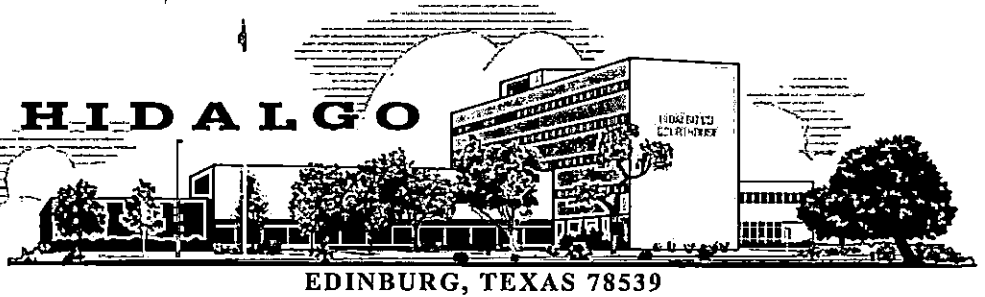


# COUNTY of HIDALGO

HIDALGO COUNTY AUDITOR'S C  
Hidalgo County Administration B  
2808 South Business Highway 28  
Edinburg, Texas 78539-6243  
PHONE: (956) 318-2511  
FAX: (956) 318-2577



October 31, 2022

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

Re: MFR for February 2022 through August 2022

Dear Mr. Garza:

We conducted a limited scope review of the Fire Marshal's *Monthly Fees Report* (MFR) and supporting documentation for the months of February 2022 through August 2022 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, reporting, receipting, and collection of proper fees requires improvement. More specifically, we noted the following:

- Daily Close-out Reports are not properly reconciled.
- Fees were not collected in accordance with the fee schedule 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 February 2022 through August 2022. 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.

### HIDALGO COUNTY DISTRICT JUDGES

LUIS M. ENGLETTERRY JUDGE, 12 <sup>th</sup> D.C.	FERNANDO MANCIAS JUDGE, 13 <sup>th</sup> D.C.	J. R. "BOBBY" FLORES JUDGE, 113 <sup>th</sup> D.C.	ROSE GUERRA REYNA JUDGE, 20 <sup>th</sup> D.C.	MARLA CUELLAR JUDGE, 275 <sup>th</sup> D.C.	MARIO E. RAMIREZ, JR. JUDGE, 312 <sup>th</sup> D.C.	NOE GONZALEZ JUDGE, 370 <sup>th</sup> D.C. OVERSEER	LETICIA LOPEZ JUDGE, 383 <sup>th</sup> D.C.	L. KENO VASQUEZ JUDGE, 338 <sup>th</sup> D.C.	ISRAEL RAMON, JR. JUDGE, 430 <sup>th</sup> D.C.	RENEE R. BETANCOURT JUDGE, 449 <sup>th</sup> D.C.	JOSE "JOE" RAMIREZ JUDGE, 464 <sup>th</sup> D.C.
---	--	---	---	--	--	---	--	--	--	--	---

**Observation No. 2:**

We noted that a fee collected in March 2022 was not collected in accordance with the fee schedule approved by Commissioners Court. A building permit fee was collected for \$200.00 instead of \$348.05, resulting in a shortage of \$148.05. According to staff, attempts have been made to collect the shortage with no success.

Mr. Homero Garza  
October 31, 2022  
Page 2 of 2

Pursuant to Local Government Code §352.016, Commissioners Court of a County shall prescribe a reasonable fee for an inspection performed by the County Fire Marshal. On May 27, 2014, Commissioners Court approved the Fire Marshal Fee Schedule. A county officer is personally liable for the loss of funds (e.g., shortage, acceptance of counterfeit bill, hot check, credit charge backs, etc.) while in his/her possession in the performance of official duties. Shortages must be replenished or indemnified pursuant to Local Government Code §157.903.

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

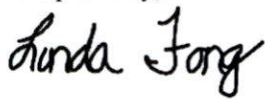
**Recommendation:**

Management should develop and implement formal procedures to ensure that fees are properly collected as approved by Commissioners Court. Further attempts should be made to collect the shortage. If the amount cannot be collected, management should replenish the shortage or request indemnification from Commissioners Court pursuant to Local Government Code §157.903.

Please provide a written management response to the observations noted above on the attached Management Response Forms by November 15, 2022. The Management Response Forms should be emailed to [managementresponse@auditor.co.hidalgo.tx.us](mailto:managementresponse@auditor.co.hidalgo.tx.us).

If you have any questions, please contact Linda Vasquez, Internal Auditor I, at 318-2511 ext. 4694, Reynaldo Cantu III, Director of Audit Division, at ext. 4654, Letty Chavez, First Assistant Auditor, at ext. 4651, or me at ext. 4668.

Respectfully,



Linda Fong CPFO  
Hidalgo County Interim Auditor

Enclosure: Management Response Forms

cc: Mr. Valde Guerra, County Executive Officer  
Mr. Eric Sanchez, Chief Deputy Fire Marshal  
Mr. Vidal Roman, Budget Officer, Department of Budget and Management



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

**AUDITEE:** Hidalgo County Fire Marshal's Office      **AUDIT NO.:** \_\_\_\_\_

**AUDIT:** Monthly Fees Report for February 2022 through August 2022      **MANAGEMENT RESPONSE DUE:** November 15, 2022

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

Management should ensure that the Daily Close-out Report is properly completed. At a minimum, the procedures noted above should be implemented.

---

**Management Response (Choose One):**

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

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

**Specify Target Date of Remedial Action (if any):**

---

**Signature:** \_\_\_\_\_      **Date:** \_\_\_\_\_

---