per the *Processing Fees Report* agreed to total receipts issued and the deposits made to the Hot Check bank account.
- Verified that the processing fees per the *Processing Fees Report* were remitted to the County Treasurer's Office in a timely manner.
- Verified that procedures for voiding receipts and checks were properly followed.
- Randomly selected receipts to determine if court costs were remitted to the applicable Justice of the Peace courts.
- Randomly selected receipts to determine if the restitution, processing fee, and merchant fee were properly collected and reported as required by Code of Criminal Procedures §102.007 and Business and Commerce Code §3.506 (b).

Conclusion:

Collections for the months of March 2021, April 2021, and May 2021 totaled \$94,630.33, \$80,193.01, and \$85,069.52, respectively. Based on the review, we concluded that collections were properly accounted and reported.

If you have any questions, please contact Carlos Alvarez, Internal Auditor I, at (956) 318-2511, ext. 4667, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at ext. 4645.

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

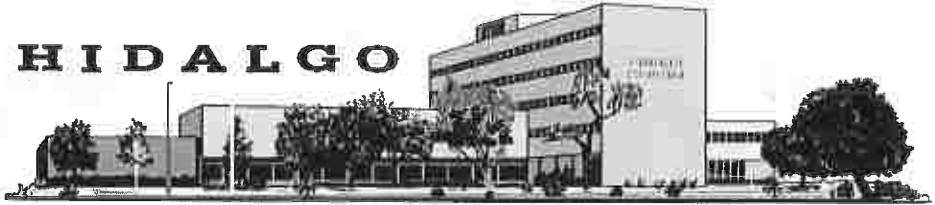
cc: Mr. Valde Guerra, County Executive Office
Ms. Rosalinda Cantu, Assistant Chief of Staff II, District Attorney's Office

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	FERNANDO MANCAS JUDGE, 17 TH D.C.	J. R. "BOBBY" FLORES JUDGE, 138 TH D.C.	ROSE GUERRA REYNA JUDGE, 206 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARCO E. RAMIREZ, JR. JUDGE, 322 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 389 TH D.C.	L. KENO VASQUEZ JUDGE, 392 ND 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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EDINBURG, TEXAS 78539

September 17, 2021

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

Re: Jail Commissary Audit No. 2021-01

Dear Sheriff Guerra:

We completed an audit of the Jail Commissary account for the year ended December 31, 2020 in accordance with Local Government Code §351.0415 and our annual audit plan. The objectives of the audit were to determine whether:

1. Purchases were in compliance with Local Government Code §351.0415 (c) and vendor contracts; and
2. Collections, disbursements, and merchandise inventory were properly accounted and safeguarded.

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.

Executive Summary

Based on the results of the audit, we concluded that purchases were in compliance with Local Government Code §351.0415 (c). However, we noted the following observations:

- Purchases were made for contract items from non-contracted vendors. In addition, some items were purchased above the contracted amounts resulting in an overpayment.
- Inventory adjustments made in *Odyssey* were not always made in *Quickbooks* resulting in inaccurate financial records.
- The *Odyssey* Inmate Account Journal and Commissary Sales report generated from *Odyssey* do not agree.
- Jail Commissary checks cleared the bank without the signature of the Sheriff or his designee.

Background

Local Government Code §351.0415 authorizes the Sheriff to operate a jail commissary for the use of the inmates committed to the County jail. The jail commissary must be operated in accordance with rules adopted by the Commission on Jail Standards. Pursuant to Local Government Code §351.0415 (c), the Sheriff has exclusive control of the jail commissary funds and must use commissary proceeds only to:

1. Fund, staff, and equip a program addressing the social needs of the inmates, including an educational or recreational program and religious or rehabilitative counseling;
2. Supply inmates with clothing, writing materials, and hygiene supplies;

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETON
JUDGE, 2ND D.C.

FERNANDO MANCIAS
JUDGE, 5TH D.C.

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

ROSE GUERRA REYNA
JUDGE, 20TH D.C.

MARLA CUELLAR
JUDGE, 27TH D.C.

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

NOE GONZALEZ
JUDGE, 37TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 38TH D.C.

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

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

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

JOSE "JOE" RAMIREZ
JUDGE, 46TH D.C.

3. Establish, staff, and equip the commissary operation and fund the salaries of staff responsible for managing the inmates' commissary accounts;
4. Fund, staff, and equip both an educational and a law library for the educational use of inmates; or
5. Fund physical plant improvements, technology, equipment, programs, services, and activities that provide for the well-being, health, safety, and security of the inmates and the facility.

Local Government Code §351.0415 (g) further states commissary proceeds may only be used for the purposes described in Subsection (c).

Jail Commissary Bank Account

Pursuant to Local Government Code §351.0415 (b)(2), the Sheriff must maintain commissary accounts showing the amount of proceeds from the commissary operation and the amount and purpose of disbursements made from the proceeds. The Sheriff accomplishes this responsibility by maintaining the Jail Commissary bank account and preparing financial statements. The Sheriff is required to submit these financial statements to the County Auditor's Office on a monthly basis, along with subsidiary ledgers and other supporting documentation. As of December 31, 2020, the Jail Commissary bank account cash balance totaled \$3,403,072.42. The Jail Commissary generated revenues totaling \$1,937,732.91 and incurred expenses totaling \$1,728,731.64, resulting in net income of \$209,001.27 for the year ended December 31, 2020.

Operating Procedures

The Jail Commissary offers 161 merchandise items for sale to the inmates. Merchandise items fall under the following categories: personal care (hygiene for hands and body), hair care, snacks, beverages, candy, food items, stationery supplies, greeting cards, phone cards, underclothes, and medication. Inmates may purchase items from the Jail Commissary by completing a pre-printed order form. The Jail Commissary staff reviews each request against the dietary restriction and no-privilege list and the inmate's account balance in *Odyssey*, the Jail Commissary inventory system, to determine if sufficient funds are available to fulfill the inmate's order request. If the inmate does not have sufficient funds, the inmate's order is fulfilled up to their available balance and the inmate is notified that their entire order was not fulfilled.

At the beginning of each workday, the Jail Commissary Supervisor submits the daily "Commissary Sales" and "Inmate Account Journal" reports to the Jail Administrative Assistant I, for the prior day's activity. The "Inmate Account Journal" indicates the amount deducted from each inmate for commissary purchases. The "Commissary Sales" report summarizes the amount of purchases made during the month. The Administrative Assistant I issues a check from the Inmate Trust Fund (in *Odyssey's* Financial Manager) bank account to the Jail Commissary bank account for the total daily sales on the "Inmate Account Journal" report. The other Jail Administrative Assistant I prepares the deposit and sends a Detention Officer to the bank to make the deposit. When the Detention Officer comes back with the validated deposit slip, a copy of it, along with a copy of the check, and both the daily "Commissary Sales" and "Inmate Account Journal" reports are forwarded to the Jail Commissary Accountant.

The Jail Commissary Supervisor checks the *Odyssey* inventory system every two weeks and orders merchandise as needed. Before placing an order, the Jail Commissary Supervisor prepares a requisition in Microsoft Excel and submits the requisition to either one of the two Jail Captains (Administrative or Operations) for approval. When merchandise is received, the Jail Commissary Clerks compare the items received to the packing slip. If any discrepancies are found, the discrepancies are noted on the packing slip and the Jail Commissary Clerks notify the Jail Commissary Supervisor. The Jail Commissary Supervisor verifies that the discrepancies exist and notifies the vendor. The vendor may either send the missing merchandise or issue a credit memo. The Jail Commissary Accountant will only pay for the number of items actually received. Once all the merchandise is verified, the Jail Commissary Supervisor updates the inventory in *Odyssey* to reflect the new inventory count and approves the invoice for payment. Invoices are entered into *QuickBooks* by the Jail Commissary Supervisor. The original invoice is provided to the Jail Commissary Accountant. The Jail Commissary Accountant prints the check from *QuickBooks* and obtains the Sheriff's, Chief Deputy, or Division Chief's signature of approval. Once the check has been approved by the Sheriff, Chief Deputy, or Division Chief, the

HIDALGO COUNTY DISTRICT JUDGES

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JUDGE, 12th D.C.

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JUDGE, 15th D.C.

ROSE GUERRA REYNA
JUDGE, 20th D.C.

MARLA OUELLAR
JUDGE, 27th D.C.

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

NOE GONZALEZ
JUDGE, 37th D.C.
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L. KENO VASQUEZ
JUDGE, 39th D.C.

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

RENEE R. BETANCOURT
JUDGE, 48th D.C.

JOSE "JOE" RAMIREZ
JUDGE, 46th D.C.

check is forwarded to the vendor by the Jail Commissary Accountant.

A physical inventory count of merchandise items is conducted on a monthly basis. The Jail Commissary Supervisor prepares a "Hidalgo County Sheriff's Jail Commissary Inventory Adjustments Control Form Damage/Losses" for damaged items (e.g., open or stale dated packages) and a "Hidalgo County Sheriff's Jail Commissary Inventory Adjustments Control Form Over/Short" for any variances found between the physical inventory count and *Odyssey*. Inventory adjustments are made in *Odyssey* by the Jail Commissary Supervisor and subsequently approved by the Division Chief. The inventory items reported as damaged/lost are verified by the Jail Commissary Accountant.

Sales transactions are voided when an inmate is released prior to receiving the commissary items ordered or when an inmate is issued the incorrect commissary item. The Jail Commissary Supervisor signs and dates the voided receipt. The voided receipt is marked "VOID" and the reason for the void is written on the receipt. After the voided receipt is approved by the Jail Commissary Supervisor, the Supervisor enters the void and the items are automatically added into the *Odyssey* inventory system. A copy of the voided receipt is attached to the daily "Commissary Sales Report." If the inmate was released prior to receiving the commissary order, the Administrative Sergeant is notified. The Administrative Sergeant ensures that a check for the balance due is either picked up or mailed to the inmate.

Contracted Vendors

On June 18, 2019, Commissioners Court approved the second of two one-year extension of the contracts with Bob Barker Company, ICS Jail Supplies, Inc., Keefe Supply Company, and R&R Distributing for the purchase of commissary supplies.

Pursuant to the contracts with Bob Barker Company, ICS Jail Supplies, Inc., Keefe Supply Company, and R&R Distributing, the vendors may submit a written request for price increases to the County Purchasing Agent. Price increases are only valid for the quarter in which they are requested and approved. Prices shall return to the original contract price at the beginning of the following quarter, unless a vendor notifies the County in writing within 10 days of expiration of the quarter in which the price increase is in effect. The total increase in contract price shall not exceed 25% of the original contract price during the contract term.

On December 16, 2019, March 9, 2020, and June 1, 2020 the Purchasing Department approved Keefe Supply Company's request to increase the prices of 21 merchandise items which were effective April 1, 2019 through October 18, 2021.

On October 6, 2020, Commissioners Court approved new contracts with Bob Barker Company, ICS Jail Supplies, Inc., Keefe Supply Company, and R&R Distributing for the purchase of commissary supplies to be effective October 19, 2020 through October 18, 2021.

Inventory Accounting Procedures

Proper accounting procedures require that the value and count of inventory items on hand agree to the value and count of inventory items per accounting records. In addition, purchases and returns of merchandise inventory items should be added to inventory while sales and damaged merchandise inventory items should be reduced from inventory.

Cash Handling Guidelines

The "Hidalgo County Cash Handling Guidelines and Procedures" are the minimum requirements necessary for ensuring adequate internal controls and the safeguarding of public funds. The guidelines and procedures require that cash receipts be deposited intact on a daily basis, unless the amount collected is less than \$100.00.

Pursuant to "Hidalgo County Cash Handling Guidelines and Procedures," approval to void a sales transaction must be obtained from the Supervisor. The Supervisor must approve each voided sales transaction by signing and dating the voided receipt to document the responsibility for verifying that the receipt is marked "VOID" on

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 92 ND D.C.	BERNARDO MARCIAS JUDGE, 97 TH D.C.	J. R. "BOBBY" FLORES JUDGE, 189 TH D.C.	ROSE GUERRA REYNA JUDGE, 266 TH D.C.	MARLA CUELLAR JUDGE, 275 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 322 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 395 TH D.C.	I. KENO VASQUEZ JUDGE, 398 TH D.C.	ISRAEL RAMON, JR. JUDGE, 436 TH D.C.	RENEE R. BETANCOURT JUDGE, 448 TH D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 TH D.C.
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the face of the receipt, contains an explanation for the void, and contains the date the receipt was voided. If a new receipt is issued, the voided receipt number and the new receipt number should be cross-referenced. In addition, computer access controls to void receipts should be limited to supervisors.

Merchandise inventory items on voided transactions should be added to the inventory system on the same day that the transaction was voided.

Scope and Methodology:

The scope of the audit was limited to randomly selected transactions; and randomly selected invoices for the period of January 1, 2020 through December 31, 2020. Our audit was not designed nor intended to be a detailed study of every relevant internal control system, procedure, or transaction. Accordingly, the opportunities for improvement presented in this report may not be all-inclusive of areas where improvement could be made.

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

1. Reviewed 27 judgmentally selected invoices to determine if purchases were made in compliance with Local Government Code §351.0415 (c).
2. Reviewed 316 randomly selected merchandise inventory items purchased to determine if the items were added to the inventory accounting system.
3. Reviewed 27 randomly selected invoices that included 316 merchandise inventory items to determine if the prices paid for the items were equal to or lower than the specified contract price.
4. Reviewed the "Jail Commissary Inventory Adjustments Control Form Damage/Losses"; the "Jail Commissary Inventory Adjustments Control Form Over/Short"; and the before and after jail commissary inventory reports for the year ended December 31, 2020 to determine if the inventory adjustments were made in the inventory accounting system (*Odyssey* and *Quickbooks*) and if the adjustments were approved by a supervisor.
5. Reviewed 48 daily deposits to ensure that the amounts on the "Inmate Account Journal" and "Commissary Sales" reports agreed to the amount deposited and deposits were made in a timely manner.
6. Reviewed all Jail Commissary checks issued by the Sheriff's Office to determine if the checks were properly issued (i.e., check amount and invoice amount agree, the payor and vendor name agree, etc.) and approved (the check was signed by the Department Head or designee.)

Conclusion:

Based on the results, we conclude that purchases were in compliance with Local Government Code §351.0415 (c). However, improvements could be made to the procedures in place for ensuring that: items under contract are purchased through the contracted vendors; contracted items are purchased at the contract rates; inventory adjustments for merchandise inventory are properly updated in *Odyssey* and *Quickbooks*; the amounts on the "Commissary Sales" and "Inmate Account Journal" reports agree; and Jail Commissary checks are properly issued and approved. More specifically, the following was noted:

1. All invoices reviewed were in compliance with Local Government Code §351.0415 (c).
2. All 316 merchandise inventory items purchased were added to the inventory accounting system.
3. Of 316 merchandise inventory items:
 - 282 were purchased for a price equal to or lower than the specified contract price.
 - 25 were not under contract. The items were purchased from contracted vendors.
 - 1 was purchased from the incorrect contracted vendor. The item was purchased from R&R Distributing instead of Keefe Supply Company. In addition, the item was purchased at a higher price resulting in an overpayment of \$30.00.

HIDALGO COUNTY DISTRICT JUDGES

- 8 were purchased from Keefe Supply Company at a higher price than the contracted price. This resulted in an overpayment of \$217.91 (see Exhibit A).
4. All inventory adjustments were approved by a supervisor; however, not all adjustments were properly entered in *Odyssey* and *Quickbooks*. More specifically, we noted that adjustments made to the merchandise inventory items in *Odyssey* for the month of November 2020 were not adjusted in *Quickbooks* causing variances in the inventory balances and resulting in inaccurate financial records.

Merchandise inventory adjustments for both *Odyssey* and *Quickbooks* must agree to ensure that financial records are accurately stated.

5. Of 48 daily deposits:
- 39 deposits agreed to the "Inmate Account Journal" and "Commissary Sales." In addition, the deposits were made in a timely manner.
 - 9 deposits were made in a timely manner; however, the deposit did not agree to the "Inmate Account Journal" and "Commissary Sales" reports resulting in a net variance of \$133.00.

The amounts on the "Commissary Sales" and "Inmate Account Journal" reports did not agree. The amount listed on the "Inmate Account Journal" was used to transfer funds from the inmate bank account to the Commissary bank account. The amounts listed on the "Inmate Account Journals" agreed to the amounts deposited to the Jail Commissary bank account. According to the Sheriff's Office staff, the issue was reported to Tyler Technologies; however, the issue has not been resolved.

6. We noted that checks were properly issued; however, they were not always properly approved. Several checks in December 2020 were missing the signature of the Sheriff or his designee. According to staff, the checks were issued without the signature, in error.

Recommendations:

In our opinion, the issues identified during our review could be addressed by developing and implementing formal policies and procedures to ensure compliance with vendor contracts, and that collections, disbursements, and merchandise inventory are properly accounted and safeguarded. At a minimum, procedures implemented should require that:

1. Management ensure that contracted items are purchased through contracted vendors and prices paid for items are made in accordance with the contracted amounts.
2. Management ensure that inventory adjustments are made in both *Odyssey* and *Quickbooks*. At a minimum the ending inventory balances in *Odyssey* and *Quickbooks* should be reviewed to ensure they agree.
3. Management coordinate with the Information Technology Department and Tyler Technologies to ensure that "Inmate Account Journal" and the "Commissary Sales" reports agree.
4. Management should train staff regarding the proper procedures for issuing checks. At a minimum, management should ensure all checks issued through the Jail Commissary account are properly issued and approved.

Please provide a management response to findings 3 through 6 as noted in the conclusion section and the recommendations noted above by September 24, 2021. Your prompt response will be greatly appreciated.

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

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCAS
JUDGE, 89TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 133TH 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 B.C.
CHIEF CLERK

LETICIA LOPEZ
JUDGE, 399TH D.C.

L. KENO YASQUEZ
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.

The Honorable J.E. "Eddie" Guerra
September 17, 2021
Page 6 of 6

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, Commissioners Court Executive Officer
Mr. Brandon Wood, Executive Director, Texas Commission on Jail Standards
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Mr. Steve Herrera, Jail Division Chief

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SHOLETERRY JUDGE, 52 ND D.C.	FERNANDO MANCIAS JUDGE, 93 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 F. RAMIREZ, JR. JUDGE, 332 ND D.C.	NOE GONZALEZ JUDGE, 370 TH D.C. OVERSEER	LETICIA LOPEZ JUDGE, 398 TH D.C.	L. KENO VASQUEZ JUDGE, 399 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

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



EDINBURG, TEXAS 78539

September 10, 2021

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

Re: *Monthly Fees Report* for March 2021 through July 2021

Dear Constable Gallardo:

We conducted a limited scope review of the Constable Precinct No. 3 *Monthly Fees Report* and supporting documentation for the months of March 2021 through July 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.

Executive Summary:

Based on the review, we concluded that fees collected were generally properly accounted and reported for the months of March 2021 through July 2021.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Fees Report* for the months of March 2021 through July 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 *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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SMOLETERY
JUDGE, 62ND D.C.

FERNANDO MANCIAS
JUDGE, 63RD D.C.

A. R. "BOBBY" FLORES
JUDGE, 137TH D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

MARLA CUELLAR
JUDGE, 216TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 222ND D.C.

HOE GONZALEZ
JUDGE, 317TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 345TH D.C.

L. KENO VASQUEZ
JUDGE, 366TH D.C.

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

RENEE R. BETANCOURT
JUDGE, 440TH D.C.

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

Honorable Lazaro Gallardo
September 10, 2021
Page 2 of 2

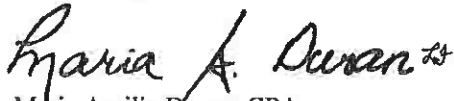
- Verified that the collections per the *Monthly Fees Report* agreed to: 1.) total receipts issued by the Constable; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts, Close-out Reports, and the *Monthly Fees Report* were properly completed.

Conclusion:

Collections for the months of March 2021 through July 2021 totaled \$14,480.00, \$16,938.00, \$3,700.00, \$25,280.00, and \$4,335.00, respectively. Based on the review, we concluded that fees collected were generally properly accounted and reported.

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

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Gerardo Zamora, Chief Deputy Constable, Hidalgo County Precinct No. 3

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 42 ND D.C.	FERNANDO MANCIAS JUDGE, 81 ST D.C.	J. R. "BOBBY" FLORES JUDGE, 118 TH D.C.	ROSE GUERRA REYNA JUDGE, 204 TH D.C.	MARLA CUELLAR JUDGE, 274 TH D.C.	MARIO E. RAMIREZ, JR. JUDGE, 312 TH D.C.	ROE GONZALEZ JUDGE, 321 ST D.C. OVERSEER	LETICIA LOPEZ JUDGE, 381 ST D.C.	L. YENO VASQUEZ JUDGE, 389 TH D.C.	ISRAEL RAMON, JR. JUDGE, 439 TH D.C.	RENEE R. BETANCOURT JUDGE, 468 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

September 10, 2021

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

Re: Cash Count Report No. 2021-56

Dear Mr. Arredondo:

We conducted a surprise cash count of the cash held at the Planning Department's Edinburg Office on August 4, 2021 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

Conclusion:

Total cash on hand at the time of the cash count was \$255.00. Based on the review, we concluded that cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund of \$225.00.

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count please contact Michael Ramos, Internal Auditor I, at 318-2511 ext. 4644, Reynaldo Cantu III, Compliance Audit Supervisor, ext. 4654, Letty Chavez, Director of Audit Division, at ext. 4651, Linda Fong, First Assistant Auditor, at ext. 4668, or me at 4645.

Respectfully,

Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Jorge J. Garcia, Division Manager, Hidalgo County Planning Department

HIDALGO COUNTY DISTRICT JUDGES

1994-1998	1998-2000	2000-2002	2002-2004	2004-2006	2006-2008	2008-2010	2010-2012	2012-2014	2014-2016	2016-2018	2018-2020	2020-2022
JOSE MANCIAS JUDGE, 199 th D.C.	J.R. "BOBBY" FLORES JUDGE, 199 th D.C.	ROSE GUERRA REYNA JUDGE, 204 th D.C.	MARLA CUELLAR JUDGE, 276 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 322 nd D.C.	NOE GONZALEZ JUDGE, 375 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 381 st D.C.	L. KENY VASQUEZ JUDGE, 394 th D.C.	ISRAEL RAMON, JR. JUDGE, 426 th D.C.	RENEE R. BETANCOURT JUDGE, 446 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 th D.C.		

COUNTY of HIDALGO

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EDINBURG, TEXAS 78539

September 10, 2021

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

Re: H.B. 65 Financial Statements for February 2021 through May 2021

Dear Mr. Rodriguez:

We conducted a limited scope review of the H.B. 65 financial statements for the months ended February 28, 2021 through May 31, 2021 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 Carlos Alvarez, Internal Auditor I, at 318-2511 ext. 4667, 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: Ms. Rosalinda Cantu, Assistant Chief of Staff II, District Attorney's Office
Mr. Valde Guerra, County Executive Officer

HIDALGO COUNTY DISTRICT JUDGES

LUIS H. SINGLETERNY JUDGE, 12 th D.C.	FERNANDO NANCIA JUDGE, 6 th D.C.	J. R. "BOBBY" FLORES JUDGE, 13 th D.C.	ROSE GUERRA REYNA JUDGE, 20 th D.C.	MARLA CUELLAR JUDGE, 21 st D.C.	MARIO E. RAMIREZ, JR. JUDGE, 11 th D.C.	NOE GONZALEZ JUDGE, 31 st D.C. OVERSEER	LETICIA LOPEZ JUDGE, 38 th D.C.	L. KENO VASQUEZ JUDGE, 39 th D.C.	ISRAEL RAMON, JR. JUDGE, 43 rd D.C.	RENEE R. BETANCOURT JUDGE, 46 th D.C.	JOSE "JOE" RAMIREZ JUDGE, 48 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

October 7, 2021

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

Re: MFR for Mar-Aug 2021

Dear Constable Cantu:

We conducted a limited scope review of the Constable Precinct No. 2 *Monthly Fees Report* (MFR) and supporting documentation for the months of March 2021 through August 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.

Executive Summary:

We noted that the Constable Precinct No. 2 Office did not collect fees in accordance with the Commissioners Court approved fee schedules.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of March 2021 through August 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 MFR 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 MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Cashier's Daily Close-out Report/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 MFR 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 MFR were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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

FLORIANO MAÑAS
JUDGE, 97TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 135TH D.C.

ROSE GUERRA REYNA
JUDGE, 205TH D.C.

MARLA CUELLAR
JUDGE, 215TH 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.

Conclusion:

Collections for the months of March 2021 through August 2021 totaled \$7,150.00, \$10,371.00, \$11,049.00, \$22,288.00, \$1,550.00, and \$10,435.00, respectively. Based on the review, we concluded that fees were generally properly accounted and reported; however, the system of internal controls for receipting and collection of proper fees requires improvement.

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.

Observation No. 1:

We noted that the Constable Precinct No. 2 Office did not collect fees in accordance with the Commissioners Court approved fee schedules in the months of March 2021 and May 2021.

- \$70.00 instead of \$75.00 was collected for a tax citation issued in 2016; and
- \$75.00 instead of \$150.00 was collected for a levy, deed and notice package issued in 2020.

According to management, cashiers are instructed to return payments and notify the payor when checks are received for the incorrect amount. We were informed that management was going to speak to staff regarding this issue.

Pursuant Local Government Code §118.131 (a), Commissioners Court of a county may set reasonable fees to be charged for services by the offices of the Constable. On September 15, 2015 and September 17, 2019, Commissioners Court approved the Sheriff and Constable Fee Schedule effective January 2016 and January 2020, respectively. The schedule details the amounts that must be collected.

Failure to ensure that fees are properly collected as approved by Commissioners Court may result in loss of County funds.

Recommendation:

Management should develop and implement formal procedures to ensure that fees are properly collected as approved by Commissioners Court.

Please provide a written management response to the observation noted above by October 21, 2021 using the attached Management Response Form.

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

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

Enclosure: Management Response Form

cc: Mr. Valde Guerra, County Executive Officer
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Mr. Armando Campos, Chief Deputy, Hidalgo County Precinct No. 2

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



September 22, 2021

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

Re: *Monthly Fees Report* for March 2021 through August 2021

Dear Constable Gaitan:

We conducted a limited scope review of the Constable Precinct No. 4 *Monthly Fees Report* and supporting documentation for the months of March 2021 through August 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.

Executive Summary:

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 March 2021 through August 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 that receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed *Cashier's Daily Close-out Report/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.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANGAS
JUDGE, 99TH 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.
OVERSEER

LETICIA LOPEZ
JUDGE, 385TH D.C.

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

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

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

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

The Honorable Atanacio Gaitan Jr.
September 22, 2021
Page 2 of 2

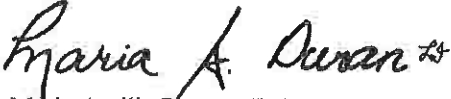
- Verified that receipts, Close-out Reports, and the *Monthly Fees Report* were properly completed.

Conclusion:

Collections for the months of March 2021 through August 2021 totaled \$12,421.00, \$9,791.00, \$12,044.50, \$1,150.00, \$10,009.50, and \$7,813.50, respectively. Based on the review, we concluded that fees collected were properly accounted and reported.

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

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Horaldo Sanchez, Chief Deputy, Hidalgo County Constable Precinct 4

HIDALGO COUNTY DISTRICT JUDGES

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

FERMINO MANGAS
JUDGE, 97TH D.C.

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

ROSE GUERRA REYNA
JUDGE, 209TH D.C.

MARLA CUELLAR
JUDGE, 278TH D.C.

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LENICA LOPEZ
JUDGE, 389TH D.C.

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

ISRAEL RAMON, JR.
JUDGE, 420TH 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
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PHONE: (956) 318-2511
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WEBSITE: www.co.hidalgo.tx.us/auditor



October 7, 2021

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

Re: MFR for Apr-Aug 2021

Dear Mr. Arredondo:

We conducted a limited scope review of the *Monthly Fees Report* (MFR) and supporting documentation for the months of April 2021 through August 2021 pursuant to Local Government Code §115.002 (a) and (b). The objective of the review was to determine if collections were properly accounted and reported. The purpose of this report is to furnish management independent, objective analyses, recommendations, and information concerning the area reviewed. The report should serve as a tool to help management discern and implement specific improvements.

Executive Summary:

Fees collected were generally properly accounted and reported.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of April 2021 through August 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 MFR 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 MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR by footing and cross-footing the report.
- Reviewed receipts issued to determine if proper fee amounts were collected and reported.
- Verified that receipts were issued in sequential order.
- Verified that procedures for voiding receipts were properly followed.
- Reviewed the *Revenue Detail Report by Account* generated from *Alio* to determine if fees collected were properly accounted and deposited with the financial institution on or before the fifth business day after the day on which the funds were received.
- Verified that the collections per the MFR agreed to: 1.) total receipts issued by the department; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts and the MFR were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MENCAS
JUDGE, 93RD D.C.

J. R. "BOBBY" FLORES
JUDGE, 109TH D.C.

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

MARLA CUELLAR
JUDGE, 279TH D.C.

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

ROE GONZALEZ
JUDGE, 376TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 381TH D.C.

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

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

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

JOSE "JOE" RAMIREZ
JUDGE, 454TH D.C.

Mr. T.J. Arredondo
October 7, 2021
Page 2 of 2

Conclusion:

Collections for the months of April 2021 through August 2021 totaled \$108,542.42, \$41,940.00, \$35,147.82, \$63,172.60, and \$53,623.50, respectively. Based on the review, we concluded that fees collected were generally properly accounted and reported.

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

Respectfully,



Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Jorge Garcia, Division Manager, Planning Department

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MORALES
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 OONZALEZ
JUDGE, 379TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

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

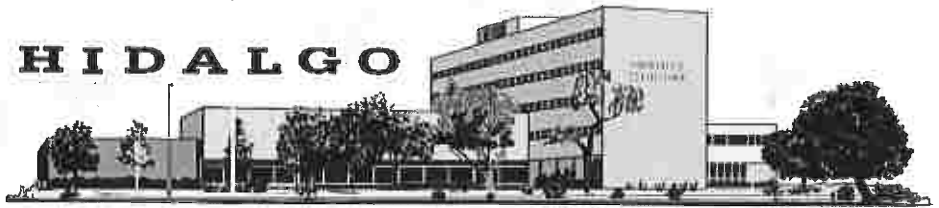
ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

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
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

October 12, 2021

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

Re: Fee Account MFR for Mar-Aug 2021

Dear Sheriff Guerra:

We conducted a limited scope review of the Fee Account *Monthly Fees Report* (MFR) for the months of March 2021 through August 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.

Executive Summary

Fees collected were generally properly accounted for and reported; however, the system of internal controls for the accounting, reporting, and collection of proper fees requires improvement. More specifically, we noted the Sheriff's Office allows for the collection of partial payments. In addition, the remaining balance was not invoiced or collected by the Sheriff's Office.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of March 2021 through August 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 MFR 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 MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR by footing and cross-footing the report.
- Reviewed receipts to determine if proper fee amounts were collected and reported.
- Verified that procedures for voiding receipts were properly followed.
- Verified that the collections per the MFR agreed to: 1.) total receipts issued per the Receipt Journal Report generated from *Odyssey*; 2.) total deposits made with the financial institution; and 3.) total receipts issued by the County Treasurer.
- Verified that receipts were issued in sequential order.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

MARLA CUELLAR
JUDGE, 278TH D.C.

MARIO E. RAMIREZ, JR.
JUDGE, 322ND 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, 430TH D.C.

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

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

- Verified that receipts and the MFR were properly completed.

Conclusion:

Collections for the months of March 2021 through August 2021 totaled \$30,295.88, \$28,371.41, \$28,134.20, \$27,118.73, \$27,088.70, and \$25,460.37, respectively. Based on the review, we concluded that fees generally properly accounted and reported; however, the system of internal controls for the accounting, reporting, and collection of proper 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 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 partial fee amounts were collected in the month of June 2021 (receipt no. SO-2021-01885 and SO-2021-01887) and August 2021 (receipt no. SO-2021-02902). In addition, the remaining balance was not invoiced or collected by the Sheriff's Office. According to staff, the Sheriff's Office management approved the collection of partial payments.

Pursuant Local Government Code §118.131 (a), Commissioners Court of a county may set reasonable fees to be charged for services by the sheriff. On September 15, 2020, Commissioners Court approved the Sheriff and Constable Fee Schedule. The schedule details the amounts that must be collected. Partial payments or waiver of fees are not authorized.

Failure to ensure that fees are collected as approved by Commissioners Court may result in the loss of County funds.

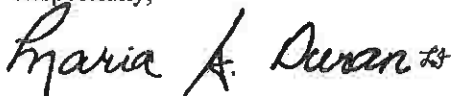
Recommendation:

The Sheriff's Office should collect the remaining balance from the payors. In addition, management should develop and implement formal procedures to ensure that fees are collected as approved by Commissioners Court. Furthermore, the Sheriff's Office should develop procedures for returning payments that are received for amounts inconsistent with the approved fee schedule.

Please provide a management response to the observation noted above by October 22, 2021.

If you have any questions, please contact Aaron Robledo, Internal Auditor I, at 318-2511, ext. 4694, Reynaldo Cantu III, Compliance Audit Supervisor, at ext. 4654, Lefty 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

cc: Mr. Valde Guerra, County Executive Officer
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Mr. Guillermo Palacios, Budget Manager II, Hidalgo County Sheriff's Office

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCAS
JUDGE, 67TH D.C.

J. R. "BOBBY" FLORES
JUDGE, 129TH 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, 317TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 383RD D.C.

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

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

RENEE R. BETHANCOURT
JUDGE, 443RD D.C.

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



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

AUDITEE: The Honorable J.E. "Eddie" Guerra, Sheriff **AUDIT NO.:** _____

AUDIT: Fee Account MFR Mar-Aug 2021 **MANAGEMENT RESPONSE DUE:** October 22, 2021

FINDING No.: 1 **RECOMMENDATION:** 1

The Sheriff's Office should collect the remaining balance from the payors. In addition, management should develop and implement formal procedures to ensure that fees are collected as approved by Commissioners Court. Furthermore, the Sheriff's Office should develop procedures for returning payments that are received for amounts inconsistent with the approved fee schedule.

Management Response (Choose One):

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

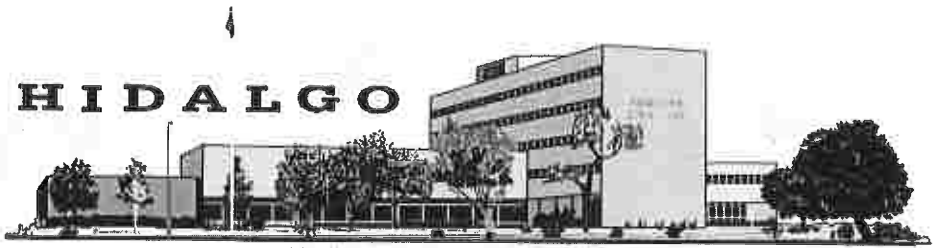
Management Comments (Attach additional page(s) if necessary):

Specify Target Date of Remedial Action (if any):

Signature: _____ **Date:** _____

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (361) 318-2511
FAX: (361) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



EDINBURG, TEXAS 78539

October 12, 2021

The Honorable David L. Fuentes, Commissioner
Hidalgo County Precinct No. 1
1902 Joe Stephens Suite 101
Weslaco, Texas 78596

Re: Sanitation Program MFR for Apr-Jul 2021

Dear Commissioner Fuentes:

We conducted a limited scope review of the Precinct 1 Sanitation Program *Monthly Fee Report* (MFR) and supporting documentation for the months of April 2021 through July 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.

Executive Summary:

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 MFR for the months of April 2021 through July 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 MFR 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 MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR 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.
- Verified that the collections per the MFR 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 MFR were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCASA
JUDGE, 89TH D.C.

J. R. "BIBBY" FLORES
JUDGE, 129TH 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.
OVERSEER

LETICIA LOPEZ
JUDGE, 399TH D.C.

I. KENO VARQUEZ
JUDGE, 399TH D.C.

ISRAEL RAMON, JR.
JUDGE, 403RD D.C.

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

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

The Honorable David L. Fuentes
October 12, 2021
Page 2 of 2

Conclusion:

Collections for the months of April 2021 through July 2021 totaled \$48,550.00, \$41,550.00, \$45,850.00, and \$36,000.00, respectively. Based on the review, we concluded that fees collected were generally properly accounted and reported.

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

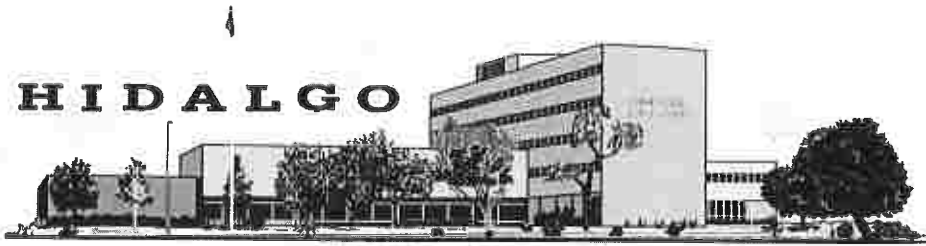
cc: Mr. Valde Guerra, County Executive Officer
Mr. David Suarez, Chief Administrator, Hidalgo County Precinct No. 1

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY JUDGE, 82 nd D.C.	FELIPE MANGAS JUDGE, 89 th D.C.	J. R. "BOBBY" FLORES JUDGE, 133 rd D.C.	ROSE GUERRA REYNA JUDGE, 206 th D.C.	MARLA CUELLAR JUDGE, 275 th D.C.	MARIO E. RAMIREZ, JR. JUDGE, 312 nd D.C.	NOE GONZALEZ JUDGE, 370 th D.C. OVERSEER	LETICIA LOPEZ JUDGE, 385 th D.C.	L. KENO VASQUEZ JUDGE, 388 th D.C.	ISRAEL RAMON, JR. JUDGE, 410 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

October 13, 2021

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

Re: Anzalduas Park MFR for Jun-Aug 2021

Dear Commissioner Villarreal:

We conducted a limited scope review of the Anzalduas Park *Monthly Fee Report* (MFR) and supporting documentation for the months of June 2021 through August 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.

Executive Summary:

Fees collected were generally properly accounted and reported; however, the system of internal controls for the collection of proper fees requires improvement. More specifically, we noted that park fees were waived under certain circumstances that have not been approved by Commissioners Court.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of June 2021 to August 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 MFR 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 MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR by footing and cross-footing the report.
- Reviewed tickets issued to determine if proper fee amounts were collected and reported.
- Verified tickets were issued in sequential order.
- Verified that procedures for voiding tickets 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 or before the fifth business day after the day on which the funds were received pursuant to Local Government Code §113.022.
- Verified that the collections per the MFR 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 MFR were properly completed.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCAS
JUDGE, 87TH D.C.

J.R. "BOBBY" FLORES
JUDGE, 123RD D.C.

ROSE GUERRA REYNA
JUDGE, 208TH D.C.

MARLA CUELLAR
JUDGE, 275TH D.C.

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

NOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 389TH D.C.

L. XENO YASQUEZ
JUDGE, 398TH D.C.

ISRAEL RAWON, JR.
JUDGE, 485TH D.C.

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

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

Conclusion:

Collections for the months of June 2021, July 2021, and August 2021 totaled \$756.00, \$848.00, and \$72.00, respectively. Based on the review, we concluded that fees collected were properly accounted and reported; however, the system of internal controls for the accounting and reporting of fees requires improvement as noted in the 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:

A \$4.00 park entrance fee is collected from vehicles entering the Anzalduas Park on Saturdays and Sundays. However, according to staff, the park entrance fee is waived under certain circumstances. For example, the park entrance fee is also waived from vehicles entering the park after the Daily Close-Out Report and deposit cut-off time of 4:30 p.m. In addition, the park entrance fee is waived from County employees and law enforcement personnel upon presentment of a County or law enforcement identification card. Although Commissioners Court may waive the collection of the park entrance fee under certain circumstances, evidence of a Commissioners Court waiver policy was not provided.

Pursuant to Local Government Code §316.004, "the commissioners court may set and collect the fees in different amounts or may waive the fees in consideration of the following factors: (1) the time of the day at which or the day of the week on which a facility or service is used; (2) the size of a group wishing to use a facility or service; (3) the special circumstances of certain classes of persons, including elderly persons and indigent persons; or (4) other factors that the court considers to justify a different fee or the waiver of a fee."

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

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


Recommendation:

Management should develop and implement formal procedures to ensure that park entrance fees are properly collected. In addition, the park entrance fee should continue to be collected after the cut-off time as required by the *Cash Handling Guidelines and Procedures*.

Please provide a written management response to the observation noted above by October 22, 2021.

If you have any questions, please contact Enrique Leal, Internal Auditor I, at 318-2511, ext. 4641, 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,

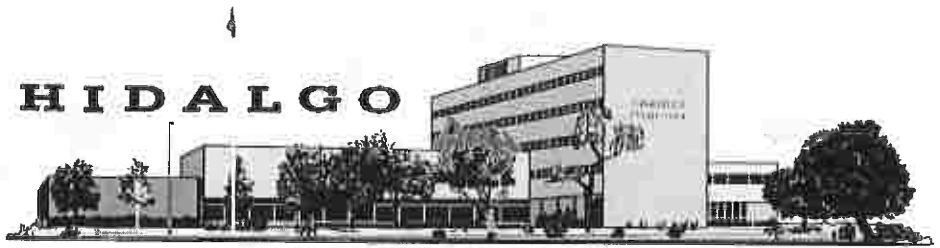

Maria Arcilia Duran, CPA
Hidalgo County Auditor

cc: Mr. Valde Guerra, County Executive Officer
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Mr. Martin Garza, Chief Administrator, Hidalgo County Precinct No. 3
Ms. Norma Ceballos, Executive Assistant III, Hidalgo County Precinct No. 3

HIDALGO COUNTY DISTRICT JUDGES

COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
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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

October 13, 2021

The Honorable Everardo Villarreal, Commissioner
Hidalgo County Precinct No. 3
724 North Breyfogle
Mission, TX 78572

Re: Sanitation Program MFR for Mar-Jun 2021

Dear Commissioner Villarreal:

We conducted a limited scope review of the Precinct 3 Sanitation Program *Monthly Fee Report* (MFR) and supporting documentation for the months of March 2021 through June 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.

Executive Summary:

Fees collected were generally properly accounted and reported; however, the system of internal controls for the accounting of permits requires improvement. More specifically, we were unable to account for all permits assigned to the Precinct 3 Sanitation Office as noted in the observation below.

Scope:

The scope of the review was limited to collections reported by your office on the MFR for the months of March 2021 through June 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 MFR 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 MFR was signed by an authorized signatory as documented on the "Authorized Signatories Form."
- Verified the mathematical accuracy of the MFR 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, 52ND D.C.

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

ROSE GUERRA REYNA
JUDGE, 206TH D.C.

MARLA CUELLAR
JUDGE, 276TH D.C.

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

HOE GONZALEZ
JUDGE, 370TH D.C.
OVERSEER

LETICIA LOPEZ
JUDGE, 383RD D.C.

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

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

RENEE R. BETANCOURT
JUDGE, 440TH D.C.

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

- Verified that the collections per the MFR 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 MFR were properly completed.

Conclusion:

Collections for the months of March 2021 through June 2021 totaled \$61,950.00, \$58,550.00, \$40,775.00, and \$48,425.00, respectively. Based on the review, we concluded that fees collected were generally properly accounted and reported; however, 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 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 permit number 95143 issued to user 13 during June 2021 was out of sequence and unaccounted for. Precinct 3 staff was unable to provide an explanation for the missing permit.

In addition, missing permits totaling \$50.00 issued between December 2020 and February 2021 have not been replenished and deposited with the County Treasurer, as previously requested by the County Auditor's Office.

Persons who accept accountable forms (i.e., permits, receipts, etc.) become responsible, upon receipt, for the accountability and safeguarding of such forms. Loss or theft of accountable forms must be promptly reported to the County Auditor's Office. The written notification should include a statement of the circumstances concerning the loss. Accountable forms reported lost or stolen must be marked "Void" in the electronic application system. Management must also monitor all missing accountable forms to determine if there is a pattern meriting further investigation, modification of procedures, retraining of personnel, or disciplinary action. Furthermore, the supervisor should verify that the permits previously issued to the cashier have been sold prior to issuing additional permits.

The County Auditor's Office requires that cash receipts be deposited intact on a daily basis. A county officer is personally liable for the loss of funds (e.g., shortage, acceptance of counterfeit bill, hot check, credit card charge backs, etc.) while in his/her possession in the performance of official duties. Shortages must be replenished.

Failure to ensure that cash receipts are deposited intact on a daily basis and permits are properly accounted and safeguarded may result in the loss of County revenue.

Recommendation:

Management should ensure that permits are properly accounted and safeguarded. At a minimum, the procedures noted above should be implemented. The unaccounted permits should also be voided in the Solid Waste Disposal Application Program. Management should request indemnification for the \$75.00 resulting from missing permits.

Please provide a written management response to the observation noted above by October 22, 2021.

If you have any questions, please contact Aaron Robledo, Internal Auditor I, at 318-2511, ext. 4694, 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.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. BINGLETERRY
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, 279TH 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.

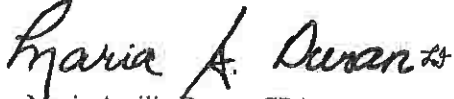
ISRAEL RAMON, JR.
JUDGE, 430TH D.C.

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

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

The Honorable Everardo Villarreal
October 13, 2021
Page 3 of 3

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
- Mr. Martin Garza, Chief Administrator, Hidalgo County Precinct No. 3
- Ms. Norma Ceballos, Executive Assistant III, Hidalgo County Precinct No. 3

HIDALGO COUNTY DISTRICT JUDGES

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

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JUDGE, 83RD D.C.

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JUDGE, 448TH D.C.

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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



September 30, 2021

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

Re: *Monthly Fees Reports* for June 2021 through August 2021

Dear Ms. Ramon:

We conducted a limited scope review of the *Monthly Fees Reports (Monthly Report)* and supporting documentation for the months of June 2021 through August 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.

Executive Summary:

We concluded that fees were generally properly accounted and reported.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Reports* for the months of June 2021 and August 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. SINGLETERRY
JUDGE, 92ND D.C.

FERNANDO MANCIAS
JUDGE, 93RD D.C.

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

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

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

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

Conclusion:

Collections for the months of June 2021 through August 2021 totaled \$66,409.15, \$91,841.44, and \$15.00, respectively. Based on the review, we have concluded that fees were generally 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,
Ms. Hilda Salinas, Assistant Director, Elections Department

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
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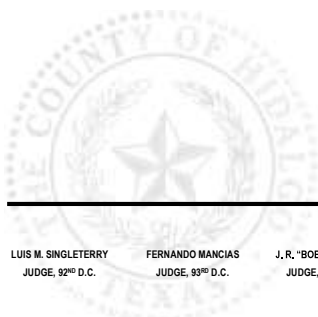
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COUNTY of HIDALGO

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



EDINBURG, TEXAS 78539

September 20, 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 the months of June 2021 and July 2021

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 June 2021 and July 2021 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.

Executive Summary:

1. Total deposits did not agree to the amount collected per the *Deposit Status Report - All Locations*.
2. Collections for 2 days in the month of June were transferred to the County Treasurer's Office 6 business days after the day the money was received.

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 June 2021 and July 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 *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.

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, 430th D.C.

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JUDGE, 449th D.C.

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

- 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.
- 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 months of June 2021 and July 2021 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 June 2021 and July 2021 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 \$12,575,744.24 and \$2,307,826.48, 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 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 total deposits did not agree to the amount collected per the *Deposit Status Report - All Locations*, as follows:

For June:

- Deposits were short a total of \$144.23. Some significant shortages are as follows:
 - Cash shortage on June 29, 2021 in the amount of \$100.21 at the Weslaco Tax Office; and
 - Cash shortage on June 30, 2021 in the amount of \$20.00 at the Pharr Tax Office.
- Deposits were over a total of \$159.40. Some significant overages are as follow:
 - Cash overage on June 7, 2021 in the amount of \$39.75 at the Edinburg Tax Office; and
 - Cash overage on June 24, 2021 in the amount of \$100.00 at the Edinburg Tax Office.

For July:

- Deposits were short a total of \$27.23.
- Deposits were over a total of \$30.95.

The cash shortages were replenished with funds in the Cashier Over/Short balance sheet account. Overages are not remitted to the County Treasurer's Office; instead, they were recorded in the Cashier Over/Short balance sheet account.

HIDALGO COUNTY DISTRICT JUDGES

LUIS M. SINGLETERRY
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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.

Observation No. 2:

Collections for 2 days in the month of June 2021 were transferred to the County Treasurer's Office 6 business days after the day the money was received.

Pursuant to Local Government Code §113.022, "A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received."

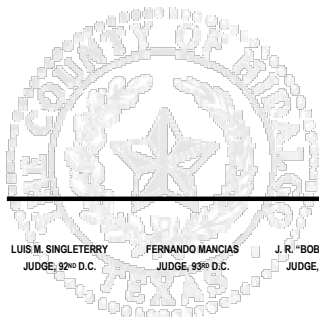
Failure to ensure collections are transferred and recorded in accordance with Local Government Code §113.022 will cause revenues to not be recognized in a timely manner and may affect revenue projections.

Recommendation:

Management should ensure that collections are transferred to the County Treasurer's Office in a timely manner.

Please provide a written management response for the observations noted above by October 1, 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.



HIDALGO COUNTY DISTRICT JUDGES

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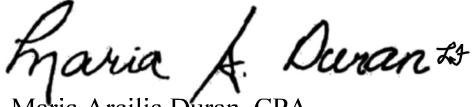
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JUDGE, 430th D.C.

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

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

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
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

HIDALGO COUNTY DISTRICT JUDGES

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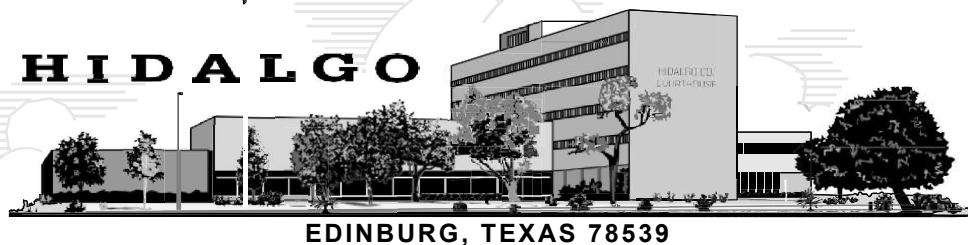
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COUNTY of HIDALGO

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PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor



October 4, 2021

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

Re: *Criminal Fees Monthly Report* for April 2021 through June 2021

Dear Mr. Guajardo:

We conducted a limited scope review of the *Criminal Fees Monthly Report (Monthly Report)* for the months of April 2021 through June 2021 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.

Executive Summary:

Based on the review, we concluded that fines, fees, and court costs were generally properly accounted and reported; however, we noted that 44 of 309 randomly selected receipts during the months of April 2021 through June 2021 contained errors in the allocation of fines, fees, and court costs.

Scope:

The scope of the review was limited to collections reported by your office on the *Monthly Report* for the months of April 2021 through June 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 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.

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 93rd D.C.

J. R. "BOBBY" FLORES
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JUDGE, 449th D.C.

JOSE "JOE" RAMIREZ
JUDGE, 464th 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.
- 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* (Close-out Report) 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.
- 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 April 2021 through June 2021 totaled \$119,090.87, \$104,010.59, and \$121,745.35, 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 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 44 of 309 randomly selected receipts during the months of April 2021 through June 2021 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, they are reviewing the adjustments.

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.

HIDALGO COUNTY DISTRICT JUDGES

Please provide a written management response to the observation noted above by October 15, 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: Ms. Annette Muniz, Hidalgo County Clerk Chief Deputy
Ms. Berenize Alvarado, Hidalgo County Clerk Internal Auditor
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

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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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

October 4, 2021

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

Re: *Civil and Probate Court Cost Monthly Reports* for April 2021 through June 2021

Dear Mr. Guajardo:

We conducted a limited scope review of the *Civil and Probate Court Cost Monthly Report (Monthly Report)* for the months of April 2021 through June 2021 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 April 2021 through June 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 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* (Close-out Report) 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.

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- Verified that receipts, *Revenue Remittance Reports*, the *Monthly Report*, and mail logs were properly completed.
- 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 April 2021 through June 2021 totaled \$129,847.86, \$128,680.75, \$146,291.78, respectively. Based on the review, we concluded that fees and court costs were generally properly accounted and reported.

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

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October 4, 2021

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

Re: *Monthly Fees Reports* for April 2021 through June 2021

Dear Ms. Hinojosa:

We conducted a limited scope review of the *Monthly Fees Report* and supporting documentation for the months of April 2021 through June 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 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 April 2021 through June 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.
- Verified that the 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.
- Verified that the *Cashier's Daily Fund Reports* and bank deposit slips were properly completed and accurate.

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- 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 received and deposited.

Conclusion:

Collections for the months of April 2021 through June 2021 totaled \$530,558.48, \$431,079.34, and \$460,420.40, 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
Ms. Sabrina Guerra, Accountant IV, District Clerk's Office

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October 7, 2021

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

Re: MFFR for Apr-Jun 2021

Dear Judge Saenz:

We conducted a limited scope review of the *Monthly Fines and Fees Reports* (MFFRs) and supporting documentation for the months of April 2021 through June 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 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.

Executive Summary:

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.

1. 106 of 1,571 transactions during the months of April 2021 through June 2021 contained errors in the allocation of fines, fees and court costs.
2. Procedures for the Scofflaw Program have not been properly implemented.
3. The April 2021, May 2021, and June 2021 Monthly Reports were submitted after the fifth day following the end of the month.

Repeat Observations:

1. 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.
2. Copies of the May 2013 and August 2013 through June 2021 Office of Court Administration's "Official Justice of the Peace Monthly Reports" (OCA Reports) have not been submitted to Office of Court Administration (OCA).
3. Four 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), March 2020 (2), 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.

Scope:

The scope of the review was limited to collections reported by your office on the MFFRs for the months of April 2021 through June 2021. The review was not designed nor intended to be a detailed study of every

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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 MFFRs 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 MFFRs were signed by an authorized signatory as documented on the “Authorized Signatories Form.”
- Verified the mathematical accuracy of the MFFRs by footing and cross-footing the reports.
- 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 MFFRs agreed to: 1.) total receipts issued per *Odyssey’s* Receipt Journal Reports, 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.
- 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 MFFRs 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 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 MFFRs, 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 the forms were properly completed and the procedures for the Scofflaw Program were properly implemented.

Conclusion:

Collections for the months of April 2021 through June 2021 totaled \$103,711.10, \$75,345.70, and \$85,678.03, 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 106 of 1,571 transactions during the months of April 2021 through June 2021 contained errors in the allocation of fines, fees, and court costs. Some of the errors resulted from the disposition date (judgment

HIDALGO COUNTY DISTRICT JUDGES

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 continue 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.

Observation No. 2:

We reviewed all twelve *Scofflaw Release Forms* for the month of April 2021. We noted that procedures for the Scofflaw Program have not been properly implemented as follows:

1. For 2 of 12 forms, the outstanding balance noted on the *Scofflaw Release Form* did not agree to the amount in *Odyssey*.
2. For 2 of 12 forms, the new outstanding balance was not handwritten by the Justice of the Peace and the *Scofflaw Release Form* did not contain the Judge's signature as approval of the change.
3. For 1 of 12 forms, the case disposition in *Odyssey* did not agree to the disposition entered on the *Scofflaw Release Form*.
4. For 7 of 12 forms, a copy of the official County receipt was not attached to the *Scofflaw Release Form* as proof of payment.
5. For 3 of 12 forms, the *Scofflaw Release Form* was signed and sealed (approved) by the authorized representative of the court prior to receipt of the "Motion to Dismiss" Form.
6. For 3 of 12 forms, a copy of the signed "Motion to Dismiss" Form was not attached to the *Scofflaw Release Form*.
7. For 3 of 12 forms, the outstanding balance was not zeroed out and a case disposition was not entered in *Odyssey* prior to approving the *Scofflaw Release Form*.
8. For 3 of 12 forms, the approved *Scofflaw Release Form*, proof of dismissal, and "Motion to Dismiss" forms were not scanned and entered in *Odyssey*.
9. For 4 of 12 forms, the payment type was not selected on the *Scofflaw Release Form* and for 1 form, the case disposition/status was not selected on the *Scofflaw Release Form*.

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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. All other observations were 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 and the outstanding balance is paid in full. The following procedures should be implemented:

- a. The amount receipted in *Odyssey* must agree to the outstanding balance noted on the *Scofflaw Release Form*.
- b. 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.
- c. The case disposition in *Odyssey* must agree to the disposition entered on the *Scofflaw Release Form*.
- d. A copy of the official County receipt must be attached to the *Scofflaw Release Form*.
- e. The approved *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.
- f. The "Motion/Order to Dismiss" form must be attached to the *Scofflaw Release Form*.
- g. The outstanding balance must be zeroed out and a case disposition entered in *Odyssey* prior to approving the *Scofflaw Release Form*.
- h. 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*.
- i. *Scofflaw Release Forms* should have the payment type and case disposition/status selected.

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 the April 2021, May 2021, and June Monthly Reports were submitted 20 days, 3 days, and 3 days, respectively after the fifth day following the end of the month. According to the Court Coordinator, the April 2021 and June 2021 Monthly Reports were not submitted timely due to Justice of the Peace being out of the office and the May 2021 Monthly Report was not submitted timely due to Court Coordinator being out of the office.

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.

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

HIDALGO COUNTY DISTRICT JUDGES

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 June 2021 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.

Repeat Observation No. 3:

We noted four 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), March 2020 (2), 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 date each was given; (8) the motion for new trial, if any, and the

HIDALGO COUNTY DISTRICT JUDGES

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.

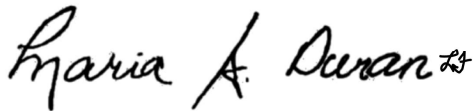
Recommendation:

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.

Please provide written management responses for the observations noted above by October 22, 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
Mr. Daniel Salinas, Director, Information Technology Department
Ms. Clarissa Longoria, CIJS Manager, Information Technology Department
Ms. Yvonne Ybarra, CIJS Support Specialist, Information Technology Department
Mr. Sergio Cruz, Director, Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator

HIDALGO COUNTY DISTRICT JUDGES

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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



October 1, 2021

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

Re: Texas Parks and Wildlife Financial Statements for June 2021 and July 2021

Dear Mr. Guajardo:

We conducted a limited scope review of the Texas Parks and Wildlife financial statements for the months of June 30, 2021 and July 31, 2021 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.

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. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Ms. Annette Muniz, Chief Deputy, Hidalgo County Clerk's Office

HIDALGO COUNTY DISTRICT JUDGES

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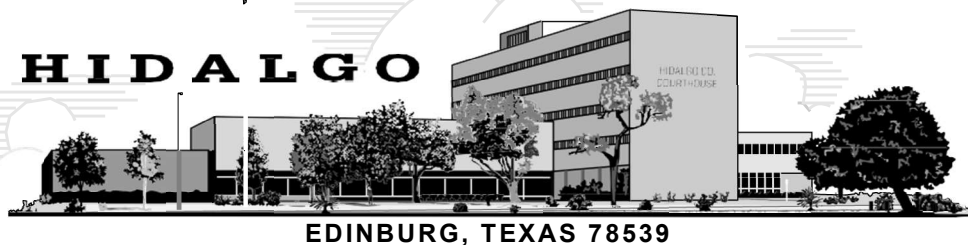
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EDINBURG, TEXAS 78539

October 7, 2021

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

Re: Registry Financial Statements for January 2021 through May 2021

Dear Mr. Guajardo:

We conducted a limited scope review of the Registry financial statements for the months ending January 31, 2021 through May 31, 2021 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 May 31, 2021, the "Investments" and "Trust Deposits" balance sheet accounts had a balance of \$9,058,159.06 and \$5,436,397.71, respectfully. The balances consist of funds deposited into the registry account from 1954 through 2021 pursuant to a court order. Furthermore, the "Trust Deposit" includes 25 cases with negative amounts totaling \$6,050.28. According to the County Clerk's Internal Auditor, a list of cases is sent to the DA's Office. If the DA's Office notifies them that the cases were dismissed or are stale, the funds are sent to the State Comptroller's Office as unclaimed property. In cases in which no order has been found the funds are kept in the Registry Account. In addition, research on the 25 cases was conducted and it was determined that indemnification will be requested from Commissioners Court.

We recommend that the County Clerk's Office conduct research to determine if the court has ordered the release of funds. Assistance of the District Attorney's Office should be requested for the older cases that have no court orders until all cases have been resolved. In addition, the 25 cases with negative amounts, should be recorded as receivables on the balance sheet.

Observation No. 2:

As of May 31, 2021, the "County Clerk Escrow Account Report" and the "County Clerk Trust Account Report" do not reconcile to the amount reported on the "Trust Deposits" balance sheet account. The variance between

HIDALGO COUNTY DISTRICT JUDGES

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the schedules and the balance sheet amount is \$187.45. The net variance amount consists of an unidentified amount of \$187.65 and a disbursement that was not recorded properly. Check number 4685 for case CL-16-3888-H was issued for \$0.20 more than what was recorded on the “County Clerk Trust Account Report”. The County Auditor’s office recommends that indemnification be request for the unidentified variance of \$187.65 and the \$0.20 over disbursement. Furthermore, the \$0.20 over disbursement should be recorded as a receivable on the balance sheet.

Observation No. 3:

We noted that 34 checks totaling \$34,576.75 issued during the months of February 2020 through May 2021 were not posted in Odyssey (EXHIBIT A). According to the County Clerk’s Office Internal Auditor, 2 of the 34 checks were posted during the month of June 2021, and 32 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.

Observation No. 4:

The January 2021 through May 2021 financial statements were submitted to the County Auditor’s Office 20 days, 24 days, 12 days, 3 days and 4 days respectively, after the fifteenth business day following the end of the month. According to the County Clerk’s Accountant, the financial statements were submitted late as staff was awaiting to received interest earned on Certificates of Deposit from the financial institutions.

In accordance with Local Government Code, Sec. 114.002, “The County Auditor shall determine the time and manner for making reports to the auditor.” The County Auditor’s Office has a policy requiring that the County Clerk’s financial statements must be filed within 15 business days after the last day of each month. Timely submittal of the financial statements helps ensure proper accounting and accurate financial conditions of accounts are reflected on the County’s books.

We recommend that the County Clerk’s Office contact the various financial institutions and request that the interest earned amounts be received earlier. As an alternative, the financial statements should be submitted to the County Auditor’s Office without recording the interest earned. A revised balance sheet accompanied by the documents of the interest earned on Certificates of Deposit received from the financial institutions should be submitted to the County Auditor’s Office after the interest earned are recorded on the financial statement.

Observation No. 5.

As of May 31, 2021, the “Due From Others” and various “NSF” balance sheet accounts had a balance of \$6,680.68. The balance consisted of the following:

- “Due from Others” in the amount of \$50.68 dating from July 31, 2001 through May 8, 2013;
- “NSF-FNB” in the amount of \$250.00 from September 30, 2003;
- “NSF-IBC” in the amount of \$1,280.00 from May 6, 1999 through June 18, 2001; and
- “NSF-LSNB” in the amount of \$5,100.00 from April 10, 2018 through December 3, 2020.

Collection on two NSF checks totaling \$3,200.00 (recorded in the “NSF-LSNB” balance sheet account) were received in December 2020; however, the funds were deposited in the General Fund instead of the County Clerk’s Registry Account. A transfer from the General Fund to the County Clerk’s Registry Account was made on September 22, 2021.

We recommend that the County Clerk’s Office continue to make attempts to collect on all other pending amounts. If collection efforts have been exhausted, management should request indemnification from Commissioners Court for \$3,480.68.

HIDALGO COUNTY DISTRICT JUDGES

Observation No. 6:

As of May 31, 2021, the balance sheet consisted of the following liability accounts:

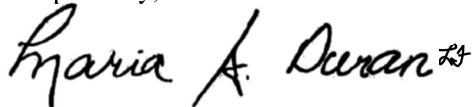
- “Due to Others-Cks over 90 days” in the amount of \$98.70 dating from June 17, 2011 through April 22, 2013; and
- “Over & Short” in the amount of -\$0.42 dating from September 30, 2002 through December 31, 2016.

We recommend that the funds be paid to whom they are owed. If attempts to pay the individuals return unsuccessful, the funds should be escheated to the County Treasurer or the State Comptroller pursuant to Property Code Chapter 74 and 76. Furthermore, the -\$0.42 balance in the “Over & Short” account should be recorded as a receivable and indemnification for the amount should be requested from Commissioners Court.

Please provide a management response to observations noted above by October 15, 2021.

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

cc: Mr. Valde Guerra, Commissioners Court Executive Officer
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Mr. Daniel Salinas, Director, Information Technology Department
Ms. Clarissa Longoria, CIJS Manager, Information Technology Department
Ms. Annette Muniz, Chief Deputy, Hidalgo County Clerk’s Office

HIDALGO COUNTY DISTRICT JUDGES

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COUNTY of HIDALGO



EDINBURG, TEXAS 78539

HIDALGO COUNTY AUDITOR'S OFFICE
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Edinburg, Texas 78539-6243
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September 30, 2021

The Honorable Lita Leo
Hidalgo County Treasurer
2810 South Business Highway 281
Edinburg, Texas 78539-6243

Re: Jury Script Financial Statements for January 2021 through April 2021

Dear Ms. Leo:

We conducted a limited scope review of the Jury Script financial statements for the months ended January 31, 2021 through April 30, 2021 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.

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, 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 Laura Hinojosa, Hidalgo County District Clerk
Mr. Valde Guerra, County Executive Officer
Mr. Alfredo Zamarripa, Chief Deputy, Hidalgo County Treasurer's Office

HIDALGO COUNTY DISTRICT JUDGES

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COUNTY of HIDALGO

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October 4, 2021

The Honorable Laura Hinojosa, District Clerk
Hidalgo County District Clerk's Office
100 N. Closner
Edinburg, TX 78539

Re: Fee Financial Statements for January 2021 through April 2021

Dear Ms. Hinojosa:

We conducted a limited scope review of the Fee financial statements for the months of January 2021 through April 2021 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 below.

Observation No. 1:

As of April 30, 2021, the "Accounts Receivable" balance sheet account had a balance of \$1,274.57. The balance consisted of "NSF checks" in the amount of \$1,274.57 from December 11, 2020 through April 30, 2021. According to the District Clerk's Accountant, attempts are being made to collect.

We recommend that the District Clerk's Office continue to make attempts to collect.

Observation No. 2:

As of April 30, 2021, the "Due to Other Governments" balance sheet account had a balance of \$24,388.79. The amount consisted of \$2,664.79 due to the Secretary of State from December 11, 2003 through November 21, 2019 and \$21,724.00 due to Texas Department State Health Services from March 10, 2003 through April 30, 2021. According to the District Clerk's Accountant, research is done prior to distributing funds when time permits.

We recommend that staff continue to research the accounts and pay the Secretary of State and the Texas Department State Health Services as soon as possible.

HIDALGO COUNTY DISTRICT JUDGES

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Observation No. 3:

As of April 30, 2021, the "Due to Others" balance sheet account had a balance of \$421,486.62. The balance consisted of the following:

- "Attorney Ad-Litem" in the amount of \$4,581.11 dating from February 28, 2006 through April 30, 2016. Research on these cases was conducted by the County Auditor's Office and the findings have been previously provided.
- "Court ordered social study" in the amount of \$200.00 from July 16, 2003;
- "Overpayments" in the amount of \$407,578.94 dating from May 27, 2003 through April 30, 2021; and
- "Void checks over 90 days" in the amount of \$9,126.57 dating from May 17, 2017 through January 26, 2021.

According to the District Clerk's Accountant, research is done prior to distributing funds when time permits.

We recommend that the funds be paid to whom they are owed. If attempts to pay the individuals return unsuccessful, the funds should be escheated to the County Treasurer or the State Comptroller pursuant to Property Code Chapter 74 and 76.

Please provide a management response to the observations noted above by October 15, 2021.

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, 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
Ms. Sabrina Guerra, Accountant IV, District Clerk's Office

HIDALGO COUNTY DISTRICT JUDGES

COUNTY of HIDALGO



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EDINBURG, TEXAS 78539

September 30, 2021

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

Re: Cash Count Report No. 2021-582

Dear Ms. Ramon:

We conducted a surprise cash count of the cash held at the Elections Department on May 26, 2021 as required by Local Government Code §115.0035. The objective of the cash count was to determine if total cash on hand reconciled to the total receipts issued for the day up to the time of the cash count and the approved change fund.

Scope:

The scope of the review was limited to a count of the cash on hand as of the time of the cash count. 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.

Conclusion:

At the time of the cash count, receipts had not been issued and collections had not been made. Based on the cash count, we concluded that total cash on hand reconciled to the approved change fund of \$50.00; however, we noted the following observations.

Observation No. 1:

A notice stating "Make sure you receive an official county receipt when making payments at this office" was not posted and did not contain a sample of the current receipt being issued by the department nor did it have a schedule visible for the public to see fees collected by the department. In addition, the following notices were also not posted: "A \$ _ fee will be collected on all returned checks", "Gifts, gratuities, and/or tips will not be accepted", and "This area is being monitored by a security camera". According to the Accounting Clerk, the notices had not been posted since they had just relocated to the new location. All notices were subsequently posted by July 1, 2021.

The County Auditor's Office requires the following notices to be posted in a place visible to the public near cashiers: "Make sure you receive an official county receipt when making payments at this office", "A \$ _ fee will be collected on all returned checks", "Gifts, gratuities, and/or tips will not be accepted", and "This area is being monitored by a security camera". A sample of official county receipt(s) issued by the department must be posted by the notice "Make sure you receive an official county receipt when making

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JUDGE, 464th D.C.

payments at this office” so the public will know what type of receipt to expect. In addition, a fee schedule should be visible for the public to see fees collected by the department.

Failure to post the required notices, sample of official county receipt, and fee schedule increases the risk of loss or misuse of County funds.

Recommendation:

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

Observation No. 2:

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

- o Custody: Has access to inventory of unused cash receipts and takes collections to the County Treasurer’s Office.
- o Recording: Accounts for numerical sequence of cash receipts, records receipts in cash received report, maintains inventory log of unused cash receipts, prepares billings and follows up on delinquencies, prepares reports of cashed receipts, and prepares monthly report.
- o Authorization: Compares listed mail receipts to cash receipts, verifies that voided receipts are kept and reviewed, and verifies that total amount on remittance form agrees to cashier’s close-out reports.

According to staff, due to a heavy work load and limited number of staff, proper segregation of duties over the handling of collections has not been implemented.

The responsibility for sound internal controls rests with management. Segregation of duties is a basic, key internal control that prevents one individual from performing a transaction from beginning to end. In addition, it provides an individual with the opportunity to catch an error before a transaction is fully executed. Duties that should be segregated include: custody of assets, recording transactions, and authorization. The individual responsible for having access to inventory of unused cash receipts and taking collections to the County Treasurer’s Office should be different from the individual responsible for accounting for numerical sequence of cash receipts, recording receipts in cash received report, maintain inventory log of unused cash receipts, preparing billings and following up on delinquencies, preparing reports of cash receipts, and preparing monthly reports. In addition, the individuals previously noted should be different from the individual responsible for comparing listed mail receipts to cash receipts, verifying that voided receipts are kept and reviewed, and verifying that total amount of remittance form agrees to cashier’s close-out reports.

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

Failure to ensure that incompatible duties are adequately segregated or that compensating controls are implemented increases the risk of loss or misuse of County funds.

Recommendation:

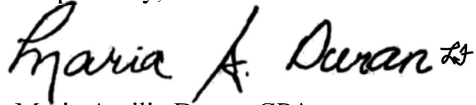
Management should ensure that incompatible duties are adequately segregated such as those noted above. If incompatible duties cannot be adequately segregated, management should ensure that compensating controls are implemented.

Please provide written management responses to the observations noted above by October 15, 2021.

HIDALGO COUNTY DISTRICT JUDGES

We would like to express our sincere appreciation to you and your staff for the courtesy, cooperation, and assistance provided to us during the cash count. If you have any questions regarding this cash count or would like to schedule a meeting to discuss this cash count, please contact 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
Mr. Sergio Cruz, Director, Department of Budget and Management
Ms. Monica Salinas, Commissioners Court Administrator
Ms. Hilda Salinas, Assistant Director, Elections Department

HIDALGO COUNTY DISTRICT JUDGES

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

FERNANDO MANCIAS
JUDGE, 99TH 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, 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.