

## **Internal and External Audit Findings and Corrective Action Plan Policy**

### **1. PURPOSE**

- 1.1 To establish standard guidelines for Hidalgo County departments and elected offices which will help support the timely submittal of Internal or External Audit Responses and Corrective Actions necessary for addressing audit findings and weaknesses in internal controls.
- 1.2 Communicate to County Elected Officials, Department Heads, Appointed officials and designated support staff the importance of correcting these audit findings in a timely manner.
- 1.3 Failure to properly submit, address, or respond to Audit Findings and Corrective Action Plans may result in state or federal sanctions and/or the withholding of future Hidalgo County grant funds and certifications.
- 1.4 Audits Findings and Corrective Action Plans are developed and implemented as a means of sustaining the public's trust as well as mitigating potential fraud, waste and abuse.

### **2. SCOPE**

- 2.1 This policy applies to all Hidalgo County departments and agencies that are overseen by the County Executive Officer as designed by the Governing Authority.
- 2.2 Elected Offices will apply this policy as a guide to help them best coordinate internal and external audit findings and corrective action plans so as to facilitate shared communications and assistance in addressing the concerns with responsible individuals or facilitate a request for assistance from the Executive Office.

### **3. POLICY**

- 3.1 Executive Office, Department of Budget and Management and department audited will receive the final internal or external audit report with recommendations.
- 3.2 Audited department will have 15 to 30 days, depending on the nature of the audit, to review findings and submit their management responses. The internal or external audit finding report will specify the due date.

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- 3.3 If management responses are not received by the Auditor's Office on the due date, the Auditor's Office will send 3 reminders, once a week or as needed requesting managements responses.
- 3.4 Unsuccessful requests for management responses will be forwarded to the Executive Office and DBM to handle.
- 3.5 Departmental management responses will include an implementation date, and indicate who will be primarily responsible for implementing management's corrective action plan.
- 3.6 Once the departmental management plan implementation date for corrective action is expired, the Auditors Office will confirm to verify that the necessary corrective actions to address each of the findings were completed.
- 3.7 Auditors Office will provide Executive Office and the Department of Budget and Management with final results regarding whether the department corrective action was fully implemented, partially implemented, or not implemented.
- 3.8 For partially implemented and not implemented corrective actions, the Auditors Office will send up to 3 requests for status updates. Further requests will be handled by the Executive Office.
- 3.9 Status updates, correspondence and departmental responses requested by the Auditors Office will be documented and forwarded to the Executive Office and the Department of Budget and Management to keep them informed of their progress.
- 3.10 The status of the departmental corrective action plan will be tracked and reported to the Hidalgo County Commissioners Court on an as needed basis by the County Executive Office to ensure identified weaknesses in internal controls are addressed timely.

**4. EXCEPTION**

- 4.1 Any exceptions to this policy must be approved by Commissioners' Court prior to implementation.